
Section V

FY 2022

Revised Budget

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FY 2022 Revised Budget

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Function*				
General Government	\$ 4,147.0	\$ 2,755.7	\$ 3,237.4	\$ 3,422.9
Human Services	4,789.2	5,213.3	5,800.3	5,736.0
Education	2,773.8	3,627.3	3,061.0	3,066.2
Public Safety	599.2	643.3	704.1	691.7
Natural Resources	89.0	113.4	148.8	148.6
Transportation	588.7	767.9	811.1	810.8
Total	\$ 12,986.9	\$ 13,120.8	\$ 13,762.6	\$ 13,876.3
Expenditures by Category*				
Salaries and Benefits	\$ 1,752.7	\$ 1,903.4	\$ 1,959.5	\$ 1,930.9
Contracted Services	641.6	703.7	766.0	755.0
Subtotal	\$ 2,394.3	\$ 2,607.1	\$ 2,725.5	\$ 2,685.8
Other State Operations	800.0	1,126.8	1,374.1	1,351.9
Aid to Local Units of Government	1,669.0	2,211.4	1,788.5	1,769.7
Assistance, Grants, and Benefits	6,991.5	5,892.1	6,209.4	6,170.5
Capital	388.6	452.8	535.4	577.9
Capital Debt Service	243.5	252.7	250.6	250.6
Operating Transfers	500.1	577.9	879.2	1,069.8
Total	\$ 12,986.9	\$ 13,120.8	\$ 13,762.6	\$ 13,876.3
Sources of Funds*				
General Revenue	\$ 4,078.6	\$ 4,550.8	\$ 4,998.9	\$ 5,492.8
Federal Aid	6,603.3	5,862.7	6,051.1	5,704.3
Restricted Receipts	237.5	372.7	448.0	383.2
Other	2,067.5	2,334.6	2,264.6	2,296.0
Total	\$ 12,986.9	\$ 13,120.8	\$ 13,762.6	\$ 13,876.3
FTE Authorization	15,124.7	15,313.2	15,320.5	15,317.9
FTE Average	13,896.5			

**Data in millions*

Summary

The Governor's revised budget recommendations for FY 2022 are contained in 2022-H 7122, introduced on January 20, 2022. The Governor recommended total revised expenditures for FY 2022 of \$13,762.6 million, which is \$641.8 million or 4.9 percent more than enacted by the 2021 Assembly.

Total expenditures would increase \$775.7 million or 6.0 percent over FY 2021 reported expenditures. General revenue expenditures are \$448.1 million or 9.8 percent more than the FY 2022 budget adopted by the 2021 Assembly and \$920.2 million or 22.6 percent more than FY 2021. Expenditures from federal funds are \$188.4 million more than enacted and \$552.1 million less than FY 2021. Expenditures from restricted receipts are \$75.3 million more than enacted and \$210.5 million more than FY 2021. Those from other funds, including the gas tax, Rhode Island Capital Plan funds and unemployment trust funds, are \$70.0 million or 3.0 percent less than enacted and \$197.1 million more than spent in FY 2021.

The Assembly provided total expenditures of \$13,876.3 million, which is \$113.7 million more than the Governor recommended. It contains \$5,492.8 million from general revenues, \$493.9 million more than the Governor recommended.

FY 2022 Revised	General					
	Revenue	Federal	Restricted	Other	All Funds	
FY 2022 Enacted	\$ 4,550.8	\$ 5,862.7	\$ 372.7	\$ 2,334.6	\$ 13,120.8	
Governor's FY 2022 Revised	4,998.9	6,051.1	448.0	2,264.6	13,762.6	
Governor's Change to Enacted	\$ 448.1	\$ 188.4	\$ 75.3	\$ (70.0)	\$ 641.8	
Percent Change	9.8%	3.2%	20.2%	-3.0%	4.9%	
FY 2022 Final	\$ 5,492.8	\$ 5,704.3	\$ 383.2	\$ 2,296.0	\$ 13,876.3	
Change to Enacted	942.0	(158.4)	10.5	(38.6)	755.5	
Percent Change	20.7%	-2.7%	2.8%	-1.7%	5.8%	
Change to Governor	\$ 493.9	\$ (346.8)	\$ (64.7)	\$ 31.4	\$ 113.7	
Change to FY 2021	\$ 1,414.1	\$ (899.0)	\$ 145.8	\$ 228.5	\$ 889.4	
Percent Change to FY 2021	34.7%	-13.6%	61.4%	11.0%	6.8%	

\$ in millions

The FY 2021 final budget projected \$281.4 million would be available for FY 2022. Preliminary closing data showed a significant increase primarily because of higher revenues. The State Controller finalized the closing statements on January 31, 2022, and it showed a surplus of \$374.4 million or \$93.0 million more than anticipated when the budget was finalized. The Governor submitted his budget prior to the final release of these statements, but the budget incorporated most of the changes reflected in the final statements and assumed a closing surplus of \$375.0 million, which is \$0.5 million higher.

FY 2021 Closing	Enacted	Audited	Variance
<i>Open:</i> Free Surplus	\$ 156,188,375	\$ 156,188,375	\$ -
<i>Plus:</i> Adjustment to Opening Surplus	(8,422,773)	(13,159,126)	(4,736,353)
<i>Plus:</i> Reappropriated Surplus	5,336,653	5,336,653	-
<i>Equals:</i> Total Surplus	\$ 153,102,255	\$ 148,365,902	\$ (4,736,353)
<i>Plus:</i> Revenues	4,218,055,606	4,431,578,564	213,522,958
<i>Plus:</i> Adjustment to Fund Balance	110,877,242	105,804,512	(5,072,730)
<i>Minus:</i> Transfer to Budget Stabilization Fund	(130,974,636)	(137,238,234)	(6,263,598)
<i>Equals:</i> Total Available	\$ 4,351,060,467	\$ 4,548,510,744	\$ 197,450,277
<i>Minus:</i> Expenditures	(3,982,649,212)	(4,078,638,946)	(95,989,734)
<i>Minus:</i> Transfers	(87,000,000)	(87,000,000)	-
<i>Equals:</i> Closing Surplus	\$ 281,411,255	\$ 382,871,798	\$ 101,460,543
<i>Minus:</i> Reappropriations	-	(8,446,365)	(8,446,365)
<i>Equals:</i> Free Surplus	\$ 281,411,255	\$ 374,425,433	\$ 93,014,178

Preliminary data from FY 2021 showed a surplus above expectations primarily from better than expected tax collections. Pandemic related stimulus and data collection anomalies affected the accuracy of the revenue projections made in May. The largest increases were for income, sales and business taxes.

Revenues were up \$141.6 million or 3.6 percent above estimates. Taxes were \$200.4 million or 5.7 percent more than budgeted with corporate income accounting for \$86.2 million of this change and 74.5 percent more than estimated. This is likely related in part to the timing and taxability of forgiven federal business loans. Income and sales taxes also came in 4.9 percent and 3.8 percent, respectively, above estimates.

Technical accounting rules for reimbursements from the Federal Emergency Management Agency forced unbudgeted state expenses in FY 2021 and therefore the statements show \$96.0 million in overspending. That essentially gets reversed in FY 2022 with that reimbursement added to the available fund balance for no net change over the two years. Excluding the \$212.7 million of spending subject to that timing issue, general revenues were actually otherwise underspent by \$116.7 million. A significant portion of that relates

to prior year claiming of Medicaid because of ongoing issues with Eleanor Slater Hospital. There was also lower spending in general for the Medicaid caseload.

Expenditures from all sources were \$1,338.1 million, or 9.0 percent less than enacted. This is higher than the usual gap which can be attributed to the timing of expenditures from the variety of newly approved grants and other federal funds. While the budget attempts to account for expenses when they are planned to occur, the unusually high number of new grants without more precise spending plans or timing estimates has complicated this effort.

The November consensus estimate showed a \$273.3 million increase and the caseload estimate lowered general revenue expenses by \$41.8 million. There were additional changes to current year spending that also increased the current year surplus. The Governor's revised budget used most of the newly available surplus for major one-time information technology and capital commitments, to cover pension debt and other obligations, as well as to account for employee wage increases agreed to in December. He left \$135.5 million to be available for use in FY 2023.

Following the May revenue and caseload conferences, available resources over the two year period were increased by over \$600 million. By that time it was also clear that existing resources would not be sufficient to handle the expected volume of Medicaid recipients requiring eligibility review, additional employee contracts were settled, and there were issues with assumptions regarding forensic patients at Eleanor Slater Hospital.

The Assembly used those resources to resolve the issues noted above and began to address the issue of stagnant Medicaid reimbursements with rate increases for a variety of programs. The recommendation also dedicated an additional \$240.0 million for pay-go capital expenses, most of which is in FY 2022 to support several projects for which the Governor had recommended federal State Fiscal Recovery funds as well as to cover shortfalls in key higher education projects. This includes \$46.0 million for Galilee Port rehabilitation, \$5.0 million for the Pawtucket/Central Falls Bus Hub Passenger Facility, and \$32.0 million for projects under the purview of the Convention Center Authority. New support for an in-state residential treatment facility for girls will also come from these resources. The Assembly also provided another \$25.0 million to recapitalize the funds for state technology improvements allowing for a number of smaller projects proposed for federal State Fiscal Recovery funds to be addressed.

A notable change in the FY 2022 revised budget is the addition of \$278.9 million from general revenues for expenses subject to reimbursement through the Federal Emergency Management Agency and recognizing the corresponding reimbursement in FY 2023 consistent with applicable accounting standards to avoid the situation with unbudgeted expenses noted earlier. The total reflects further refinement of estimates from the Budget Office, which also show a higher level of total expenses than the \$243.9 million the Governor's revised budget assumes. The full amount is shown as a fund balance adjustment to FY 2023 available for expenditure.

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.

	Enacted	Final	Difference
Opening Surplus			
Free Surplus	\$ 281,411,255	\$ 374,425,433	\$ 93,014,178
Reappropriated Surplus	-	8,446,365	8,446,365
Adjustment to Fund Balance - FEMA	-	212,685,028	212,685,028
Subtotal	\$ 281,411,255	\$ 595,556,826	\$ 314,145,571
Revenues			
Actual/Enacted/Estimated	\$ 4,410,736,347	\$ 4,410,736,347	\$ -
Governor	-	279,526,653	279,526,653
Assembly	-	380,650,121	380,650,121
Revenues	\$ 4,410,736,347	\$ 5,070,913,121	\$ 660,176,774
Budget Stabilization and Cash Reserve Fund	\$ (140,764,428)	\$ (163,360,157)	\$ (22,595,729)
Total Available Resources	\$ 4,551,383,174	\$ 5,503,109,790	\$ 951,726,616
Expenditures			
Actual/Enacted/Estimated	\$ 4,550,811,637	\$ 4,550,811,637	\$ -
Reappropriations	-	8,446,365	8,446,365
Governor	-	439,626,554	439,626,554
Assembly	-	493,879,663	493,879,663
Total Expenditures	\$ 4,550,811,637	\$ 5,492,764,219	\$ 941,952,582
Total Surplus	\$ 571,537	\$ 10,345,571	\$ 9,774,034
Free Surplus	\$ 571,537	\$ 10,345,571	\$ 9,774,034
<i>Operating Surplus/(Deficit)</i>	<i>(280,839,718)</i>	<i>(576,764,890)</i>	<i>(295,925,172)</i>
Budget Stabilization and Cash Reserve	\$ 234,607,380	\$ 253,260,983	\$ 18,653,603
Percent of Revenues	5.3%	5.0%	-0.3%

The revised budget as recommended by the Governor would have left a \$135.5 million surplus for use in FY 2023. The final FY 2022 budget has a \$10.3 million surplus; as noted previously, federal reimbursements for FY 2022 expenses are also expected to add \$278.9 million in available fund balance for use in FY 2023. The FY 2023 enacted budget has a \$1.1 million ending surplus and is presented as part of the overview of the FY 2023 budget in that section of this publication.

Department of Administration

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 162,688,323	\$ 263,601,178	\$ 344,971,558	\$ 295,096,292
Accounts & Control	4,959,138	13,337,649	15,671,390	16,405,637
Office of Management & Budget	9,019,040	9,927,597	10,382,316	10,182,316
Purchasing	4,246,515	4,070,981	4,482,509	4,382,509
Human Resources	405,879	1,099,549	1,099,549	899,549
Personnel Appeal Board	88,133	120,050	125,355	125,355
General	252,825,988	44,775,905	456,753,875	677,772,538
Debt Service	193,626,737	184,730,292	182,233,939	182,233,939
Legal Services	2,869,183	2,262,149	2,393,749	2,193,749
Information Technology	13,361,077	10,346,505	59,729,137	84,729,137
Library Programs	2,613,864	5,444,464	6,038,521	6,038,521
Planning	4,893,847	5,921,109	6,576,016	6,576,016
Energy Resources	7,271,337	9,552,650	17,289,861	17,289,861
Statewide	4,602,413	-	115,060	-
Health Benefits Exchange	12,074,729	24,902,490	24,894,886	24,488,594
Diversity, Equity & Opportunity	933,801	1,358,591	1,440,543	1,240,543
Capital Asset Mgt. & Maint.	40,985,961	13,718,886	18,910,068	21,983,681
Total	\$ 717,465,965	\$ 595,170,045	\$ 1,153,108,332	\$ 1,351,638,237
Expenditures by Category				
Salaries and Benefits	\$ 34,560,754	\$ 30,955,306	\$ 34,689,296	\$ 34,074,236
Contracted Services	28,025,963	22,875,598	24,978,852	24,400,263
Subtotal	\$ 62,586,717	\$ 53,830,904	\$ 59,668,148	\$ 58,474,499
Other State Operations	47,018,102	29,103,809	229,751,062	183,758,479
Aid to Local Units of Government	11,844,545	11,664,938	11,664,938	11,664,938
Assistance, Grants, and Benefits	131,251,887	15,818,665	90,534,923	90,947,108
Capital	12,778,197	41,157,437	93,985,322	117,659,274
Capital Debt Service	168,827,917	184,630,292	182,133,939	182,133,939
Operating Transfers	283,158,600	258,964,000	485,370,000	707,000,000
Total	\$ 717,465,965	\$ 595,170,045	\$ 1,153,108,332	\$ 1,351,638,237
Sources of Funds				
General Revenue	\$ 350,166,995	\$ 196,032,533	\$ 644,429,102	\$ 907,085,958
Federal Aid	268,960,478	275,440,907	373,674,573	317,265,867
Restricted Receipts	23,421,196	45,798,133	52,662,221	46,470,024
Other	74,917,296	77,898,472	82,342,436	80,816,388
Total	\$ 717,465,965	\$ 595,170,045	\$ 1,153,108,332	\$ 1,351,638,237
FTE Authorization	647.7	650.7	650.7	650.7
FTE Average	629.9			

FY 2022 Revised Request. The revised request is \$11.7 million more than enacted from all sources, including increases of \$2.9 million from general revenues, \$2.2 million from federal funds, \$7.7 million

from restricted receipts, and \$1.1 million less from other funds. The request includes 16.2 full-time equivalent positions more than enacted. It appears that several of the requested staffing increases are included in error.

The Governor recommended \$557.9 million more than enacted from all sources, of which \$448.4 million is from general revenues. The Governor recommended the transfer of \$338.0 million from one-time surplus general revenues to the Rhode Island Capital Plan Fund, to help fund his recommendation of \$120.8 million for infrastructure upgrades at the Pastore Center and \$108.2 million for the construction of the long-term care hospital. The recommendation also includes a transfer of \$50.0 million to the Information Technology Investment Fund, and a \$61.8 million appropriation to the retirement system to pay off a debt. It includes use of \$50.0 million from federal State Fiscal Recovery funds to support the state's response to the pandemic, and \$29.0 million more for emergency rental assistance. The recommendation includes staffing consistent with the enacted budget.

The Governor subsequently requested several amendments to adjust expenditures for the Pandemic Recovery Office, adding \$0.9 million from general revenues, reflecting anticipated compensation of individuals wrongfully convicted of crimes and incarcerated, as well as adjustments to capital projects. The Assembly concurred with the subsequent amendments and provided a total of \$1,351.6 million from all sources, which is \$198.5 million more than the original recommendation, including \$262.7 million more from general revenues. This includes additional transfers of \$225.0 million to the Rhode Island Capital Plan Fund and \$25.0 million to the Information Technology Investment Fund. It also delayed \$50.0 million for Ongoing COVID-19 Response expenses to FY 2024, and adjusted expenses subject to federal reimbursement, based on accounting rules for when these reimbursements can be recognized.

Staffing Adjustments. The Department requested \$32.4 million from all sources, or \$1.4 million more than enacted, including \$2.7 million more from general revenues for salary and benefit expenditures for 246.0 full-time equivalent positions. The authorization for the remaining 420.9 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. The request includes \$1.4 million from general revenues for staffing expenses in Central Management and the Office of Internal Audit, in error; other sources of funds for these expenses are available. It also includes \$1.5 million, primarily from restoring budgeted turnover savings to fund requested new positions and to fill some vacancies. The revised turnover savings of \$1.2 million is equivalent to approximately nine vacancies. As of December 4, the Department had 52.1 vacancies, of which 44.5 are from internal service fund programs.

The Governor recommended \$3.7 million more than enacted from all sources, including \$2.0 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This also includes statewide medical benefit savings based on finalized rates. The recommendation assumes filling new positions within the Department's existing staffing level of 650.7 full-time equivalent positions. As of the pay period ending January 15, 2022, there were 51.1 vacancies. The Assembly concurred, with the exception of providing \$0.6 million less from general revenues primarily to reflect additional turnover savings.

Centralized Services. The revised request includes \$340,906 less from all sources than enacted for the Department's share of centralized information technology services. This includes \$348,981 less from general revenues and \$8,075 more from restricted health reform assessment receipts. Subsequently, the Department indicated that expenditures for information technology were reduced in anticipation of billing the expense to other agencies; however, since the rates cannot be adjusted to charge this in other agencies, it noted that these expenses would be deemed unrecoverable. It is also possible that statewide, these expenses could be less than budgeted. Through the first five months of the fiscal year, the Department has incurred \$1.0 million of expenses, for which the revised request includes \$3.0 million.

Based on information obtained from the state's financial accounting system, it appears that agency billings for facilities management and information technology services are up to date but appear to be lagging for human resources. The request includes the enacted amount \$1.1 million for human resources support. In FY 2021, the Department's averaged filled positions were 614.8 and its expenses were \$0.4 million. This suggests some savings are available. Through December 4, the Department had averaged 602.9 filled positions. The request includes the enacted amount of \$7.5 million for facilities management; these expenses appear to be \$0.4 million less than enacted and the revised request. *The Governor recommended \$670,574 less from all sources than requested, all but \$3,556 is from general revenues, based on updated billings. This includes \$660,074 less for facilities management and \$8,500 less for information technology support.* **Based on updated projections, the Assembly provided \$0.4 million more for facilities management, offset by a like amount of savings from human resource and information technology services.**

Statewide

RI Capital Plan Fund Transfer. A primary source of state pay-go funding is the Rhode Island Capital Plan Fund. These revenues are derived from the amounts exceeding 5.0 percent of revenues in the state's Budget Stabilization and Cash Reserve Account, or "rainy day fund." The rainy day fund receives 3.0 percent of all revenues and opening surpluses capped at 5.0 percent. Resources above the cap are transferred to the Rhode Island Capital Plan Fund. In order to support the maintenance, repair and construction of infrastructure, the state has utilized both funding and financing. Funding can be considered as "pay-go", which means that annual budgets include sufficient appropriations for projects to continue on schedule, without incurring long-term debt. For Rhode Island, this is accomplished primarily through the Rhode Island Capital Plan Fund. *The Governor's budget recommends the transfer of \$338.0 million from one-time general revenues to the Rhode Island Capital Plan Fund. This helps fund his recommendation for \$100.0 million for the state match for federal transportation projects, \$120.8 million for infrastructure upgrades at the Pastore Center and \$108.2 million for the construction of the long-term care hospital.*

The Assembly concurred and transferred \$240.0 million more, including \$225.0 million in FY 2022 to support several projects for which the Governor had recommended federal State Fiscal Recovery funds as well as to cover shortfalls in key higher education projects. This includes \$46.0 million for Galilee Port rehabilitation, \$5.0 million for the Pawtucket/Central Falls Bus Hub Passenger Facility and \$32.0 million for projects under the purview of the Convention Center Authority.

Deferred Pension Liability. In 1991 and 1992, the state deferred payments into the retirement system as one of the many measures taken to address the financial crisis at the time. That deferral is part of the unfunded liability being paid down in annual pension contributions and is calculated separately in each actuarial valuation. As of the most recent valuation, setting the retirement rates for FY 2024, the value of this liability is \$61.8 million. This includes \$26.9 million related to state employees and \$34.9 million related to teachers. It represents approximately \$6 million of the state's annual payments of \$541.7 million into both systems. *The Governor recommended making a \$61.8 million appropriation to the retirement system to specifically pay off this debt. His out-year forecast assumes annual savings to the state begin in FY 2025, when those rates are set with this liability removed.* **The Assembly concurred.**

ARPA - COVID-19 Ongoing Response. The American Rescue Plan Act provided funding to assist states and local governments to cover expenditures incurred from, and provide government services impacted by, coronavirus related revenue losses until December 31, 2024. Rhode Island received \$1.1 billion. The funds are intended to respond to the coronavirus pandemic and its negative economic impacts, and may be provided to households, small businesses, nonprofits, essential workers, or to impacted industries including tourism, travel, and hospitality. In adopting its FY 2022 budget in June, the Assembly preserved the full value of the American Rescue Plan Act fiscal recovery funds for a more robust public process on the

proposed uses. Consistent with the enacted budget, the revised request does not include funding from the State Fiscal Recovery Fund.

The Governor recommended \$150.1 million from federal State Fiscal Recovery funds to support the state's continued response to the COVID-19 pandemic. Funds would be used for testing, contact tracing, vaccinations, and mitigation efforts. The recommendation allocates \$50.0 million to support health care facilities but the nature of that support is not defined. It includes \$50.0 million for FY 2022, of which \$25.0 million is for health care facilities. Based on projected expenditures, the Assembly delayed FY 2022 expenses to FY 2024 and included a total of \$188.9 million. It provided and defined separate support for health care facilities.

Unintended Personnel Adjustments. In late 2021, Governor McKee reached agreements with a majority of state employee unions that include cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, for a total of 10.0 percent. It also includes two \$1,500 bonuses with one payable to current union employees as of the ratification of the contract and the second for those employed on July 1, 2022. *The FY 2022 revised budget includes funding for the first two years of the cost-of living adjustment. The recommendation appears to inadvertently include \$0.1 million from general revenues in error, as multiple changes were made to staffing costs. The Assembly excluded this funding to correct the error.*

COVID Relief - Rent and Utilities Assistance. The revised request includes the enacted amount of \$234.0 million from federal funds for rent and utilities assistance. As of December 2021, Rhode Island Housing has approved \$66.6 million in rent and utilities assistance. Pursuant to federal guidance by the U.S. Department of the Treasury, if a certain percentage of the funds are not spent, they risk being recaptured. Rhode Island Housing indicated it is reviewing applications to expand its community-based partner network from the initial ten it currently contracts. Funds will be used to provide support, prospectively or in arrears, for rent and certain utilities expenses for low and very low income households consistent with U.S. Housing and Urban Development thresholds that are below 80.0 percent and 50.0 percent area median income respectively, that have been impacted by the pandemic. *The Governor recommended \$263.0 million, or \$29.0 million more than enacted based on actual federal awards. Through January, \$117.0 million has been transferred to Rhode Island Housing. As of February 2, 2022, 29,876 applications totaling \$195.0 million of funding had been received, with 16,187 applications approved, totaling \$106.8 million of awards. The Assembly concurred. As of June 22, 2022, 60,826 applications totaling \$429.7 million of funding had been received, with 32,400 applications approved, totaling \$209.4 million of awards.*

COVID Relief - Homeowner Assistance Fund. The request includes the enacted amount of \$25.0 million from federal funds to assist homeowners of single to four family residences experiencing a pandemic-related hardship with mortgage and other financial assistance including insurance, utilities, internet, or other expenses to remain in their homes, or for reimbursement to state and local governments for homeowner assistance consistent with the aforementioned aid. The American Rescue Plan Act includes a minimum allocation of \$50.0 million to Rhode Island to establish a Homeownership Assistance Fund. Rhode Island Housing submitted the state plan to the United States Department of the Treasury on August 19, 2021 and as of January 2022, Rhode Island Housing is taking applications. To qualify for assistance a homeowner must have experienced a COVID-related financial hardship after January 21, 2020, must own and occupy a one to four housing unit, and the original mortgage balance must be less than \$548,250. *The Governor recommended funding as requested. The Assembly concurred.*

COVID Relief - Surge Hospital Operations and Deconstruction. The request includes the enacted amount of \$2.1 million from Federal Emergency Management Agency reimbursement funds for surge hospital operations and deconstruction related to COVID-19. Through January, a total of \$1.6 million has been spent. This includes a payment of \$0.7 million for use of space at the Convention Center and the Dunkin' Donuts Center, and \$0.8 million for decommissioning of the field hospital at the Convention

Center. *The Governor recommended \$7.9 million in expenditures to be reimbursed by the Federal Emergency Management Agency. This is \$5.8 million more than enacted, reflecting updated expenditures.*

The Assembly provided a total of \$9.0 million, including \$7.9 million from general revenues and \$1.1 million from federal funds, to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. This reflects further refinement of estimates from the Budget Office which also show a higher level of total expenses than the revised budget assumed. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as a fund balance adjustments anticipated to be available for use in FY 2023.

COVID Relief - Supplies. The revised request includes the enacted amount of \$1.8 million from Federal Emergency Management Agency funds for lease expenses to store supplies. *The Governor concurred. The Assembly provided \$1.8 million from general revenues in lieu of federal funds based on expected timing of Federal Emergency Management Agency reimbursements.*

COVID Relief - Government Readiness. The revised request includes the enacted amount of \$2.5 million from federal funds for expenses associated with government readiness, including screening, janitorial and reconfiguration of lobby and cubicle areas in the state. This includes \$1.5 million from Coronavirus Relief funds and \$1.0 million from Federal Emergency Management Agency funds. Through January, \$0.1 million was spent for cleaning and administrative support. *The Governor recommended \$1.7 million, including \$0.8 million less from federal Coronavirus Relief funds, reflecting available funds. The Assembly concurred and added \$1.7 million from general revenues for a total of \$3.4 million to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements, which also show a higher level of total expenses than the revised budget assumed. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as a fund balance adjustment anticipated to be available for use in FY 2023.*

COVID Relief - Individual Support. Consistent with the enacted budget, the Department's revised request does not include expenditures associated with quarantine and isolation. These expenses include temporary housing for those that cannot isolate in their homes. *Based on actual expenditures, the Governor recommended \$0.7 million from Federal Emergency Management Agency reimbursement funds. The Assembly provided \$0.7 million from general revenues in lieu of federal funds based on expected timing of Federal Emergency Management Agency reimbursements.*

COVID Relief - K-12 Reopening Initiatives. The final FY 2021 budget includes \$37.2 million from Coronavirus Relief funds in the Department of Elementary and Secondary Education for several initiatives related to reopening elementary and secondary schools. Of this amount, \$25.0 million was specifically for reopening expenses in the Providence Public School District and \$12.2 million was for all other districts. Funding supported distributing air purifiers to local education agencies, recruiting and training additional substitute teachers, and providing support to at-risk students. As these were one-time funds, the Department of Elementary and Secondary Education's revised request excludes the funding. *The Governor included \$236,928 in Elementary and Secondary Education's budget from Coronavirus Relief funds for final payments related to reopening Providence schools. He also included \$2.2 million in the Department of Administration's budget, based on actual expenditures for reopening consulting services provided during summer 2021. The Assembly concurred.*

Debt

Garrahy Parking Garage. Consistent with the enacted budget, the request includes \$1.7 million from general revenues for the Garrahy Parking Garage. The Authority's budget assumes revenues of \$2.2

million, of which \$0.7 million would be used for operating the garage and \$1.3 million would be used to offset the debt service cost; the total debt service is \$3.0 million. The garage opened in March 2020. The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage, and the 2016 Assembly amended the authorization to allow the borrowing to occur if the Authority has three purchase and sale agreements or Wexford Science and Technology agrees to lease no less than 400 parking spaces. The bonds were issued in March 2018. *The Governor recommended \$2.1 million, \$0.4 million more than enacted. This includes \$0.1 million for the debt and \$0.3 million for the state's contributions to the garage renewal and replacement fund for FY 2020, FY 2021 and FY 2022. The Assembly concurred.*

General Obligation Bonds Debt Service. The Department requested the enacted amount of \$115.2 million from all sources for general obligation debt service costs. This includes \$77.6 million from general revenues, and \$39.1 million from transportation funds. This includes \$4.0 million for projected debt service on a new bond issuance to occur in the fall of 2021. *The revised budget includes general revenue savings of \$3.1 million and \$244,774 more for transportation debt, reflecting the issuance that occurred. General obligation debt for higher education agencies remains at enacted amounts. The Assembly concurred.*

Central Management

Financial Administrator (1.0 FTE). The revised request includes \$139,657 from general revenues to fund a new administrator of financial management position, who would support programs in the Department. The request assumes no turnover savings. If approved, it appears that some of the cost of the position can be allocated to the programs it would support. *The Governor did not recommend funding the position. The Assembly concurred.*

Compensation and Job Classification Study. The Department requested \$0.4 million in FY 2022 and \$1.4 million in FY 2023 from general revenues to conduct a compensation and job classification study. An additional \$0.2 million of expenditures are projected for FY 2024, for a total cost of \$2.0 million. It should be noted that the FY 2016 final and the FY 2017 enacted budgets included a total of \$1.2 million for a classification and compensation study. The study was completed in the summer of 2017, and a total of \$0.8 million was spent. The 2021 Assembly transferred \$50.0 million to the Information Technology Investment Fund to support the Enterprise Resource Planning System to include human resources, information system, payroll, and financial management. The Department indicated that the current human resource system is outdated and it contains too many job classifications. It further noted that if the job classifications are not updated, it will result in having outdated data being entered into the new human resources module. The Division of Information Technology indicated that it does not have resources from information technology funds to pay for the study and the cost of the study was not factored into the Enterprise Resource Planning System. *The Governor recommended the total cost of the study in FY 2023. The Assembly concurred.*

Other Staffing and Operating Expenses. The Department requested \$731,664 more from general revenues for all other staffing, and operating expenses in Central Management. Salary and benefit expenses are \$693,955 more than enacted. The request inadvertently shifts \$487,740 for the cost of four positions from the facilities management internal service fund to general revenues. It also restores the enacted \$0.3 million of turnover savings assumed from the deputy director position being vacant.

Operating expenses are \$37,709 more than enacted, for costs associated with the study that examined procurement practices pursuant to the provisions of the State Purchasing Act, to award at least 10.0 percent of its purchasing and construction contracts to women and minority owned businesses. The study was completed in July 2021. *The Governor concurred with requested expenditures for the study and added \$121,058 for personnel adjustments, of which \$103,135 is to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. The*

recommendation also includes \$21,489 from federal Coronavirus Relief funds, reflecting anticipated expenditures in Central Management. The Assembly concurred.

Office of Energy Resources

Salaries and Benefits (4.0 FTE). The request includes \$0.2 million from federal funds and restricted receipts to fund 4.0 new full-time equivalent positions in the Office of Energy Resources. The request inadvertently includes staffing authorization for two interns who are working on policy issues on a temporary basis. The request restores the enacted turnover savings of \$0.2 million to fund two new programming services officer positions; a third programming services officer would be filled within the Department's existing staffing authorization. The positions will support the implementation of the Act on Climate, which established the Executive Climate Change Coordinating Council that is charged with developing plans to incrementally reduce climate emissions. The Office of Energy Resources serves as vice chair of the Council and indicated that the positions will coordinate efforts related to integrated grid planning and will support tasks focused on tracking and achieving Rhode Island's progress in reducing greenhouse gas emissions. As of December 4, the Office has three positions vacant.

The Governor concurred, with the exception of filling the three programming officer positions within the Department's existing staffing authorization; the FY 2023 recommendation increases the Office's staffing level. The Governor concurred and also added \$0.3 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on finalized rates. The Assembly concurred.

Regional Greenhouse Gas Initiative. The Department requested \$6.3 million more than enacted from the 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; four auctions are held annually. The request includes \$5.4 million to provide grants to invest in projects that reduce long-term energy demands and \$0.9 million is for energy conservation projects, such as lighting projects. Program administration expenses are \$38,568 more for auditing services. *The Governor concurred. The Assembly concurred.*

Refrigeration Energy Management Grant. In September 2021, the Office was awarded a \$0.9 million grant from the U.S. Department of Energy to help implement the Refrigeration Energy Management project. Funds will be used to help supermarkets manage the amount of energy they use for refrigeration. The requests assume use of \$451,393 each in both FY 2022 and FY 2023. *The Governor concurred. The Assembly concurred.*

Other Expenses. The revised request includes \$0.5 million more than enacted from all sources, including \$0.1 million from federal funds and \$0.4 million from restricted receipts for all remaining expenses in the Office. This includes \$0.2 million more for the Energy Efficiency and Resources Management Council, which oversees the creation, implementation and evaluation of the state's Energy Efficiency Plan. The Council obtains contracted services to support it in reviewing efficiency program plans. The revised request includes \$0.1 million from a \$0.3 million grant the office received from the United Nations Foundation; the remaining \$0.2 million is programmed in FY 2023. Funds will be used to hire a contracted program manager to help develop and implement an electrification strategy. The request also includes \$0.1 million in Reconciliation funding through the Renewable Energy Growth Program for the Distributed Generation Board to conduct energy studies, pursuant to legislation adopted in 2018. *The Governor recommended funding as requested. The Assembly concurred.*

HealthSource RI

Health Insurance Market Integrity Fund. The 2019 Assembly adopted legislation establishing a reinsurance program, to provide stability in the individual insurance market. It imposed a shared responsibility payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The penalty, collected by the tax administrator and deposited into a restricted account, 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 includes \$11.5 million from federal funds and penalty payments, \$2.6 million less than enacted. This includes \$10.9 million for reinsurance payments to health insurance carriers, or \$2.5 million less than enacted, based on anticipated payments. The request also includes \$0.1 million less to reflect updated staffing allocations of staff time dedicated to reviewing and approving exemptions. *The Governor concurred and added \$31,787 to account for statewide personnel adjustments.* **The Assembly concurred.**

Health Exchange Modernization Grant. Subsequent to the enactment of the budget, HealthSource RI obtained a \$1.1 million federal grant made available from the American Rescue Plan Act to upgrade the exchange's information technology systems. Of the grant amount, all but \$32,667 is for contracted services, including information technology support and an outreach campaign. The federal Patient Protection and Affordable Care Act required that states establish exchanges, a marketplace for individuals/families and small businesses to compare policies and premiums, and purchase health insurance. The state received a total of \$152 million from federal grants to build a state-based exchange to meet the requirements of the act. The exchange became operational on January 1, 2014. *The Governor concurred and added \$1,546 to account for statewide personnel adjustments.* **The Assembly concurred.**

ARPA - Automatic Enrollment Program. On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act, which 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. In exchange, states may not terminate eligibility for those who no longer qualify for benefits. The emergency has been repeatedly extended, and the November Medicaid caseload estimate assumes that redetermination of eligibility begins in the fourth quarter of FY 2022. Those who lose eligibility and do not have access to an employer plan may access coverage through HealthSource RI. *The recommended budgets include a total of \$0.8 million from State Fiscal Recovery funds, including \$0.5 million in FY 2022 and \$0.3 million in FY 2023 for HealthSource RI to automatically enroll qualified individuals who are transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. The funding also supports one month of premiums.* **The Assembly shifted these expenses to FY 2023 as the public health emergency was extended through the first quarter of FY 2023.**

UHIP Expenses. The revised request includes \$83,175 more from all sources than enacted, including \$92,176 from general revenues to maintain RI Bridges eligibility functions related to the coronavirus emergency HealthSource RI's share of the Unified Health Infrastructure Project expenses. This includes \$226,622 more for the contact center, \$187,742 less for the Deloitte contract for information technology support and \$28,616 more for salary and benefit expenses, reflecting updated staffing allocations for non-HealthSource staff time spent on the project. The request also includes \$8,043 more for operating expenses, primarily computer supplies. *The Governor concurred, with the exceptions of funding the general revenue expense with State Fiscal Recovery funds and adding \$10,324 to account for statewide personnel adjustments. His recommended budgets include a total of \$0.8 million from State Fiscal Recovery funds to maintain RI Bridges eligibility functions related to the coronavirus emergency. This includes \$0.6 million for FY 2022 and \$0.2 million for FY 2023. Funding is programmed in the budgets of the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI.*

The Governor requested an amendment to include \$0.1 million from general revenues for HealthSource's share of information technology expenses for eligibility redetermination functions related to the coronavirus emergency. The Assembly maintained general revenue funding for the RI Bridges system and concurred with the remainder of the amended recommendation.

Other Staffing and Operating Expenses. The revised request includes \$0.8 million more than enacted from restricted receipts for all remaining staffing and operating expenses for HealthSource RI. This includes \$0.3 million less for salaries and benefits, reflecting turnover savings for which the enacted budget did not assume any and updated allocations for staff time dedicated to the Unified Health Infrastructure Project. Through December 2021, the Office has averaged one vacancy.

The request includes an additional \$0.7 million for contracted services, \$0.2 million for an advertising campaign, \$0.3 million more for financial services, and \$0.2 million more for HealthSource RI for the employers program, previously known as "SHOP," and for data analytics. The request also includes \$0.4 million more for operating expenses, of which \$0.2 million is for postage, based on FY 2021 expenses. It also includes \$145,000 for lease payments; the enacted budget had excluded this expense in anticipation of the office moving to state-owned space. Subsequently, HealthSource RI indicated that it reviewed several potential office locations with the Division of Capital Asset Management and Maintenance; however, based on the amount of time it will take to renovate a facility, it extended the existing lease agreement for office space in East Providence to June 2022. *The Governor concurred and added \$0.1 million from all sources to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. The Assembly concurred.*

Division of Purchases

Position Upgrades. The revised request includes \$44,521 from general revenues to upgrade positions in the Division of Purchases. The Division indicated that it worked with the Division of Human Resources to develop the new classification for a standard technician to an assistant buyer. This appears to affect six individuals. The revised request assumes the proposal takes effect in September 2021; however, as of December, the public hearing process had not been held. The annual impact per person averages to approximately \$10,000. *The Governor concurred. The Assembly concurred.*

Other Staffing and Operating Expenses (2.0 FTE). The revised request includes \$276,665 more from all sources, including \$143,729 from general revenues for all other expenses in the Division. This includes \$234,638 to restore the entire enacted turnover savings to support two new positions. At the time of the budget submission, the Division had no vacancies and as of December 4, there is one vacant position. The request includes \$20,494 more from other funds for 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. The revised request includes the enacted amount of \$0.2 million for operating expenses. *The Governor recommended \$0.1 million more than requested from all sources. The recommendation added \$0.2 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by \$0.1 million in turnover savings and statewide medical benefit savings based on finalized rates. The Assembly provided \$0.1 million less from general revenues to reflect additional turnover savings and concurred with the remainder of the recommendation.*

Office of Management and Budget

Office of Internal Audit (-3.0 FTE). The Office of Internal Audit was consolidated as part of the FY 2017 enacted budget in order to increase efficiency and decrease fraud and waste. Various positions were

transferred from the Departments of Transportation and Human Services, the Office of Postsecondary Commissioner, and the University of Rhode Island to effectuate this.

The revised request is \$0.3 million less than enacted from all sources, including \$1.0 million more from general revenues and reductions of \$0.1 million from federal funds and \$1.1 million from other funds that respective agencies provide to support the transferred positions. The request inadvertently includes general revenue funding for the positions, in lieu of other available sources. It also excludes \$0.1 million from a federal grant from the U.S. Department of Agriculture for staff time dedicated to auditing the Supplemental Nutrition Assistance Program. Staffing authorization is also reduced by three positions to reflect the transfer of one position to the Office of Accounts and Control and two positions to the Office of Federal Grants Management. The request does not assume any turnover savings; the enacted budget assumed \$0.1 million. At the end of December, the Office had two vacancies, including the chief of audit position.

*The Governor recommended \$0.6 million more than requested from all sources, including \$0.4 million more from general revenues for personnel changes, including \$0.7 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. The recommendation includes an additional \$0.1 million in turnover savings. **The Assembly provided \$0.1 million less from general revenues to reflect additional turnover.***

Other Staffing and Operating Expenses (-1.0 FTE). The revised request includes \$99,993 less from general revenues for turnover savings in the Office of Management and Budget, including the Office of the Director of Management and Budget, State Budget Office, and the Office of Regulatory Reform. The savings is equivalent to 0.6 positions. At the time of the budget submission, the aforementioned offices had seven positions vacant and as of December 4, there were four vacancies. The request also reduces staffing to align the authorization closer to filled positions; however, it advertently includes staffing authorization for an intern working on policy issues on a temporary basis in the Office of Regulatory Reform. *The revised recommendation is \$67,745 more than enacted from all sources, including \$9,507 from Coronavirus Relief funds for unspecified expenses. The enacted budget includes more funding than necessary for its staffing authorization; it appears that resource and the additional recommendation of \$58,238 for staffing are to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. **The Assembly provided \$0.1 million less from general revenues to reflect additional turnover savings.***

Statewide Planning

Water Resources Board. The Department included \$109,034 more than enacted from all sources for expenditures in the Water Resources Board. This includes \$72,748 from FY 2021 unspent federal funds from the U.S. Geological Survey for a Water Use Data Research project in collaboration with the University of Rhode Island. The request also includes \$36,286 more from general revenues, of which \$34,161 is for salary and benefit expenses. This includes \$5,000 for overtime and \$29,161 for step increases and to adjust for previously understated wages for a position that was filled in FY 2021. The request also includes \$2,125 more for operating expenses, primarily for staff training. *The Governor concurred and added \$19,347 from general revenues to account for statewide personnel adjustments. **The Assembly concurred.***

Statewide Planning (2.0 FTE). The revised request includes \$15,128 more than enacted from all sources for remaining expenses in the Division of Statewide Planning. This includes \$15,371 more from general revenues and \$243 less from other funds. Salary and benefit expenses are \$1,104 less than enacted, reflecting updated staffing allocations and additional turnover savings. The enacted budget includes \$381,839 in turnover savings, which is equivalent to approximately three vacancies. The request increases staffing authorization for the division to 23.0 full-time equivalent positions, 2.0 more than enacted, reflecting a previously authorized level, which was reduced in the FY 2021 recommended budget based on

actual filled positions at that time. It should be noted that through the end of December, the Division had averaged five vacancies.

The request also includes \$16,232 more for operating expenses, including \$14,732 for lease expenses based on the division's share of the lease and electricity expenses at the Foundry Building. This is consistent with FY 2021 expenses. *The Governor recommended \$0.5 million more than requested from all sources, including \$0.3 million to restore budgeted turnover savings and \$0.3 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by statewide medical benefit savings. The recommendation reflects updated staffing allocations. The Assembly concurred.*

Information Technology

Enterprise Resource Planning System. Consistent with the capital budget, the revised request includes \$1.5 million or \$3.5 million less than enacted from restricted receipts to develop and implement an Enterprise Resource Planning System. The components of the project are not limited to human resources, payroll, and financial management; the current systems are nearing the end of their useful lives and are susceptible to security risks. The Auditor General had historically reported the inefficiencies with the various systems. A request for proposals for the new system was issued on November 1 and responses were due by December 10. The Department received six proposals and it is in the process of reviewing them. It anticipates awarding a vendor in April. *The Governor concurred. The Assembly concurred.*

RI Children Information System. The 2021 Assembly added \$28.0 million from all sources, including \$17.0 million of pay-go funding from the Information Technology Investment Fund and \$11.0 million from federal funds, to support the state's share of the cost for a new child welfare system to replace the current Rhode Island Children's Information System. Consistent with the capital budget request, the request includes \$10.0 million, or \$8.0 million more than enacted for project costs. In October, the Department of Children, Youth and Families submitted an advanced planning document, which would allow the state to claim a 50.0 percent federal match for the planning portion of the project. This was approved by the federal Administration for Children and Families and on November 5, the Department of Administration issued a request for proposals.

The Governor recommended \$0.4 million in expenditures from the Information Technology Investment Fund, \$1.6 million less than enacted, reflecting an updated project schedule. The Administration for Children and Families had approved the advanced planning document and the Department received five responses to its planning request for proposals from vendors, which are under review as of January. It should be noted that the capital budget includes this project in the Department of Children, Youth and Families; however, the operating budget includes the funding in the Department of Administration, as has been previous practice. The Governor requested an amendment to include an additional \$0.2 million to properly reflect the state's share of the project cost for FY 2022. The Assembly concurred with the amended recommendation.

Other Information Technology Expenses. Excluding expenditures for centralized services, the revised request includes \$6.1 million more than enacted for project 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. The request is essentially consistent with the capital budget request. The request reflects use of available funds from FY 2021, reflecting project delays. At the end of FY 2021, the fund had a balance of \$8.4 million, or \$6.4 million more than the final budget had assumed. Revenues were \$0.2 million less and expenditures were \$6.6 million less.

The Governor recommended \$48.4 million more than requested. This includes transferring \$50.0 million from one-time general revenues to the Information Technology Investment Fund for new information

technology projects and allocated \$19.4 million to replace the Department of Labor and Training's Temporary Disability Insurance and the Employer Tax functions and \$22.4 million for an electronic Medical Records System for Eleanor Slater Hospital. The remaining \$8.2 million will be used to fund multiple information technology projects, subject to a review process. Consistent with the capital budget, the recommendation includes \$7.1 million or \$1.6 million less for all other information technology projects, reflecting the Department's updated plan. **The Assembly concurred and transferred an additional \$25.0 million for a total of \$75.0 million. A portion of the additional transfer will be used to support projects for which the Governor had recommended State Fiscal Recovery funds.**

Other Programs

ARPA - Aid to Convention Center. The request includes the enacted amount of \$4.6 million from Rhode Island Capital Plan funds for capital projects under the purview of the Convention Center Authority. This includes \$2.0 million for the Convention Center Facility, \$1.0 million each for fire alarm replacement and garage improvement; \$2.3 million to begin the roof replacement at the Dunkin' Donuts Center; and \$285,000 for various capital asset projects at the Veterans Memorial Auditorium.

In October 2021, the Authority submitted a separate request for use of federal stimulus funds, and requested \$47.0 million, including \$38.0 million to accelerate several projects that are included in the Authority's capital budget; it would now program these expenses through FY 2025. The Authority noted that this infusion of funding would help the recovery of revenues lost and expected to be lost as the facility emerges from the pandemic. It also includes \$9.0 million in FY 2022 for administrative support.

*The Governor recommended \$47.0 million from the State Fiscal Recovery Fund, including \$8.4 million in FY 2022, \$17.7 million in FY 2023, \$13.4 million in FY 2024, \$5.5 million in FY 2025, and \$2.0 million in FY 2026. There is an offsetting reduction of \$16.5 million of previously approved Rhode Island Capital Plan funds for these facilities in the same timeframe. The FY 2022 net impact to capital expenses is \$0.5 million, and \$4.5 million for operating expenses. **The Assembly provided a total of \$42.0 million from all sources, including \$10.0 million from State Fiscal Recovery funds for operating support and maintained Rhode Island Capital Plan funds for capital projects.***

Office of Library and Information Services (2.0 FTE). The revised request includes \$494,095 more 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 increases of \$26,806 from general revenues and \$467,289 from federal funds. Salary and benefit expenses are \$14,095 less than enacted, reflecting changes in employee medical benefit selections. The request also increases staffing authorization by two positions, based on currently filled positions. It adds \$500,000 more from federal funds budgeted as grants to community libraries for various programs and projects. All other expenses are \$8,190 more than enacted, of which \$8,000 is for travel.

*The Governor concurred and added \$97,443 more from all sources, including \$92,196 to account for statewide personnel adjustments consistent with his recent labor agreements. He also recommended \$5,247 for unspecified operating expenses. **The Assembly concurred.***

Office of Diversity, Equity and Opportunity. The 2021 Assembly provided \$140,402 from general revenues to fund the equal opportunity administrator position in the Office of Diversity, Equity and Opportunity. The position had not been filled; however, it had gone through a public hearing process to approve an increase in pay. The Office is waiting for final permission from the Division of Human Resources to initiate the hiring process. The administrator position for Minority Business Enterprise compliance position was also upgraded. The revised request assumes upgrading a third position; however, that position was not part of the public hearing that was held in October 2021. The request includes \$99,318 more from general revenues than enacted for salaries and benefits for expenses associated with upgrading

the positions and employee medical benefit selections. It assumes \$93,595 in turnover savings, or \$44,519 more than enacted. Through the end of December, the Office had averaged two vacancies. *The Governor concurred, with the exception of including an additional \$0.1 million in turnover savings, which are partially offset by \$62,136 to account for statewide personnel adjustments. The Assembly provided \$0.2 million less from general revenues to reflect additional turnover savings.*

Office of Federal Grants Management (3.0 FTE). The Department requested \$236,135 more from all sources than enacted, including \$124,251 from general revenues to support 3.0 more full-time equivalent positions for the Office of Federal Grants Management and the Pandemic Recovery Office, which is responsible for policy coordination and compliance for federal COVID-19 related stimulus funds, and expenses for grants management. It appears that the staffing authorization for positions were shifted from elsewhere in the Department. The enacted budget includes staffing of 4.0 full-time equivalent positions, bringing FY 2022 revised staffing to 7.0 full-time equivalent positions.

The enacted budget includes \$9.1 million from restricted receipts to be generated from an 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 legislation establishing the assessment requires an annual report before the start of each fiscal year; the report was submitted on December 1. The Department anticipated revenues of \$11.9 million, including \$8.1 million to support the Pandemic Recovery Office and \$3.8 million for the grants management system. It appears that approximately \$7 million or 60 percent of the receipts would be assessed on grants in the Department of Administration from housing funds.

The Governor's recommendation uses \$11.5 million from the projected \$11.9 million of resources. This is \$1.9 million more than requested, of which \$0.5 million more is for salaries and benefits to support the Pandemic Recovery Office to oversee all programs financed by State Fiscal Recovery or Capital Projects funds. The office will be responsible for ensuring compliance with all rules, regulations and guidance and submission of all required reports. The recommendation includes increases of \$0.6 million for the grants management system and \$0.5 million more for financial and auditing services. It also includes \$29,867 from federal Coronavirus Relief funds to support the office, reflecting actual expenditures.

The Governor subsequently requested an amendment to exempt the State Fiscal Recovery Fund and the Capital Projects Fund from the additional assessment and directly budget \$7.0 million from those sources, offset by \$6.4 million less from assessment restricted receipts for a total increase of \$0.6 million based on updated expense projections. The Assembly concurred with the amended recommendation.

Office of Accounts and Control. Excluding expenditures for the Office of Grants Management, the revised request includes \$0.5 million more than enacted from all sources for the Office of Accounts and Control. This includes \$28,779 less from restricted receipts for updated administrative expenses of the OPEB system. Salary and benefit expenses are \$0.5 million more than enacted, which restores the entire budgeted turnover savings of \$0.4 million. The request includes updated medical benefits consistent with FY 2022 revised planning values. Adjusting FY 2021 salary and benefit expenditures for the cost of positions transferred to the human resources internal service fund, the revised request is \$0.2 million more than spent in FY 2021. *The Governor concurred, with exception of including an additional \$0.2 million in turnover savings. The recommendation repurposes these savings and an additional \$0.1 million to account for the statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. The Assembly concurred.*

Tort Court Award. The revised request includes the enacted amount \$650,000 for settlements, consistent with FY 2018 through FY 2020 activity and assumes a sustained elevated level of legal fees relating to the consent decree with the Department of Justice regarding job training and community services to individuals

with developmental disabilities. Through November 26, expenditures total \$158,750, leaving \$491,250 for the remainder of the fiscal year. Of the expended amount, \$67,291 is for the consent decree with the Department of Justice.

*The Governor recommended an additional \$330,000 based on information provided by the Office of the Attorney General. Through January 28, \$0.4 million has been spent. The Governor subsequently requested amendments to include an additional \$0.9 million from general revenues, reflecting anticipated compensation of individuals wrongfully convicted of crimes and incarcerated. **The Assembly concurred with the amended recommendation and included a total of \$1.9 million, \$1.2 million for wrongfully convicted settlements and the remaining \$0.7 million is for legal fees relating to the consent decree with the Department of Justice, and other settlements.***

Capital - Other Projects. The Department requested the enacted amount of \$27.4 million from Rhode Island Capital Plan funds for 33 ongoing projects. This is essentially consistent with the capital budget. *The Governor recommended \$6.9 million more than enacted, reflecting the automatic reappropriations for several projects. The Governor requested two amendments restoring \$383,000 from FY 2021 unspent Rhode Island Capital Plan funds for the State House Renovations project and \$0.4 million for the Old State House project. **The Assembly concurred with the amended recommendation and shifted a total of \$5.5 million to FY 2023 for two projects, reflecting delays. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Expenses. The revised request includes \$42,279 less from general revenues for all other expenses in the Division of Capital Asset Management and Maintenance, Legal Services and the Personnel Appeal Board, which holds hearings regarding state employees' appeals of personnel actions. The request inadvertently includes staffing authorization for the board members. It includes \$54,329 less than enacted for salaries and benefits, to primarily reflect employee medical benefit selections. It assumes \$12,947 in turnover savings; however, the Department had averaged one vacancy in the Office of Legal Services since the beginning of the fiscal year. Operating expenses are \$12,050 more, including \$5,000 each for legal services and computer supplies.

*The Governor recommended \$316,232 more than requested, including \$284,137 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, and an additional \$38,595 for operating expenses. **The Assembly provided \$0.1 million from general revenues for updated staffing expenses in the Division of Capital Asset Management and Maintenance, and concurred with the remainder of the recommendation.***

Department of Business Regulation

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 3,265,145	\$ 3,232,684	\$ 3,452,857	\$ 3,452,857
Banking Regulation	1,615,560	1,695,824	2,000,290	2,000,290
Securities Regulation	639,081	832,118	811,083	811,083
Insurance Regulation	5,434,214	6,186,021	6,253,238	6,253,238
Office of the Health Insurance Commissioner	2,341,798	2,275,805	2,526,204	2,526,204
Board of Accountancy	5,204	5,883	5,490	5,490
Commerical Licensing, Gaming, & Athletics	1,797,901	1,943,356	2,076,298	2,076,298
Building, Design & Fire Professionals	8,487,513	8,795,911	9,618,027	11,426,549
Office of Cannabis Regulation	1,083,315	1,165,441	1,220,618	1,686,544
Total	\$ 24,669,731	\$ 26,133,043	\$ 27,964,105	\$ 30,238,553
Expenditures by Category				
Salaries and Benefits	\$ 18,330,241	\$ 19,274,467	\$ 20,521,825	\$ 20,343,567
Contracted Services	3,019,588	2,730,372	2,832,178	3,027,555
Subtotal	\$ 21,349,829	\$ 22,004,839	\$ 23,354,003	\$ 23,371,122
Other State Operations	3,068,925	3,856,949	4,279,065	5,286,394
Aid to Local Units of Government	-	-	-	-
Assistance, Grant, and Benefits	1,375	52,517	35,000	35,000
Capital	249,602	218,738	296,037	1,546,037
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 24,669,731	\$ 26,133,043	\$ 27,964,105	\$ 30,238,553
Sources of Funds				
General Revenue	\$ 15,221,382	\$ 19,239,606	\$ 20,790,554	\$ 21,349,076
Federal Aid	3,869,741	306,000	498,339	998,339
Restricted Receipts	5,513,687	6,519,509	6,603,992	7,819,918
Other	64,921	67,928	71,220	71,220
Total	\$ 24,669,731	\$ 26,133,043	\$ 27,964,105	\$ 30,238,553
FTE Authorization	161.0	162.0	162.0	162.0
FTE Average	146.5			

FY 2022 Revised Request. The Department of Business Regulation requested \$0.4 million more than enacted from all sources, including \$179,562 more from federal funds, \$211,107 more from restricted receipts, and \$1,165 less from other fund sources. *The Governor recommended \$1.4 million more than requested, including \$1.6 million more from general revenues. The Assembly provided \$2.3 million more than recommended, including \$0.6 million more from general revenues.*

Staffing. The 2021 Assembly authorized 162.0 positions for FY 2022, including the removal of 2.0 positions from the Division of Security Regulation and 1.0 position from the Division of Banking Regulation, offset by 3.0 new positions for the Office of Insurance Regulation and 1.0 new position for the Division of Building, Design and Fire Professionals. The request reallocated a number of existing authorizations between divisions, including shifting two positions from Insurance Regulation to Banking Regulation. The request assumes the use of \$0.1 million from Executive Office of Health and Human Services' federal funds to fully fund a position in the Office of the Health Insurance Commissioner until December 31, 2021. *The Governor recommended the requested position distribution.* **The Assembly concurred.**

Office of the Health Insurance Commissioner

State Flexibility Grant (1.0 FTE). The Office requested \$137,099 more from federal funds to reflect receipt of a new federal State Flexibility to Stabilize Market Program, Cycle II grant to ensure states' laws, regulations, and procedures are in line with federal requirements. The award period is September 15, 2021 to September 14, 2023 for a total of \$666,830, of which \$317,760 is for staffing, \$330,000 is for contract expenditures, and \$19,090 is for other operational expenses. The request also includes \$88,099 to support one full-time equivalent Senior Policy Analyst position to administer the program within the Office's existing staffing authorization. *The Governor recommended the position and funding, essentially as requested.* **The Assembly concurred.**

Other Personnel and Operations. The Office requested \$5,916 less than enacted, including \$4,687 less from general revenues, \$10,000 less from federal funds, and \$8,771 more from restricted receipts for all other expenses. The request for staffing is \$5,916 less than enacted, including \$14,687 less from general revenues and \$8,771 more from restricted receipts. The request for other expenses shifts \$10,000 from federal funds to general revenues for RI REACH, reflecting a decline in Medicaid eligible cases. It should be noted that the Office's capital budget request includes \$100,000 from federal funds to upgrade its website which was inadvertently excluded from its operating request.

The request also continues to assume the use of \$88,496 from federal funds for staffing associated with the oversight of risk-bearing provider organizations. It allocates the entire amount to the Executive Office of Health and Human Services. The memorandum of understanding includes an agreement, subject to semi-annual certification, to cover the position. The request would terminate the position on December 31, 2021. It is excluded from the Office's FY 2023 request. *The Governor recommended \$112,587 more than requested, including \$69,529 more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Building, Design, and Fire Professionals

State Building Office Staffing and Operations. The Department requested \$7,369 more from all sources of funds for the State Building Office expenses. This includes \$230,946 less from general revenues and \$238,315 more from restricted receipts. This reflects restoring expenses associated with three positions to restricted receipts that the 2021 Assembly shifted to general revenues because of insufficient resources. Subsequent to submission of its request, the Department indicated this shift was included in error. 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.

As submitted, the request suggests a restricted receipt shortfall of \$1.0 million. It does not account for Article 6 of 2021-H 6122, Substitute A, as amended, which changed the registration terms for the Contractors' Registration and Licensing Board from two years at \$200 to an annual \$150 fee, increasing

the fee \$100 over a two year period. Accounting for this change would reduce the discrepancy to a shortfall of \$0.4 million. It does not appear there are sufficient funds to shift the three positions. *The Governor recommended \$0.3 million more than enacted, including \$0.4 million more from general revenues, to shift expenses to general revenues based on projected fee receipts. He included \$0.3 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. Compared to the request, the recommendation is \$0.3 million more, including \$0.6 million from general revenues as he does not recommend shifting the positions back to restricted receipts. The Assembly concurred.*

Bomb Squad. The Department's request excludes the \$144,000 provided from general revenues in the enacted budget for Bomb Squad equipment upgrades. It shifts these to FY 2023, which the Department indicated was an error. *The Governor's recommendation excludes funding as requested. The Assembly included funding as enacted based on confirmation that the shift was in error.*

Fire Academy Equipment. The Department requested \$1.5 million from all sources for a new federal fire Academy equipment grant for FY 2023. The request includes \$0.5 million from federal funds and \$1.0 million from restricted receipts representing a state match. The largest expense is \$750,000 for a ladder fire engine purchased through a cooperative purchasing program and custom designed for fire training. The fire truck cost is approximate and subject to change. Other expenses include \$15,000 for an industrial washer and dryer, \$152,500 for 20 new sets of oxygen equipment to replace the damaged fire academy stock, \$25,000 for maintenance and other firefighting tools such as chainsaws, and \$50,000 for miscellaneous equipment which the Office of the State Fire Marshal indicated will primarily be used to replace ceramic tile in its burn building that has become worn with use.

The Governor recommended funding as requested. Subsequently, the Governor requested an amendment to shift \$1.3 million, including \$0.5 million from federal funds and \$0.8 million from restricted receipts, from FY 2023 to FY 2022 to reflect earlier receipt of the federal grant. The Assembly concurred with the requested amendment.

Firefighter Foam Replacement. The United States Environmental Protection Agency notes that perfluorinated and polyfluorinated substances break down very slowly and remain persistent in the environment. As a result, low levels have been found in human and animal blood as well as a variety of food products, which studies show may be linked to a variety of harmful health effects. *Subsequent to submission of the budget, the Governor requested an amendment to add \$0.4 million from general revenues for the Department to replace firefighting foam held by fire departments. He also included \$0.1 million in the Department of Environmental Management for disposal of old foam. The Assembly provided \$0.2 million more than the amendment to reflect inclusion of additional fire departments and provided that unspent funds may be reappropriated to FY 2023.*

Fire Marshal Operations. The Department requested \$239,488 more than enacted from all funds for the operations of the State Fire Marshal's office. This includes \$177,161 more from general revenues, \$48,100 more from federal funds, \$15,392 more from restricted receipts, and \$1,165 less from other funds. The request includes \$178,258 from general revenues to represent federal funds spent in FY 2021 that may not be reimbursable. The request is inconsistent with general accounting practices, as spending should be budgeted in the fiscal year expenditures were incurred, which is FY 2021 not FY 2022.

The Governor recommended \$0.4 million more from general revenues than requested, retaining the apparent error. This is \$0.2 million for vehicle purchases and \$0.2 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly provided \$0.2 million less to correct the error and concurred with the remainder of the recommendation.

Other

Seed to Sale System. The Department requested \$0.7 million from restricted receipts for FY 2023 to contract with a new vendor to develop and manage a cannabis licensing and tracking system. The Department indicated its current vendor is in financial difficulties and has failed to meet contractual requirements for system delivery and it is reviewing proposals to hire a new vendor. The system would contain a database to track licenses as well as product inventory, transactions, and verification by law enforcement. The Department's capital request includes \$150,000 for this item in FY 2023; however, the Department indicated its operating request should prevail. The FY 2023 request assumes the newly selected vendor will deliver on major portions of the system within the fiscal year.

The Governor recommended funding as requested and recognized that this expenditure will reduce the transfer of excess receipts to the general fund. Subsequently, the Governor requested an amendment to increase expenses by \$0.5 million in FY 2022 to reflect updated cost and timeline projections. The Assembly concurred with the amended recommendation.

Office of Cannabis Regulation. The request includes \$3,763 less than enacted from restricted receipts to support the regulation and oversight of the state's medical marijuana and hemp programs and its remaining 7.0 authorized full-time equivalent positions. The request shifts funds from operating costs to personnel expenses, which the Department indicated was unintentional. *The Governor recommended funding as requested and added \$55,440 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Position Upgrades. The request includes \$37,830 more from general revenues reflecting position upgrades for four examination positions, including one position in the Division of Banking Regulation and three in the Division of Insurance Regulation. The positions are subject to Chapter 27-13.1 of the Rhode Island General Laws and are reimbursed at 150.0 percent of position cost by fees assessed on regulated industries. It should be noted that when positions conduct work unrelated to examination responsibilities, this reimbursement is not collected. *The Governor recommended funding position upgrades as requested and added \$1,913 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The recommendation also assumes \$63,000 more in revenues associated with the position upgrades. The Assembly concurred.*

Other Salaries and Benefits. The request includes \$57,023 more than enacted from all sources of funds for staffing costs of the remaining 84.0 full-time equivalent positions for the banking, securities and insurance regulation, commercial licensing, and central management divisions. This includes \$110,883 more from general revenues and \$53,860 less from restricted receipts. The Department indicated the requested increase is overstated, as it shifts two positions to the Division of Banking Regulation to more accurately reflect where work is conducted, but does not remove equivalent funding from the Division of Insurance Regulation. The Department intended to request only \$20,000 more from general revenues for current service adjustments.

The Governor's budget maintained the requested overstatement and added \$0.5 million, including \$0.4 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred based on the third quarter report, which showed spending consistent with the Governor's recommendation.

Information Technology Projects. The Department's request did not include funding for several information technology projects that appear in its capital budget request. These projects total \$2.8 million

from Rhode Island Capital Plan funds for FY 2022 and are detailed in the agency's capital budget request. Some of the larger items include \$1.5 million to replace the Department's licensing software, \$1.0 million for a Blockchain pilot program, and \$80,000 to develop a construction website wizard. The Department indicated this exclusion is unintentional. *The Governor did not recommend funding for FY 2022; however, he included the licensing software and Blockchain pilot programs for FY 2023.* **The Assembly provided Information Technology Investment funds in lieu of State Fiscal Recovery funds**

Other Operations. The request includes \$64,374 more than the enacted budget from all sources of funds for all other expenditures. This includes \$53,759 more from general revenues, \$4,363 more from federal funds, and \$9,463 less from restricted receipts. Unpaid FY 2021 software maintenance contract expenses account for \$45,000 of the increase to general revenues. All other changes represent adjustments to align the budget more closely with FY 2021 expenditures.

The request includes \$7,852 more than the enacted budget, including \$52 more from general revenues, for its share of centralized services provided through the Department of Administration. It should be noted that the first quarter internal services fund report suggests the Department will exceed budgeted information technology costs by \$125,228. FY 2021 information technology expenditures were \$65,530 more than included in the FY 2022 enacted budget. *The Governor recommended \$53,463 more than requested, almost entirely from general revenues, to reflect updated centralized services expense projections.* **The Assembly concurred.**

Executive Office of Commerce

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Executive Office of Commerce	\$ 3,342,083	\$ 9,513,436	\$ 9,479,002	\$ 9,003,777
Housing & Community Dev.	32,885,198	49,812,461	99,066,287	102,902,154
Quasi-Public Appropriations	12,382,141	21,124,801	21,391,192	21,391,192
Economic Dev. Initiative Funds	63,691,797	110,684,176	92,147,735	92,147,735
Commerce Programs	1,200,000	1,600,000	34,600,000	34,100,000
Total	\$ 113,501,219	\$ 192,734,874	\$ 256,684,216	\$ 259,544,858
Expenditures by Category				
Salaries and Benefits	\$ 1,853,489	\$ 2,436,906	\$ 2,042,167	\$ 2,042,167
Contracted Services	173,865	9,080,275	9,580,275	9,105,050
Subtotal	\$ 2,027,354	\$ 11,517,181	\$ 11,622,442	\$ 11,147,217
Other State Operations	624,514	601,912	27,134,168	30,470,035
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	89,659,137	104,337,730	114,603,554	114,603,554
Capital	4,991	7,581,250	7,847,641	7,847,641
Capital Debt Service	-	-	-	-
Operating Transfers	21,185,223	68,696,801	95,476,411	95,476,411
Total	\$ 113,501,219	\$ 192,734,874	\$ 256,684,216	\$ 259,544,858
Sources of Funds				
General Revenue	\$ 59,658,803	\$ 98,845,603	\$ 98,520,166	\$ 111,767,267
Federal Aid	48,445,648	79,612,387	143,654,727	133,268,268
Restricted Receipts	5,132,885	7,698,884	7,664,932	7,664,932
Other	263,883	6,578,000	6,844,391	6,844,391
Total	\$ 113,501,219	\$ 192,734,874	\$ 256,684,216	\$ 259,544,858
FTE Authorization	14.0	16.0	16.0	16.0
FTE Average	11.7			

FY 2022 Revised Request. The Executive Office of Commerce's revised budget request is \$0.5 million less than the enacted amount. This includes \$0.4 million less from general revenues, \$57,094 less from federal funds, and \$34,734 less from restricted receipts. *The Governor recommended \$64.5 million more than requested, including \$0.1 million more from general revenues. The change mostly reflects federal funds approved on January 4 from State Fiscal Recovery funds. The Assembly provided \$2.9 million more than recommended, including \$13.2 million more from general revenues and \$10.4 million less from federal funds to reflect a timing issue with funds subject to reimbursement from the Federal Emergency Management Agency.*

Centralized Services. The Executive Office requested the enacted amount from all sources for its share of centralized services provided by the Department of Administration. FY 2021 expenditures on facilities management were \$39,631 more than the enacted budget. The first quarter internal service fund report suggests spending will require \$19,651 more than enacted. *The Governor recommended \$8,886 more than enacted from general revenues based on updated expense projections. The Assembly concurred.*

Economic Development Programs

Small Business and Technical Assistance. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$32.0 million to provide grants and technical assistance to businesses impacted by the COVID-19 pandemic, consistent with the Governor's intent. It allocates \$12.5 million in direct grants, \$10.5 million in technical assistance, \$7.5 million for Public Health Capital Improvements, and \$1.5 million for administrative costs associated with this and for the Assistance to Impacted Industries program. Awards are limited to not more than \$10,000 through any single program or more than \$20,000 in aggregate. It also limits eligibility to businesses with less than \$1.0 million in annual gross revenues that can demonstrate a negative impact from the COVID-19 pandemic and requires that 20.0 percent of funds be reserved for awards to assist minority business enterprises. The agency's request does not reflect this appropriation. *The Governor included the \$32.0 million in the revised budget. He also recommended \$13.0 million more for FY 2023. The Assembly included funding for FY 2022 only.*

Assistance to Impacted Industries. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$13.0 million to address the negative impacts of the pandemic to the tourism, hospitality, and events industry, consistent with the Governor's intent. It allocates \$8.0 million in direct grants, \$3.0 million for place making improvements and pandemic safe programming, and \$2.0 million for tourism marketing. It also limits eligibility to businesses within the industry that can demonstrate a negative impact from the COVID-19 pandemic. The agency's request does not reflect this appropriation. *The Governor included the \$13.0 million in the revised budget. He also recommended \$15.5 million more for FY 2023. The Assembly included funding for FY 2022 only.*

State Small Business Credit Initiative. The Executive Office requested the enacted amount of \$56.2 million from American Rescue Plan Act funds to support small businesses impacted by the economic effects of the coronavirus pandemic. Funding is available to expand or create new state small business investment programs that provide access to capital, collateral support, loan participation, loan guarantees, and venture capital. The act includes a set-aside to support businesses controlled by the socially and economically disadvantaged, with technical assistance and enhanced support for recipients that "demonstrate robust support" for those groups. As of December 2021, the Commerce Corporation indicated it had not received notice that any federal funds had yet been made available. As of January 4, 2022, *Federal Funds Information for States* documents revised this amount up to \$61.7 million. *The Governor recommended \$20.0 million, which is \$36.2 million less than enacted, based on an updated program schedule. The Assembly concurred.*

COVID Relief - Restore RI Grants. The final FY 2021 budget included \$34.0 million from federal Coronavirus Relief funds within the Executive Office of Commerce for program administration and financial support to organizations adversely impacted by the COVID-19 pandemic. 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. FY 2021 expenditures were \$24.7 million and the enacted budget includes no funding. The Office did not include funding in its FY 2022 revised request. *The Governor recommended \$4.7 million to reflect remaining program expenses. The Assembly concurred.*

Executive Office

Broadband Infrastructure. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly

enacted 2021-H 6494, Substitute A, containing \$0.5 million for broadband infrastructure planning work consistent with the Governor's intent. It includes a needs assessment, statewide mapping of broadband access and cost, and one new Broadband Director Position at the Commerce Corporation. The Executive Office estimated the annualized cost of the position at \$150,000. The Infrastructure Investment and Jobs Act could make Rhode Island eligible for up to \$100.0 million in federal funds for broadband infrastructure upgrades, but none of these funds will be available if Rhode Island does not possess a designated state broadband coordinating entity and a broadband strategic plan. The agency's request did not reflect this appropriation. *The Governor included the \$0.5 million. The Assembly concurred.*

Deputy Secretary. The 2021 Assembly provided \$262,051 from general revenues and authorized a new position to serve as the executive director of the Housing Resources Commission and the state's lead official to coordinate and facilitate housing production. It enacted Sections 2 and 3 of Article 14 of 2021-H 6122, Substitute A, as amended, to effectuate this and required the Deputy Secretary to provide extensive annual reporting on housing units, affordability, healthy housing stock and housing formation trends for each community, including recommendations to facilitate future development. The Office's request included \$172,827 less than enacted, which would fund the position for four months.

The Executive Office announced on December 9, 2021 that it had selected a candidate to fill the position. It also submitted a "preliminary" version of the required report on December 31, 2021, which indicated that the new Deputy Secretary will begin in January 2022. *The Governor recommended funding as requested. The Deputy Secretary position was filled in January 2022. The Assembly concurred.*

Personnel and Operations. The Office requested \$146,880 less than enacted from general revenues for all other operations and expenditures associated with the remaining 3.0 full-time equivalent positions. The reduction appears to represent turnover savings associated with one position that has been vacant since the beginning of FY 2022.

The Governor recommended \$0.3 million more than enacted, including \$0.2 million more from federal funds for the Office's share of support for the state COVID-19 website and \$46,660 more from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. The Assembly concurred.

Housing and Community Development

Housing Production Fund. The 2021 Assembly enacted a second tier of the Real Estate Conveyance Tax, doubling the tax to \$4.60 for each \$500 increment for residential property over \$0.8 million, and reallocates a portion to be deposited in a new housing production fund, effective January 1, 2022, expected to provide \$3.0 million for FY 2023. It also provided \$25.0 million from general revenues to capitalize the fund and required that funds be disbursed subject to program and reporting guidelines adopted by the Coordinating Committee. The Coordinating Committee met on November 29; no votes were taken. The revised request includes funding consistent with the enacted budget. *The Governor recommended funding as requested. The Coordinating Committee voted to establish guidelines on March 7, 2022. The Assembly concurred.*

Development of Affordable Housing. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$15.0 million to provide an enhanced level of gap financing, equal to the total funding gap for affordable housing developments, consistent with the Governor's intent. This creates an additional directed subsidy as a match to multiple sources of financing for affordable housing developments, including federal low income tax credits, affordable housing general obligation bond funds, and the Housing Production Fund authorized by the 2021 Assembly. The agency's request did not include this appropriation.

The legislation requires the funds be distributed with the federal tax credit and bond funding administered by Rhode Island Housing under the existing application process, consistent with the Governor's proposal. The Assembly also requires these funds to be used in conjunction with general obligation bond funds and other available resources and only subsequent to the Housing Resources Commission Coordinating Committee establishing guidelines for the use of the Housing Production Fund proceeds. The Coordinating Committee met on November 29; no votes were taken. *The Governor included the \$15.0 million in the revised budget. He also recommended \$75.0 million for FY 2023 through FY 2025. The Coordinating Committee voted to establish guidelines on March 7, 2022. The Assembly concurred and added \$10.0 million for FY 2023.*

Predevelopment and Capacity Building. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$0.5 million for contracted consultants for an estimated six month period to provide administrative personnel support to the Office of Housing and Community Development, consistent with the Governor's intent. The funding is intended to assist with managing the increased resources for federal and other housing related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. It should be noted that the 2021 Assembly added a new position to increase such capacity; as of September 2021 the position is filled. The agency's request did not include this appropriation. *The Governor included the \$0.5 million in the revised budget. He also recommended \$0.5 million each for FY 2023 and FY 2024. The Assembly concurred.*

Homelessness Assistance Program. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$1.5 million to provide housing navigation, stabilization and mental health services for 500 people experiencing homelessness, consistent with the Governor's intent. The Office of Housing and Community Development and Rhode Island Housing will administer the program which provides grants to service providers, with training and policy support from the Continuum of Care and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, and administrative support through the Affordable Housing Capacity initiative, discussed separately. The proposal assumes a six month launch period and limits training expenses to \$250,000. The 2021 Assembly required the Chief of the Office of Housing and Community Development to provide monthly progress reports regarding achievement of these efforts, including describing any changes since the last report. The agency's request did not include this appropriation. *The Governor included the \$1.5 million in the revised budget. He also recommended \$20.0 million for FY 2023 through FY 2025. The Assembly concurred.*

Site Acquisition. On October 7, 2021, the Governor requested an amendment to the FY 2022 enacted budget to authorize use of \$113.0 million from State Fiscal Recovery funds. The 2021 Assembly enacted 2021-H 6494, Substitute A, containing \$12.0 million to continue a site acquisition program which began during 2020 in response to the coronavirus pandemic, consistent with the Governor's intent. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. During 2020, \$1.6 million was spent to subsidize two developments. The 2021 Assembly specified Rhode Island Housing as the entity and required that funding be used to finance projects that require a minimum deed restriction of at least 30 years and a non-recourse financing structure. The agency's request did not include this appropriation. *The Governor included the \$12.0 million in the revised budget. He also recommended \$13.0 million for FY 2023 through FY 2025. The Assembly concurred.*

HOME Investment Partnerships. The American Rescue Plan Act provides \$5.0 billion through September 30, 2025 for tenant based rental assistance to prevent homelessness and housing instability through home counseling, support services, acquisition and development of non-congregate shelters for

permanent or affordable housing, or emergency shelters for those experiencing or at risk of homelessness, or fleeing interpersonal violence, sexual assault or human trafficking. Administrative costs are limited to 15.0 percent, and an additional 5.0 percent may be allocated to community housing development or non-profit organizations administering eligible activities with certain limitations. U.S. Housing and Urban Development reported Pawtucket, Providence and Woonsocket will receive \$9.6 million directly, with \$13.5 million passed-through Rhode Island Housing to other communities. *The Governor's recommendation includes the \$13.5 million for Rhode Island Housing.* **The Assembly concurred.**

Homelessness Assistance Grants. The Executive Office requested the enacted amount from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. The Housing Resources Commission typically allocates funding to the private shelter system. *The Governor recommended \$7.4 million more than enacted, including \$6.6 million more from Federal Emergency Management Agency funds and \$0.8 million of carry-forward Coronavirus Relief funds excluded from the Office's request.*

The Assembly provided \$13.2 million more from general revenues and excluded \$10.4 million from federal funds to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as a fund balance adjustment anticipated to be available for use in FY 2023.

Lead Abatement and Housing Rental Subsidies. The Executive Office requested \$4.7 million consistent with the enacted budget from restricted lead abatement and housing rental subsidy resources. Funding is from a dedicated portion of the Real Estate Conveyance Tax. The November 2021 Revenue Estimating Conference estimated that the state would retain a total of \$20.5 million from the tax in FY 2022 and \$21.4 million for FY 2023, which should yield approximately \$6.8 million and \$7.1 million, respectively, to be distributed to the Housing Resources Commission. *The Governor recommended funding as requested.* **The Assembly concurred.**

Housing and Community Development Staffing and Operations. The Executive Office requested \$191,781 less than enacted from all funds for all other operations and personnel expenditures for 11.0 full-time equivalent positions associated with the Office of Housing and Community Development. The request includes \$99,953 less from general revenues, \$57,094 less from federal funds, and \$34,734 less from restricted receipts than enacted, to reflect additional turnover savings from vacancies. *The Governor added \$80,126, including \$38,677 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates.* **The Assembly concurred.**

Capital. The Executive Office requested funding consistent with the enacted budget for I-195 Commission parks projects and Quonset Point infrastructure upgrades. Its capital budget request includes \$42.7 million more for FY 2022 than its operating request. *The Governor recommended \$0.3 million more than enacted from Rhode Island Capital Plan funds.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Labor and Training

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final ¹
Expenditures by Program				
Central Management	\$ 524,451	\$ 839,345	\$ 1,195,108	\$ 1,570,108
Workforce Development Services	22,584,199	19,805,260	26,863,265	26,513,265
Workforce Regulation and Safety	3,112,607	3,489,965	3,960,255	3,935,255
Income Support	2,542,555,169	903,599,491	816,088,390	823,285,712
Injured Workers Services	9,524,793	11,172,336	11,082,308	11,082,308
Labor Relations Board	375,716	407,364	450,778	450,778
Governor's Workforce Board	42,441,979	29,435,204	31,316,590	31,316,590
Total	\$ 2,621,118,914	\$ 968,748,965	\$ 890,956,694	\$ 898,154,016
Expenditures by Category				
Salaries and Benefits	\$ 45,612,257	\$ 56,476,126	\$ 52,904,467	\$ 52,904,467
Contracted Services	47,358,422	18,071,475	23,709,783	30,069,477
Subtotal	\$ 92,970,679	\$ 74,547,601	\$ 76,614,250	\$ 82,973,944
Other State Operations	13,018,951	14,095,467	19,417,495	20,255,123
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,505,134,518	863,315,831	787,231,431	787,231,431
Capital	231,090	243,810	1,411,257	1,411,257
Capital Debt Service	-	-	-	-
Operating Transfers	9,763,676	16,546,256	6,282,261	6,282,261
Total	\$ 2,621,118,914	\$ 968,748,965	\$ 890,956,694	\$ 898,154,016
Sources of Funds				
General Revenue	\$ 12,667,537	\$ 15,366,720	\$ 16,633,876	\$ 16,633,876
Federal Aid	2,021,370,567	435,765,035	414,181,348	421,378,670
Restricted Receipts	19,794,610	27,918,720	32,672,006	32,672,006
Other	567,286,200	489,698,490	427,469,464	427,469,464
Total	\$ 2,621,118,914	\$ 968,748,965	\$ 890,956,694	\$ 898,154,016
FTE Authorization	425.7	462.7	461.7	461.7
FTE Average	403.2			

¹ Expenditures by program corrected from hard copy publication distributed in July 2022.

FY 2022 Revised Request. The Department of Labor and Training requested \$127.3 million less than enacted from all fund sources. This includes \$71.8 million less from federal funds and \$63.0 million less from other funds, offset by \$7.4 million more from restricted receipts. *The Governor recommended \$77.8 million less than enacted and \$49.5 million more than requested from all sources, including \$1.3 million more from general revenues. This primarily reflects changes to Unemployment Insurance benefits. The Governor recommended 461.7 full-time equivalent positions, one fewer than enacted. Subsequently, the Governor requested an amendment to correct an overstatement to the Department's federal cost allocation. The Assembly provided \$7.2 million more than recommended from federal funds; it included adjustments among the divisions based on spending through the third quarter.*

Back to Business. On November 2, 2021, the Governor announced a new Back to Business initiative capitalized with up to \$4.5 million of unspent CARES Act funding. Designed as an incentive program to connect businesses with job seekers, the program provided grants to employers with fewer than 200 employees that have experienced pandemic-related job losses and continue to experience a labor shortage. Funding was provided on a first come, first served basis, with a preference for an employer base of fewer than 50 employees that have not received other federal support, including Restaurant Revitalization or Shuttered Venue Operators grants.

The maximum grant amount was \$5,000, with a \$1,000 cap on recruitment incentives. Grants could be used for sign-on bonuses for new hires, referral incentives for existing employees that recruit new hires, and other recruitment activities, including job fairs, promotional materials, or other ancillary recruitment supports. The Department reported it was provided an additional \$3.8 million from available CARES Act funding for this initiative. As the program was announced subsequent to submission of the budget request, no funding is included in the request. *The Governor recommended \$7.7 million from federal funds, essentially consistent with reported spending as of February 4, 2022.* **The Assembly concurred.**

Back to Work Rhode Island. The Department requested \$2.3 million less than enacted from coronavirus relief federal funds for the Back to Work Rhode Island program. The Assembly shifted \$9.5 million from FY 2021 to FY 2022 based on projected expenditures. The funding was available through December 31, 2021. The request includes \$7.2 million; it appeared \$7.3 million or \$126,644 more than requested had been spent as of the end of December 2021, which included \$184,509 for consulting services.

Created in response to the pandemic, the program provided resources and training to create job opportunities for Rhode Islanders. Functionally similar to Real Jobs Rhode Island, the program partnered directly with businesses, which provided training program ideas funded by the Department. As a part of the program, all participants had access to supportive services including childcare and transportation.

As of July 1, 2021, the program had 7,717 participants enrolled in training, of which 3,611 or about 47 percent were hired or upskilled at a reported cost of \$4,184 per head. *The Governor recommended funding as requested.* **The Assembly concurred.**

Real Jobs Rhode Island. The Department requested \$1.7 million more than enacted from all sources for the Real Jobs Rhode Island program. By source, it includes the enacted level of \$5.5 million from general revenues, an increase of \$0.5 million from federal grants for a total of \$1.2 million, and \$1.2 million more from restricted receipts for a total of \$3.2 million. The Governor's Workforce Board allocates Job Development Fund restricted receipts for the program, subject to appropriation. At its March 2021 meeting, the Board approved an initial allocation of \$2.0 million from restricted receipts. The Department noted that the workforce board's restricted receipts are used to fund multiple programs, and the final allocation of resources is subject to actual utilization. The program's functions are to place 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 federal funds increase represents new grant sources dedicated to the program.

As of July 1, 2021, the program had partnered with 1,961 employers across 35 industry sectors and served 12,229 participants at a cost of \$3,614 per head, of which 4,695 were placed in new jobs, 7,111 received additional training, and 423 were entrepreneurs or business owners.

The following table illustrates spending by source for the program since it began in FY 2016. Spending for the program had grown each year prior to FY 2021. The coronavirus pandemic impacted the availability of Governor's Workforce Board restricted receipts; however, that availability appears to be recovering. *The Governor recommended funding as requested.* **The Assembly concurred.**

Real Jobs RI - Spending by Source				
Source/ Fiscal Year	General Revenues	Federal Funds	Restricted Receipts	Total
FY 2016	\$ -	1,111,149	1,064,653	\$ 2,175,802
FY 2017	\$ -	6,066,831	2,964,284	\$ 9,031,115
FY 2018	\$ -	4,510,071	7,607,314	\$12,117,385
FY 2019	\$ 3,950,000	3,915,207	10,846,691	\$18,711,898
FY 2020	\$ 5,450,000	5,038,985	8,357,602	\$18,846,587
FY 2021	\$ 4,905,737	2,605,092	501,813	\$ 8,012,642
FY 2022 Gov. Rev./Final	\$ 5,450,000	1,151,649	3,200,000	\$ 9,801,649
FY 2023 Gov. Rec./Enacted	\$ 5,450,000	10,358,483	3,200,000	\$19,008,483

Real Jobs Rhode Island - Nursing Facility Staff. Consistent with the enacted budget, the request includes \$600,000 from general revenues for enhanced training for direct care and support services staff to improve resident quality of care and address the changing health care needs of nursing facility residents due to higher acuity and increased cognitive impairments pursuant to Rhode Island General Laws, Section 23-17.5-36. The Department reported it was working with stakeholders to define the funding requirements, and has targeted the University of Rhode Island to provide existing certified nursing assistants medication aide training, enhancing their skill and allowing nursing staff to focus more on patient care. *The Governor recommended funding as requested.* **The Assembly concurred.**

Recovery Workforce Program. The Department's request excludes \$0.2 million from federal funds for a recovery workforce program in conjunction with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. It appears this was inadvertently included in the enacted budget as the spending occurred during FY 2020. *The Governor recommended funding as requested.* **The Assembly concurred.**

Governor's Workforce Board Grants. The Department requested \$2.9 million more than enacted from restricted receipts to support the multiple workforce development initiatives of the Governor's Workforce Board at a total of \$10.2 million. The request also inadvertently adds the \$3.5 million provided to the Rhode Island Department of Elementary and Secondary Education in the enacted budget, which should only appear in that budget. Supported initiatives include the Real Pathways, Real Skills for Youth, and the Marine Trades Summer Work Program. Its partners include Skills for Rhode Island's Future, Institute for Labor Studies and Research, and the Westerly Education Center. *The Governor's recommendation excludes the inadvertent funding, and concurs with the remainder of the request.* **The Assembly concurred.**

Governor's Workforce Board Staffing and Operations. The Department requested \$0.1 million less than enacted from restricted receipts for staffing and 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 request reallocates staff based on current service adjustments, which are \$0.5 million less to support 0.4 more full-time equivalent positions compared to the enacted budget. This is offset by \$0.3 million more for contracted expenses for a participant tracking and contract management system, and \$13,516 less for all other expenses. The request is \$1.3 million less than FY 2021 spending, including \$0.5 million each for staffing and consulting expenses, and \$0.3 million for expenses paid to the Commerce Corporation, including repayment of \$250,000 from First Wave Closing Fund resources based on a prior agreement.

The Governor recommended \$0.1 million more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. **The Assembly concurred.**

Workforce Development Grants. The Department requested \$6.0 million more than enacted from all sources of funds for workforce development grants. The increase includes \$5.6 million mostly for ongoing Workforce Innovation and Opportunity Act programs to support employment initiatives oriented towards youth, adults and dislocated workers, which includes \$2.0 million of unspent funding from FY 2021, and \$0.6 million for a new equity-focused apprenticeship program offset by \$0.2 million less for other grants, including Trade Adjustment Assistance, which reverted to an earlier, stricter version of the program, consistent with federal legislation. This is offset by \$32,320 less from restricted receipts and includes the enacted level from general revenues. The Department's request often overstates its ability to disburse the funding.

Subsequent to submission of the budget, a new \$1.3 million national health emergency dislocated worker grant was announced to provide disaster relief jobs and employment services to eligible individuals impacted by the health and economic effects of opioid use, addiction, and overdose. *The Governor recommended funding as requested. The Department reported that the new grant was not included in the Governor's recommendation due to uncertainty about the timing of spending. The Assembly concurred.*

Inmate Post-Release Employment Services. The Department's request inadvertently excludes funding for the Inmate Post-Release Employment Services program for which the enacted budget includes \$0.2 million from general revenues. The enacted budget assumes 1.5 full-time equivalent positions from within the Department's authorization assist the Department of Corrections with inmate post-release employment services. The positions would help contract vendors and connect incarcerated individuals with post-release employment opportunities; the Department of Corrections was finalizing the position descriptions and had not filled those positions. *The Governor recommended funding as enacted. The Assembly aligned available resources to program needs based on reporting through the third quarter. This includes reallocating \$175,000 of turnover savings to Central Management to account for statewide personnel adjustments for which the funding was exhausted.*

Workforce Development Staffing and Operations. The Department requested \$122,309 more than enacted from all funds, including \$164,729 more from federal funds, offset by \$42,420 less from other funds. The federal funds request reflects an additional \$339,700 of expenditures supported by its 14.7 percent revised cost allocation approved by the U.S. Department of Labor, offset by \$174,971 of reductions. It appears that the allocation for the revised request may be inadvertently overstated as the sum of these adjustments, which span multiple programs, appear to decrease total expenditures, but should net to zero.

The request reallocates \$1.7 million from staffing expenses to other expenditures, primarily capital. The request supports 11.2 fewer positions and includes \$0.4 million in turnover savings; the enacted budget has no turnover savings. Remaining adjustments include \$1.2 million for renovations to NetWORKri locations, \$0.3 million more for information technology expenses, \$63,988 more for payroll services in support of a community service employment program for seniors, \$64,149 more for translation services, and \$180,531 less for all other expenses. *The Governor recommended \$0.8 million more than requested from all funds, including \$0.2 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. It does not change the cost allocation; that may be addressed via amendment following an anticipated federal adjustment to available unemployment funding. It should be noted that these programs are generally not supported by general revenues.*

Subsequently, the Governor requested an amendment to correct the overstatement via adjustment to the unemployment program. The Assembly aligned available resources to program needs based on reporting through the third quarter. This includes reallocating \$175,000 of turnover savings to Central Management to account for statewide personnel adjustments for which the funding was exhausted.

Other Unemployment Administration. The Department requested \$9.2 million less than enacted from all sources for the other unemployment insurance program administration expenses, including salaries and benefits. The request supports 183.8 full-time equivalent positions, or 1.2 positions more than the enacted budget. This is \$10.3 million less from federal funds and \$1.2 million more from restricted receipts. This reflects a \$4.0 million change from a revised 14.7 percent cost allocation approved by the U.S. Department of Labor. It appears that the allocation for the revised request may be inadvertently overstated as the sum of these adjustments, which span multiple programs, appear to decrease total expenditures, but should net to zero. *The Governor recommended \$2.0 million more than requested, including \$18,556 from general revenues. This includes \$1.4 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by statewide medical benefit savings based on the finalized rates and \$0.6 million more for miscellaneous operating expenditures. It does not change the cost allocation; that may be addressed via amendment following an anticipated federal adjustment to available unemployment funding.*

*Subsequently, the Governor requested an amendment to correct the overstatement by adding \$0.8 million to the unemployment program. **The Assembly concurred with the amended recommendation and provided \$6.4 million more from federal funds based on actual spending through the third quarter, primarily dedicated to technology services.***

Unemployment Benefits. The Department requested \$137.0 million less than enacted from federal and unemployment insurance funds for payment of benefits. The requested decrease reflects \$71.0 million less from federal funds and \$66.0 million less from unemployment insurance funds. This is \$71.6 million less from federal pandemic resources, including extended benefits, emergency unemployment, short-time compensation programs and \$0.1 million less for trade readjustment assistance, offset by \$0.7 million more for lost wage assistance and program administration. The Department requested necessary benefit amounts based on Labor Market Information projections.

Subsequent to the submission of the budget, Governor McKee signed two executive orders related to unemployment. The first, on October 14, 2021, delayed the required date for the tax rate computation based on the Unemployment Security Trust Fund balance from September 30 to no later than November 30. The second, on December 16, 2021, allowed the Department to utilize the same wage base for both tax years 2021 and 2022. Typically, the rate for the new tax year, uses the preceding completed calendar year wage base. Thus, the rates for tax year 2021, calculated during calendar year 2020, used 46.5 percent of the calendar year 2019 average annual wage in covered employment, as required by statute. These changes effectively maintain level tax rates across both FY 2022 and FY 2023. *The Governor recommended \$39.2 million more than requested to reflect updated benefit payments. **The Assembly concurred.***

Temporary Disability Insurance Benefits. The Department requested \$2.0 million more 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 total \$180.0 million and are \$4.0 million more than FY 2019 and \$6.3 million more than FY 2021; compared to FY 2020, it is \$12.0 million less. The program experienced a temporary spike in claims as a result of the COVID-19 emergency, before federal legislation expanded unemployment access. These claims appeared to normalize by the end of FY 2020. The Department had paid out \$81.3 million of benefits through November 2021, averaging \$16.3 million per month. *The Governor recommended funding as requested. **The Assembly concurred.***

Temporary Caregiver Benefits. The Department requested \$600,000 more than enacted from the Temporary Disability Insurance Fund for benefits for the temporary caregiver insurance program. The program 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. Requested benefits total \$15.6 million and are \$1.9 million more than FY 2019, and FY 2021; compared to FY 2020, it is \$1.1 million less. The program experienced a temporary spike in

claims as a result of the COVID-19 emergency, before federal legislation expanded unemployment access. These claims appeared to normalize by the end of FY 2020.

The 2021 Assembly enacted legislation extending the four week benefit period to five weeks beginning January 1, 2022, and six weeks after January 1, 2023. The request includes \$15.6 million. The Department had paid \$7.5 million of benefits through November 2021, averaging \$1.5 million per month. *The Governor recommended funding as requested. The Assembly concurred.*

Temporary Disability and Caregiver Insurance Staff and Operations. The Department requested \$1.3 million more than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request includes \$1.3 million more to support 9.9 full-time equivalent positions more than the enacted budget, including \$0.2 million for overtime expenses. Neither the enacted budget, nor the request include turnover savings. The request for all other expenses is \$1,144 more than enacted. It essentially consolidates expenses within the division to information technology and consulting, offset by reallocating expenses previously transferred to the Department of Revenue to support the corresponding tax collections now that the employer tax unit is within the Department of Labor and Training, consistent with the transfer in the enacted budget. *The Governor recommended \$0.6 million more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. The Assembly concurred.*

Workers' Compensation Staffing. The Department requested \$0.2 million more than the enacted budget from workers' compensation restricted receipts for staffing costs of the workers' compensation program. This fully funds 45.5 positions, or 0.7 more positions than the enacted budget. The request is \$0.4 million more than FY 2021 actual spending. *The Governor recommended \$0.4 million more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. The Assembly concurred.*

Workers' Compensation Operations. The Department requested \$0.6 million less than enacted from restricted receipts for benefits and operations of the workers' compensation program. The increase is composed of \$0.2 million for information technology support, \$0.1 million for job seeking skills courses, \$0.1 million for a contracted physician and rehabilitation counselor, and \$0.2 million for building repairs. This is offset by reductions of \$0.9 million for Uninsured Protection Fund payments, and \$0.3 million for Workers' Compensation fee schedule license agreements. Spending for the FY 2019 to FY 2021 period averaged \$3.9 million or \$0.7 million less than requested for FY 2022. *The Governor recommended funding as requested. The Assembly concurred.*

Employer Tax Unit. The Department requested \$0.4 million less than enacted from all sources of funds to fully fund the staffing and operations of the employer tax unit transferred to the Department of Labor and Training from the Department of Revenue in the enacted budget. The request includes \$0.7 million more from federal unemployment funds, offset by \$1.2 million less from job development and temporary disability funds. The unit assesses the taxes which support Unemployment Insurance benefits to eligible jobless workers and Temporary Disability Insurance benefits to eligible workers idled by non-work-related injuries or illnesses. It processes all quarterly tax and wage reports and accompanying tax payments submitted by employers, which include all required Employment Security, Job Development Fund, Reemployment Fund, and Temporary Disability Insurance taxes.

The request is for 31.0 full-time equivalent positions. The enacted budget transferred 35.0 full-time equivalent positions and assumed no turnover. At the time of the transfer, the unit had 31.0 positions filled. It appears the Department reallocated the authorized vacancies to other functional areas of the Department. The request includes the enacted level of spending for all other operations. *The Governor recommended*

*\$0.2 million more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. **The Assembly concurred.***

Police and Fire Relief Funds. The Department requested \$50,914 less than enacted 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 adds \$30 for staffing expenses of 0.1 fewer full-time equivalent positions than assumed in the enacted budget, offset by \$50,500 less for benefit payments and \$444 more for all other expenses. The benefit reduction is composed of \$96,500 less for pension payments and \$46,000 more for scholarships. A surviving spouse of a police officer or firefighter receives \$3,600 per year for life or until remarrying plus \$1,200 for each child of the deceased person during the time that the child is under age of 18 years, or over that age if they are physically or mentally incapacitated.

The first quarter reports from the Department and the Budget Office note unanticipated benefit payments which result in actual spending in excess of the Department's requested spending. *The Governor recommended \$0.4 million more than requested, primarily for benefit payments. This also includes \$8,912 to account for statewide personnel adjustments. **The Assembly concurred.***

Other Workforce Regulation and Safety Staffing and Operations. The Department requested \$0.2 million more than enacted from general revenues for staffing and operation costs of the workforce regulation and safety division, which includes the Workplace Fraud Unit. The request includes \$0.5 million and 5.2 more full-time equivalent positions than the enacted budget. The request for operating expenses is \$28,930 more than enacted for computer equipment, printing and postage, stenographic services and all other adjustments. This is offset by a \$0.4 million reduction intended to reflect the revised 14.7 percent cost allocation approved by the U.S. Department of Labor. It appears that the allocation for the revised request may be inadvertently overstated as the sum of these adjustments, which span multiple programs, appear to decrease total expenditures, but should net to zero. This allocation is essentially consistent with the FY 2020 level; \$0.2 million more than utilized for FY 2021.

The Governor recommended \$0.3 million more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. It does not change the cost allocation; that may be addressed via amendment following an anticipated federal adjustment to available unemployment funding.

*Subsequent to submission of the budget, the Governor requested an amendment to correct the overstatement via adjustment to the unemployment program. **The Assembly aligned available resources to program needs based on reporting through the third quarter. This includes reallocating \$25,000 of turnover savings from Workforce Regulation and Safety to Central Management to account for statewide personnel adjustments for which the funding was exhausted.***

Capital - Information Technology. The Department requested \$4.7 million more than enacted from all sources for unemployment insurance information technology. The Department's capital request includes \$63.8 million from federal funds, including both State Fiscal Recovery and U.S. Department of Labor funds, for 17 new information technology projects. It programs \$23.2 million and \$16.4 million for FY 2022 and FY 2023, respectively. The out-years average \$6.0 million, primarily reflecting ongoing operational expenses. The capital request includes four projects supporting the unemployment insurance program, including expenses totaling \$13.5 million for FY 2022, and \$8.0 million for FY 2023, of which \$2.0 million is for ongoing operational expenses. The Department reported its operating budget request does not reflect full funding for these projects; projects for which funding sources remain unidentified were not included. It does include \$7.7 million for existing projects including the Unemployment Insurance

Online and call center projects reflected in its capital request. It noted there is federal legislation anticipated to provide additional technology modernization support to states, though there is not funding available as of the time of its submission.

The Governor's recommendation for these projects are inconsistent between budget documents. The capital budget essentially assumes full funding for the Department's request, excluding ongoing operating expenses, with \$38.9 million, including \$19.5 million from federal funds, for four unemployment-related projects and \$19.4 million from Information Technology Investment funds for state programs. His FY 2022 operating recommendation includes \$7.7 million, \$0.3 million more than requested for these expenses. The amounts in the capital plan should match.

Project	FY 2022 Revised			FY 2023		
	Operating	Capital Plan	Difference	Operating	Capital Plan	Difference
UI Online	\$ 5,460,459	\$ 5,000,000	\$ 460,459	\$ 1,366,019	\$ -	\$ 1,366,019
UI Benefits Navigator	-	3,500,000	(3,500,000)	-	2,500,000	(2,500,000)
UI System Modernization	-	4,000,000	(4,000,000)	-	3,000,000	(3,000,000)
UI/TDI Connect Call Center	2,226,325	1,000,000	1,226,325	900,438	500,000	400,438
Total	\$ 7,686,784	\$ 13,500,000	\$ (5,813,216)	\$ 2,266,457	\$ 6,000,000	\$ (3,733,543)

The capital plan appears to reflect correct project costs. There is no current federal legislation providing additional modernization support, though the Department notes it is still anticipated. The Department subsequently reported having sufficient resources for the current year for these projects. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.

Centralized Services. The Department requested \$0.5 million less than the enacted amount for its share of centralized services provided by the Department of Administration. This totals \$5.6 million, of which \$1.0 million is from general revenues. Changes are composed of \$35,509 less than general revenues, \$90,366 less from restricted receipts and \$400,183 less from temporary disability resources, offset by \$19,186 more from federal funds. The requested spending is \$769,078 less than FY 2021 spending, of which \$400,706 is for information technology expenses and \$321,374 is for facilities expenses. The Department subsequently reported some components may be underfunded. *The Governor recommended \$0.7 million more from all funds, including \$0.1 million more from general revenues to reflect updated facilities management billings. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$76,189 more than enacted from general revenues for all other staffing and operations. This includes \$38,620 more for the Director of Labor and Labor Relations Board to support 0.2 additional positions and adjusts for current staffing.

All other expenses increase by \$37,569 from general revenues, including \$28,065 for legal and stenographic expenses for labor relations expenses, \$2,553 for computer and office supplies, postage, and telephone services, \$1,610 for travel expenses, and \$1,142 for security services and membership dues. The request is \$5,323 less than FY 2021 actual spending; as of the end of December 2021, the Department had spent about 51 percent of the requested amount. *The Governor recommended \$29,701 more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. The Assembly aligned available resources to program needs based on reporting through the third quarter. This includes reallocating \$375,000 of turnover savings from other divisions to Central Management to account for statewide personnel adjustment spending for which the funding was exhausted.*

Department of Revenue

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Office of Director	\$ 47,864,815	\$ 1,792,985	\$ 2,031,009	\$ 2,007,509
Office of Revenue Analysis	705,893	889,151	961,281	830,731
Lottery Division	260,969,454	434,215,853	366,644,813	366,644,813
Division of Municipal Finance	1,984,544	133,675,762	133,639,000	133,615,500
Taxation	31,525,303	35,049,885	38,643,639	37,072,266
Registry of Motor Vehicles	31,398,402	32,486,964	33,643,305	33,545,459
State Aid	197,237,103	200,629,121	187,492,691	190,669,423
Collections	588,512	828,769	864,653	792,203
Total	\$ 572,274,026	\$ 839,568,490	\$ 763,920,391	\$ 765,177,904
Expenditures by Category				
Salaries and Benefits	\$ 54,914,350	\$ 57,835,253	\$ 61,633,323	\$ 59,561,950
Contracted Services	8,995,392	10,227,274	11,802,274	11,954,428
Subtotal	\$ 63,909,742	\$ 68,062,527	\$ 73,435,597	\$ 71,516,378
Other State Operations	264,085,473	435,903,288	367,751,917	367,751,917
Aid to Local Units of Government	197,213,658	202,850,933	189,714,503	192,891,235
Assistance, Grants, and Benefits	46,433,258	132,491,111	132,769,844	132,769,844
Capital	616,895	228,530	248,530	248,530
Operating Transfers	15,000	32,101	-	-
Total	\$ 572,274,026	\$ 839,568,490	\$ 763,920,391	\$ 765,177,904
Sources of Funds				
General Revenue	\$ 122,575,064	\$ 267,868,120	\$ 260,144,822	\$ 261,473,378
Federal Aid	185,729,440	132,419,998	132,241,259	132,192,775
Restricted Receipts	2,233,220	4,909,519	4,717,857	4,709,519
Other	261,736,302	434,370,853	366,816,453	366,802,232
Total	\$ 572,274,026	\$ 839,568,490	\$ 763,920,391	\$ 765,177,904
FTE Authorization	602.5	570.5	570.5	570.5
FTE Average	530.1			

FY 2022 Revised Request. The Department of Revenue requested \$66.7 million less than enacted from all sources for FY 2022. This includes \$2.2 million more from general revenues, \$0.2 million less each from federal funds and restricted receipts, and \$68.4 million less from lottery funds. *The Governor recommended \$9.0 million less than requested, including \$9.9 million less from general revenues, primarily from a data adjustment for the motor vehicle excise tax phase-out, offset by \$0.1 million more from federal funds, \$8,338 more from restricted receipts, and \$0.9 million more from all other funds, primarily lottery funds.* **The Assembly provided \$1.3 million more than recommended from general revenues, primarily to reflect turnover savings offset by estimated funding consistent with accelerating the motor vehicle phase-out by one year.**

Lottery

Problem Gambling. The Department requested \$278,733 more from lottery funds for problem gambling programming. The 2021 Assembly authorized the Division to enter into a new lottery contract which increased the casino operator's minimum reimbursement to the state for problem gambling to \$200,000; the request includes \$549,650. Historically, the budget assumptions have understated actual annual expenditures by nearly \$50,000. The request is \$233,038 more than FY 2021 spending. The Department noted that its intent is to prevent the understatement historically demonstrated. *The Governor recommended funding as requested.* **The Assembly concurred.**

Commission Payments. The Department requested \$68.8 million less than enacted from lottery funds for commission payments, which represents an updated estimate of payments based on the May 2021 Revenue Estimating Conference adopted amount. The enacted budget includes \$409.2 million. 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 recommended funding as requested.* **The Assembly concurred.**

Staffing. The Department requested \$0.2 million less than enacted from lottery funds for Lottery staffing expenses for its 106.0 full-time equivalent positions. This is 0.8 positions less than the enacted budget assumptions, excluding an allocation for legal services from another division which is more than 80 percent of the total expense reduction. The request reallocates positions between its administrative and casino compliance staff, reflects changes to salaries based on updated job titles, and restores \$41,101 of turnover savings. The request is \$0.9 million more than FY 2021 spending, which averaged 3.3 more filled positions through the first 12 pay periods than the same timeframe during FY 2022. *The Governor recommended \$0.8 million more than requested, of which \$330 is from general revenues apparently in error, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates. The Governor subsequently requested an amendment to shift the general revenues to lottery funds, correcting the error.* **The Assembly concurred with the amended recommendation.**

Other Operations. The Department requested \$277,752 more than enacted from lottery funds for remaining Lottery related expenses. The requested authorization for \$12.5 million of spending, represents \$3.6 million more than average spending for the FY 2019 to FY 2021 period. The requested increase includes \$12,015 more for dues and fees, \$250,000 more for miscellaneous expenses, and \$15,737 more for utilities. It should be noted that, consistent with the Governor's recommendation, the enacted budget reduced Lottery expenditures by \$360,000 to increase the transfer of revenues to the state. This assumes the Lottery will constrain its spending to achieve the savings; the request essentially restores about 75 percent of that reduction. *The Governor recommended \$63,032 more than requested to reflect updated facilities management expenses.* **The Assembly concurred.**

Taxation

Contingency Contracts. The Department requested \$1.8 million more from general revenues for contingency contract payments for tax data review and collections of taxes, interest, penalties, or reductions to refunds claimed. The 2016 Assembly authorized the use of third-party contracts for certain collection activities with contractors paid a percentage of the actual amount of revenues collected. The Department reported that the vendor delivered on its obligations, but the Department made a policy choice during the pandemic to suspend collections. The increase represents the state's contingent liability for collecting the revenues for both FY 2021 and FY 2022 during FY 2022. Prior to FY 2020, an expenditure credit was the mechanism to compensate the vendors, but the state auditor reclassified these as direct expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Taxation Staffing and Operations. The Department requested \$47,202 less than enacted from general revenues for all other Division of Taxation expenses. The request reflects turnover savings, offset by increased seasonal staff expenses. While additional turnover savings are likely available, the Department is in the process of upgrading a number of positions which will offset at least some of those savings. *The Governor recommended \$1.9 million more than requested, primarily from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates.* **The Assembly provided \$1.6 million less from general revenues. This includes \$1.5 million of turnover savings identified in the Department's third quarter report, and \$71,373 less from all other sources of funds to reflect technical corrections to statewide adjustments.**

Division of Motor Vehicles

Pandemic Services. The Department requested \$0.4 million from general revenues for additional pandemic related janitorial, security and screening services for its Registry of Motor Vehicles locations. The Department utilized \$0.5 million from federal funds, including \$0.3 million from CARES Act funding and \$0.2 million from Federal Emergency Management Agency reimbursements, for these expenses during FY 2021. The request is \$88,534 less than FY 2021 spending and reflects the end of federal fund eligibility. Subsequent to the submission of the budget, the federal government extended the use of Federal Emergency Management Agency reimbursements through April 1, 2022. The Department also noted it is developing a plan to wind down these expenses. *The Governor did not recommend this funding.*

The Assembly provided \$0.2 million more from general revenues to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

Federal CDL Grants. The Department requested \$0.2 million less than enacted from federal funds for staffing and information technology expenses related to its Federal Motor Carriers Safety Administration grant. *The Governor recommended \$5,122 more than requested from federal funds to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates.* **The Assembly concurred.**

Real ID. The Department requested \$0.1 million less from general revenues for the continuing implementation of federal Real ID requirements. The request reduces funding for outreach activities prior to the federal implementation deadline, which has been extended several times. Prior to the coronavirus pandemic, the deadline for compliance was October 2020. The CARES Act extended the implementation date by one year to October 2021; the Department of Homeland Security subsequently extended the deadline to May 3, 2023, after which citizens will not be permitted access to secure federal sites, including federally regulated airports, without compliant credentials. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island Motor Vehicle System. The Department requested \$186,500 less from all sources, including \$13,500 more than enacted from general revenues for contractual support for the Rhode Island Motor Vehicle System. The request includes \$2.0 million from general revenues and \$1.5 million from restricted receipts. The requested funding reflects ongoing maintenance and operations support for the Rhode Island Motor Vehicle System and aligning expenses to the FY 2021 level. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Staffing. The Department requested \$0.2 million less from general revenues for 213.5 full-time equivalent positions for the Division of Motor Vehicles, one fewer than the enacted authorization. The staffing reduction essentially reflects the transfer of one position to the Director's Office. The request reflects current service adjustments, assuming 22.7 vacancies, funding 190.8 full-time equivalent positions for FY 2022. The Division averaged 182.0 filled positions through the December 4, 2021 pay period.

The Governor recommended \$1.3 million more than enacted and \$1.5 million more than requested, primarily from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates. The Assembly provided \$250,000 less from general revenues to reflect turnover savings identified in the Department's third quarter report.

Other Operations. The Department requested \$0.3 million more from general revenues for all other expenses for the Division of Motor Vehicles, which represents adjustments to reflect prior spending. The increases include \$375,000 for printing and postage, \$32,000 for utilities, \$15,000 for fleet expenses and \$2,615 for maintenance and repairs. These are offset by \$72,800 less for International Registration Plan and American Association of Motor Vehicle Administrators dues and services. *The Governor recommended \$35,288 more than requested to reflect \$26,366 more for updated facilities management expenses and \$8,922 more for Federal Emergency Management Agency reimbursements. The Assembly concurred.*

Other Programs

Motor Vehicles Excise Tax Program. The enacted budget includes \$139.7 million for payments made to municipalities to phase out the Motor Vehicles Excise Tax. The estimate uses the 2021 tax levy as a basis for the estimate; it is expected that updated data will alter this value. The 2017 Assembly enacted Article 11 of 2017-H 5175, Substitute A, as amended, to restart a phase-out of the motor vehicle excise tax and provides for the reimbursement of revenues lost to local municipalities.

For FY 2022, the rate cap decreases by \$5 to \$30 per \$1,000 assessed, the percentage of value assessed decreases from 80.0 percent to 75.0 percent, and the minimum exemption increases by \$1,000 to \$5,000. Under current law, cars older than 15 years old are exempt and the tax is eliminated as of FY 2024. *The Governor recommended \$13.1 million less for the Motor Vehicle Excise Tax Phase-Out program, based on updated data. The Assembly provided \$3.2 million more than recommended to reflect accelerating the motor vehicle phase-out by one year compared to the schedule anticipated by the 2017 Assembly, while holding certain communities harmless based on accounting practices.*

Other Staffing and Operations. The Department requested \$15,704 more from general revenues for the Department's remaining staffing and operations. This includes funding for 28.8 full-time equivalent positions of the 33.0 authorized positions not previously discussed, which is 1.8 full-time positions more than assumed in the enacted budget, both for the director's office, to reflect the transfer of a position from the Division of Motor Vehicles, and the end of a cost allocation to the Lottery. The request upgrades an Office of Revenue Analysis position at a cost of \$16,928 more than enacted, offset by \$1,224 less for turnover savings and other staffing changes. Subsequent to submission of the budget, multiple staffing changes occurred, which will likely result in additional turnover savings.

The Governor recommended \$0.3 million more than enacted and requested from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates. The Assembly provided \$250,000 less from general revenues to reflect turnover savings identified in the Department's third quarter report.

Legislature

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
General Assembly	\$ 6,712,616	\$ 6,600,786	\$ 8,875,642	\$ 8,875,642
Fiscal Advisory Staff	1,672,804	2,127,855	2,315,708	2,315,708
Legislative Council	3,741,534	4,896,599	5,194,691	5,194,691
Joint Comm. On Legislative Affairs	24,026,206	27,163,235	31,180,044	31,180,044
Office of the Auditor General	4,932,631	5,824,712	6,336,160	6,336,160
Special Legislative Commissions	5,560	13,900	13,900	13,900
Total	\$ 41,091,351	\$ 46,627,087	\$ 53,916,145	\$ 53,916,145
Expenditures by Category				
Salaries and Benefits	\$ 34,370,781	\$ 39,236,337	\$ 42,694,795	\$ 42,694,795
Contracted Services	468,643	806,600	1,267,100	1,267,100
Subtotal	\$ 34,839,424	\$ 40,042,937	\$ 43,961,895	\$ 43,961,895
Other State Operations	3,821,625	3,769,150	6,319,250	6,319,250
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,116,619	2,300,000	2,300,000	2,300,000
Capital	313,683	515,000	1,335,000	1,335,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 41,091,351	\$ 46,627,087	\$ 53,916,145	\$ 53,916,145
Sources of Funds				
General Revenue	\$ 38,496,943	\$ 44,844,662	\$ 52,014,528	\$ 52,014,528
Federal Aid	980,909	-	-	-
Restricted Receipts	1,613,499	1,782,425	1,901,617	1,901,617
Other	-	-	-	-
Total	\$ 41,091,351	\$ 46,627,087	\$ 53,916,145	\$ 53,916,145
FTE Authorization	298.5	298.5	298.5	298.5
FTE Average	253.4			

FY 2022 Revised Request. The Legislature's revised budget of \$51.6 million includes \$4.9 million from the \$5.6 million reappropriation and 298.5 full-time equivalent positions. *The Governor recommended funding as requested and added \$2.4 million, including \$2.3 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Office of the Lieutenant Governor

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 864,278	\$ 1,071,092	\$ 1,075,285	\$ 1,075,285
Contracted Services	55,130	48,000	58,000	58,000
Subtotal	\$ 919,408	\$ 1,119,092	\$ 1,133,285	\$ 1,133,285
Other State Operations	83,768	79,319	129,319	129,319
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	750	750	750
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,003,176	\$ 1,199,161	\$ 1,263,354	\$ 1,263,354
Sources of Funds				
General Revenue	\$ 1,002,552	\$ 1,199,161	\$ 1,263,354	\$ 1,263,354
Federal Aid	624	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,003,176	\$ 1,199,161	\$ 1,263,354	\$ 1,263,354
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	6.3			

FY 2022 Revised Request. The Office of the Lieutenant Governor requested \$0.2 million more than enacted from general revenues. The request includes 9.0 full-time equivalent positions, 1.0 more than the enacted authorization. *The Governor recommended \$64,193 more from general revenues than enacted and \$164,258 less than requested. The Governor recommended 8.0 positions, consistent with the enacted authorization and 1.0 less than requested. The Assembly concurred.*

Policy Director (1.0 FTE). The Office requested \$177,859 from general revenues and authorization for one new Policy Director position. The request includes funding for the full year; however, the Office subsequently indicated it intends to fill the position in November, which requires funding of \$118,573.

This position would conduct research on best practices and make policy recommendations on issues of concern to the Office. This position would also serve as a liaison to the Assembly, which includes working with committees and drafting legislation on shared areas of concern. *The Governor did not recommend funding. The Assembly concurred.*

Salaries and Benefits. The Office requested \$9,408 less for salaries and benefits for the remaining 8.0 authorized full-time equivalent positions. The request assumes full staffing for FY 2022, consistent with the enacted budget. The Office's staff are unclassified positions which are specifically established in state law and generally include employees of elected officials. When the new Lieutenant Governor assumed office in March 2021, a number of changes were made to the Office's positions. The changes include reclassifying three of its positions, resulting in savings of \$25,256, reduced benefit costs for a position for

additional savings of \$16,776, partially offset by increased costs for the remaining four positions, totaling \$32,625.

The Governor recommended \$4,193 more from general revenues than enacted. He added \$65,236 from general revenues to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by \$61,043 from turnover savings and changes to statewide medical benefit savings based on finalized rates. The Assembly concurred.

Staff Training. The Office requested \$10,000 for staff training for which the enacted budget does not include funding. This includes \$7,500 for one individual in the Office to be trained through the Leadership Rhode Island Program. This program allows individuals to train alongside experts in various fields and non-profit organizations. The Office indicated it would send one member of its staff to participate in this program annually and the areas in which staff members would train include housing, veteran affairs, long-term care, child care, transportation and emergency management. The application deadline for the next session was October 4, 2021, so it did not appear that the Office would be able to enroll an individual in the current year. The remaining \$2,500 would be used to train staff on the Salesforce program and other software programs, either through a contractor or online courses. *The Governor recommended funding as requested. The Assembly concurred.*

Equipment and Renovations. The Office requested \$50,000 more than enacted for supplies and renovations within its office space and its vehicle. This includes technology purchases, including additional laptops, computer monitors, and a printer for its car, as well as new carpeting, sound proof wall insulation for meeting rooms, whiteboards, business cards, and stand up desk mats that prevent back pain. The Office indicated that this will be done over three years for a total cost of \$150,000. The FY 2023 request includes an additional \$50,000. *The Governor recommended funding as requested. The Assembly concurred.*

Office of the Secretary of State

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Administration	\$ 3,703,253	\$ 3,633,858	\$ 3,954,130	\$ 3,954,130
Corporations	2,543,777	2,539,285	2,544,874	2,544,874
State Archives	666,017	691,102	796,923	796,923
Elections and Civics	7,452,160	3,877,371	4,199,577	4,199,577
State Library	916,423	768,685	826,600	826,600
Office of Public Information	423,561	546,918	595,313	595,313
Total	\$ 15,705,191	\$ 12,057,219	\$ 12,917,417	\$ 12,917,417
Expenditures by Category				
Salaries and Benefits	\$ 7,227,190	\$ 6,861,085	\$ 7,430,572	\$ 7,430,572
Contracted Services	879,045	1,181,791	1,435,118	1,435,118
Subtotal	\$ 8,106,235	\$ 8,042,876	\$ 8,865,690	\$ 8,865,690
Other State Operations	6,302,107	3,513,893	3,551,277	3,551,277
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	155,376	243,000	243,000	243,000
Capital	513,904	217,450	217,450	217,450
Capital Debt Service	627,569	-	-	-
Operating Transfers	-	40,000	40,000	40,000
Total	\$ 15,705,191	\$ 12,057,219	\$ 12,917,417	\$ 12,917,417
Sources of Funds				
General Revenue	\$ 12,264,121	\$ 9,775,071	\$ 10,264,710	\$ 10,264,710
Federal Aid	2,336,423	1,810,000	2,012,835	2,012,835
Restricted Receipts	1,104,647	472,148	639,872	639,872
Other	-	-	-	-
Total	\$ 15,705,191	\$ 12,057,219	\$ 12,917,417	\$ 12,917,417
FTE Authorization	59.0	59.0	59.0	59.0
FTE Average	58.3			

FY 2022 Revised Request. The Office of the Secretary of State requested \$0.3 million more than the enacted for FY 2022. This includes \$0.2 million more from federal funds, and \$0.1 million more from restricted receipts. *The Governor recommended \$0.5 million more than requested, primarily from general revenues. The Assembly concurred.*

Election and Civics Expenses. The Office requested \$68,534 more from general revenues for the elections and civics division expenses for FY 2022, an off year in the election cycle. This includes \$62,416 more for the division's share of increased rental expenses and contracted information technology expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Help America Vote Act Election Security Grant. The Office requested \$190,000 more from federal Help America Vote Act Election Security Grant funds to support maintenance and operations of its cybersecurity monitoring efforts for which the enacted budget includes no funding. The Office prioritized a supplemental

CARES Act award, now exhausted, to support its efforts through the pandemic. This restores the use of prior grant awards. *The Governor concurred.* **The Assembly concurred.**

Translation Services. The Office requested \$53,000 from general revenues for services interpreting and translating the Office's information and materials from English to Spanish. Previously, Office staff engaged in this work, as staff left, the workload was spread to contractors. This includes interpreting and translating print and digital materials. *The Governor concurred.* **The Assembly concurred.**

State Archives Expenses. The Office requested \$52,764 more than enacted for the operation of the state archives, of which \$11,646 is from general revenues. The general revenues increase includes \$3,500 more to rehouse the Act of Renunciation of 1776, and the remainder mostly for utility and staff training expenses. The restricted receipts request increase includes \$20,500 for temporary scanning services, \$10,000 for new archival shelving, and the rest for security upgrades, printing, advertising, and staff training.

The Governor concurred and recommended \$12,000 more than requested to reflect a new National Historical Publications and Records grant for the Rhode Island Historical Records Advisory Board. The grant supports a scholarship and workshops to address the preservation of historical records. **The Assembly concurred.**

Records Center. 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 Office requested \$79,077 more than enacted from other funds. Its operations include \$19,584 more to fully fund 4.2 full-time equivalent positions, including one position not previously allocated to these funds and \$76,793 more to digitize documents, offset by \$17,500 less for contracted legal and security services.

The Governor recommended \$36,650 more than requested, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates. **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$51,018 more than enacted from all sources for 54.8 full-time equivalent positions for FY 2022, excluding the 4.2 positions supported by Records Center resources, discussed separately. The request includes \$47,593 less from general revenues, offset by \$98,611 more from restricted Historical Records Trust resources. The enacted budget includes \$85,000 from general revenues for staff in lieu of historic trust resources in anticipation of a lower level of receipts. Actual receipts were \$0.1 million higher than the prior year; the request removes the general revenues. The request includes \$34,912 of turnover savings; additional savings may be available.

The Governor recommended \$0.6 million more than enacted, including \$0.4 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on the finalized rates. **The Assembly concurred.**

Other Operations. The Office requested \$85,587 less than enacted, mostly from general revenues for other operations, including centralized services provided through the Department of Administration. The request includes \$0.2 million less than FY 2021 spending, but more in line with prior years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of the General Treasurer

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
General Treasurer	\$ 3,583,295	\$ 3,536,444	\$ 3,613,232	\$ 3,613,232
Unclaimed Property	1,837,207	28,902,766	29,032,182	2,562,646
Employees' Retirement System	10,621,480	13,598,974	14,483,969	14,483,969
Crime Victim Compensation	1,448,581	1,781,679	1,824,668	1,824,668
Subtotal	\$ 17,490,563	\$ 47,819,863	\$ 48,954,051	\$ 22,484,515
Expenditures by Category				
Salaries and Benefits	\$ 11,172,615	\$ 11,497,411	\$ 12,433,446	\$ 12,433,446
Contracted Services	3,558,688	6,149,450	6,228,950	6,228,950
Subtotal	\$ 14,731,303	\$ 17,646,861	\$ 18,662,396	\$ 18,662,396
Other State Operations	1,380,544	28,524,584	28,643,237	2,173,701
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,362,021	1,566,993	1,566,993	1,566,993
Capital	16,695	81,425	81,425	81,425
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 17,490,563	\$ 47,819,863	\$ 48,954,051	\$ 22,484,515
Sources of Funds				
General Revenue	\$ 3,437,550	\$ 3,228,310	\$ 3,413,127	\$ 3,413,127
Federal Aid	548,289	730,909	774,763	774,763
Restricted Receipts	12,803,404	43,214,747	44,074,145	17,604,609
Other	701,320	645,897	692,016	692,016
Total	\$ 17,490,563	\$ 47,819,863	\$ 48,954,051	\$ 22,484,515
FTE Authorization	89.0	89.0	89.0	89.0
FTE Average	85.6			

FY 2022 Revised Request. The Office of the General Treasurer requested \$0.4 million more from all sources, including \$0.1 million more from general revenues. It also requested authorization for 1.0 new full-time equivalent position. *The Governor recommended \$1.1 million more than enacted and \$0.8 million more than requested. General revenues are \$0.2 million more than enacted and \$0.1 million more than requested. The Governor maintained the authorized level of full-time equivalent positions.*

The Governor requested an amendment to exclude the \$26.5 million unclaimed property transfer, claims and liability set-aside as an expenditure to conform to a Governmental Accounting Standards Board rule and treatment in an FY 2021 audit adjustment. The Assembly concurred with the amended recommendation.

Crime Victim Compensation. The Office requested \$5,727 more from all sources for salaries and benefits for the 4.0 full-time equivalent positions that support the Crime Victim Compensation program, including \$0.1 million less from restricted receipts offset by a similar amount from general revenues. The decline in restricted receipts has been an issue for the past several years but was exacerbated by the court closures

resulting from the COVID-19 pandemic. Receipts collected during FY 2021 totaled \$352,357. The revised request assumes \$555,000. *The Governor recommended funding as requested and added \$34,868 from all funds, including \$31,858 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Retirement System New Staffing (1.0 FTE). The Office requested \$0.2 million for two new counselor positions for the Retirement System to support the transfer of both Central Falls and West Warwick town pension plans into the state system. Legislation passed at the end of the 2021 session established a process for the town of West Warwick's locally-administered pension plan to transition existing retirees to the Municipal Employees Retirement System. Central Falls did a similar transfer in 2019. The request includes authorization for 1.0 new full-time equivalent position and 1.0 position shifted from elsewhere in the Office. Funding would support the positions for the entire fiscal year. As of October 12, the System had 42.0 of its authorized 44.0 positions filled. *The Governor did not recommend the new position or funding; he did recommend it for FY 2023.* **The Assembly did not recommend the new position or funding in either year.**

Other Salaries and Benefits. The Office requested \$0.2 million more than enacted for other salaries and benefits including \$39,369 less from general revenues based on current staffing and adjustments to cost allocations among programs. The revised request would allow the Office to fill an additional 1.2 full-time equivalent positions. As of October 12, there were 6.0 vacancies among all programs. The revised request is \$0.5 million or 4.5 percent more than spent in FY 2021.

The Governor recommended \$0.7 million more than requested, including \$0.1 million less from general revenues. He added \$0.9 million, including \$0.2 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates and additional turnover savings. **The Assembly concurred.**

Unclaimed Property. The Office's request assumes the enacted level of claims and transfer to the state. 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 November 2021 Conference adopted a transfer of \$14.7 million, which is \$0.5 million more than enacted. *The Governor recommended funding as requested. He subsequently requested an amendment to exclude the \$26.5 million unclaimed property transfer, claims and liability set-aside as an expenditure to conform to a Governmental Accounting Standards Board rule and treatment in an FY 2021 audit adjustment.* **The Assembly concurred.**

Debt Affordability Study. The Office requested \$79,500 more from general revenues than enacted for the Public Finance Management Board to complete a debt affordability study during FY 2022. The total cost of the study, \$0.2 million, was budgeted over two-years with \$94,750 for FY 2021 and \$110,000 for FY 2022. Only \$15,000 was actually spent in FY 2021 and the Office requested that the unused amount be added to the FY 2022 budget to complete the study. It should be noted that the Office did overspend its general revenue appropriation by \$8,724 in FY 2021, meaning the funds allocated for the study were spent on something else. *The Governor recommended funding as requested.* **The Assembly concurred.**

Centralized Services. The Office requested the enacted level for centralized facility management and information technology services. 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. Based on FY 2021 spending, the FY 2022 enacted budget is \$83,816 underfunded; general revenues are \$79,509 underfunded. *The Governor recommended \$118,653 more for facilities management services, including \$16,358 more from general revenues based on estimated usage.* **The Assembly concurred.**

Rhode Island Board of Elections

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,790,476	\$ 1,461,731	\$ 1,573,859	\$ 1,573,859
Contracted Services	290,220	213,550	213,550	213,550
Subtotal	\$ 2,080,696	\$ 1,675,281	\$ 1,787,409	\$ 1,787,409
Other State Operations	1,278,901	968,487	968,487	968,487
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,653	28,000	28,000	28,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,368,250	\$ 2,671,768	\$ 2,783,896	\$ 2,783,896
Sources of Funds				
General Revenue	\$ 3,368,250	\$ 2,671,768	\$ 2,783,896	\$ 2,783,896
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 3,368,250	\$ 2,671,768	\$ 2,783,896	\$ 2,783,896
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	11.7			

FY 2022 Revised Request. The Board of Elections requested \$0.3 million more than enacted from general revenues for FY 2022. *The Governor recommended \$0.2 million less than requested.* **The Assembly concurred.**

Seasonal Elections Staff. The Board requested \$146,945 for seasonal elections staff for ten special elections held during FY 2022, including special elections for vacated positions and local referenda approved during the 2021 legislative session. Seasonal staff expenses were not assumed in the Board's request, and therefore, excluded from the Governor's recommendation and enacted budget. As of the first quarter of FY 2022, the Board had three seasonal positions at an estimated total cost of \$13,238. The request assumes a total of five positions. The Board indicated the additional funding is related to staff necessary to train elections staff statewide, prepare mail ballots and polling places, and maintain the Board's equipment. *The Governor's recommendation excludes this funding. As of the second quarter of FY 2022, these expenses total \$21,422.* **The Assembly concurred. Based on third quarter reporting, these expenses are projected to be within available appropriations.**

Election Telecommunications. The Board requested \$43,000 more than enacted from general revenues to support its telecommunications operations. The Board indicated that its voting machines have wireless transmission capabilities requiring a contract with Verizon. The Board reported there was a billing dispute between it and the service provider, subsequent to the provider upgrading the wireless technology. The increase represents the maximum potential liability; however, it anticipated actual spending to be lower. *The Governor's recommendation excludes this funding.* **The Assembly concurred.**

Other Staffing and Operations. The Board requested \$97,979 more from general revenues for all other expenses. This includes \$92,979 to fully fund 13.0 full-time equivalent positions, stipends for commissioners, and \$5,000 for campaign finance reporting technology expenses. The enacted budget assumes turnover of 1.5 full-time equivalent positions, including one authorized position with no title or funding attached. The staffing request includes \$59,313 for the unfunded position, \$7,535 to add a fourth commissioner, and an estimated \$26,218 to increase the value of an administrative position from the enacted budget's assumptions, offset by \$87 less for all other adjustments. As of the pay period ending November 6, 2021, the Board had one vacancy; it has maintained one vacancy since the beginning of the fiscal year. This indicates that available turnover savings are excluded from request.

The Governor's recommendation adds \$112,128 from general revenues primarily to account for statewide adjustments, consistent with his recent labor agreements, and assuming the pay increases also apply to non-union staff, offset by \$10,271 for statewide medical benefit savings based on finalized rates. It includes the requested funding for a commissioner and maintains one unidentified, unfunded position. **The Assembly concurred.**

Rhode Island Ethics Commission

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,580,452	\$ 1,533,112	\$ 1,632,550	\$ 1,632,550
Contracted Services	30,509	62,275	62,275	62,275
Subtotal	\$ 1,610,961	\$ 1,595,387	\$ 1,694,825	\$ 1,694,825
Other State Operations	218,309	263,138	265,995	265,995
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	3,047	8,826	8,826	8,826
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,832,317	\$ 1,867,351	\$ 1,969,646	\$ 1,969,646
Sources of Funds				
General Revenue	\$ 1,832,317	\$ 1,867,351	\$ 1,969,646	\$ 1,969,646
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,832,317	\$ 1,867,351	\$ 1,969,646	\$ 1,969,646
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	12.0			

FY 2022 Revised Request. The Commission requested the enacted amount of \$1.9 million from general revenues for all operating expenses; however, it shifts funding among expenditures. *The Governor recommended \$102,295 more than requested for personnel expenditures.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$2,857 less than enacted from general revenues for projected salary expenses and updated benefits. As of the pay period ending December 4, 2021, the Commission had one vacancy. *The Governor recommended \$102,295 more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates.* **The Assembly concurred.**

Other Operations. The Commission requested \$2,857 more than enacted from general revenues for all other operating costs, primarily telecommunication expenses, as well as funding for software and subscription-based resources. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of the Governor

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 5,920,062	\$ 6,119,375	\$ 6,528,635	\$ 6,528,635
Contracted Services	105,477	500	500	500
Subtotal	\$ 6,025,539	\$ 6,119,875	\$ 6,529,135	\$ 6,529,135
Other State Operations	428,861	416,651	464,491	464,491
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	150,000	150,000	150,000
Capital	34,469	17,100	17,100	17,100
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,488,869	\$ 6,703,626	\$ 7,160,726	\$ 7,160,726
Sources of Funds				
General Revenue	\$ 6,477,754	\$ 6,703,626	\$ 7,135,886	\$ 7,135,886
Federal Aid	11,115	-	24,840	24,840
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 6,488,869	\$ 6,703,626	\$ 7,160,726	\$ 7,160,726
FTE Authorization	45.0	45.0	45.0	45.0
FTE Average	37.4			

FY 2022 Revised Request. The Office of the Governor requested the enacted amount of \$6.7 million from general revenues and staffing consistent with the authorized level. *The Governor recommended \$0.5 million more than requested, including \$0.4 million from general revenues for staff and \$24,810 from federal funds for expenses related to the coronavirus emergency.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$23,000 less than enacted from general revenues for personnel expenditures for its 45.0 authorized full-time equivalent positions. As of the pay period ending January 1, 2022, the Office had 43.5 filled positions; however, based on an average salary cost of \$96,511 per position, the revised request would fund approximately 42.0 positions.

The Governor recommended \$0.4 million more than requested from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on the finalized rates. **The Assembly concurred.**

Other Operations. The Office requested \$23,000 more than enacted for all other operating expenses. Specifically, this adds funding for office supplies and equipment; however, the Office's actual FY 2021 expenses were \$5,524 more than the revised request. All other expenses are consistent with the enacted budget. *The Governor concurred and added \$24,840 from Federal Emergency Management Agency funds for expenses related to the coronavirus emergency.* **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,466,208	\$ 1,564,892	\$ 1,522,009	\$ 1,522,009
Contracted Services	7,735	7,900	28,700	28,700
Subtotal	\$ 1,473,943	\$ 1,572,792	\$ 1,550,709	\$ 1,550,709
Other State Operations	282,320	335,307	403,494	403,494
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	900	31,226	31,226
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,756,263	\$ 1,908,999	\$ 1,985,429	\$ 1,985,429
Sources of Funds				
General Revenue	\$ 1,347,293	\$ 1,486,581	\$ 1,580,108	\$ 1,580,108
Federal Aid	408,970	422,418	405,321	405,321
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,756,263	\$ 1,908,999	\$ 1,985,429	\$ 1,985,429
FTE Authorization	14.5	14.0	14.0	14.0
FTE Average	12.9			

FY 2022 Revised Request. The Commission requested \$4,865 more than enacted from all sources, including \$45,026 more from general revenues and \$40,161 less from federal funds. *The Governor recommended \$71,564 more than requested, including \$48,501 more from general revenues.* **The Assembly concurred.**

Federal Receipts. The enacted budget assumes federal receipts of \$422,418 available for use in FY 2022. The Commission's revised budget includes expenses totaling \$382,257, which is \$40,161 less than enacted. This reduction in federal funds does not result in a shift in expenses to general revenues since the revised request lowers salary and benefit expenses that were overfunded in the enacted budget. *The Governor's recommendation increases federal funding by \$23,064.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$94,013 less than enacted, including \$60,457 less from general revenues, for salary and benefits expenses. The revised request adjusts for turnover that occurred in the first quarter. As of January 1, 2022 all 14.0 positions are filled but the Commission averaged 12.0 filled positions in the first half of the fiscal year. *The Governor added \$51,130, including \$28,066 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Case Management System. The Commission requested \$85,000 from general revenues for a new case management system to streamline intake services, case management and tracking, and consolidate collected information. The system will allow Commission staff to coordinate with federal tracking systems and

enhance reporting capabilities. This includes \$60,000 for the system and \$25,000 for the annual software agreement. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Commission requested \$13,878 more than enacted, including \$20,483 more from general revenues for other expenses. This reflects \$17,750 for a one-year contract with Facilitate Change to hold workshops on issues, including diversity and social justice, for Commission staff. Other changes, totaling \$16,954 more from all sources, include increased rent, computer expenses, decreased costs for centralized services and other expenses. The request also excludes \$20,726 from general revenues included in the enacted budget for two new printers. *The Governor added \$20,435 from general revenues to restore the enacted funding for the two printers.* **The Assembly concurred.**

Public Utilities Commission

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 6,896,525	\$ 7,825,609	\$ 8,256,742	\$ 8,256,742
Contracted Services	1,424,513	2,927,836	3,807,836	3,657,836
Subtotal	\$ 8,321,038	\$ 10,753,445	\$ 12,064,578	\$ 11,914,578
Other State Operations	853,967	1,302,901	1,302,901	1,302,901
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	28,395	410,000	410,000	410,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 9,203,400	\$ 12,466,346	\$ 13,777,479	\$ 13,627,479
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	223,657	540,253	566,124	566,124
Restricted Receipts	8,979,743	11,926,093	13,211,355	13,061,355
Other	-	-	-	-
Total	\$ 9,203,400	\$ 12,466,346	\$ 13,777,479	\$ 13,627,479
FTE Authorization	52.0	54.0	54.0	54.0
FTE Average	48.8			

Summary. The Public Utilities Commission requested \$0.7 million more than enacted from federal funds and restricted receipts assessed to the regulated utilities. *The Governor recommended \$1.3 million more than enacted, which is \$0.6 million more than requested.*

The Governor subsequently requested a budget amendment to shift \$150,000 from FY 2022 to FY 2023 based on planned expenditures. The Assembly concurred with the amended recommendation.

Regulatory Oversight. The Commission requested an additional \$500,000 from restricted receipts for expert witnesses associated with a new docket related to the pending acquisition of Narragansett Electric by PPL from National Grid. The Commission typically hires expert witnesses for complicated cases. *The Governor recommended funding as requested. The Assembly concurred.*

Legal Costs. The revised request includes an additional \$250,000 from restricted receipts for outside legal services related to pending litigation before Superior Court. In this particular case, the Office of the Attorney General is not representing the Division, requiring the Division to procure outside legal counsel. *The Governor recommended funding as requested.*

The Governor subsequently requested a budget amendment to shift \$150,000 from FY 2022 to FY 2023 based on planned expenditures. The Assembly concurred.

Gas Pipeline Safety. The Commission requested an additional \$25,615 from federal funds from the gas pipeline safety grant. This includes \$130,000 more for contracted services offset by \$104,385 less for

salaries and benefits and reflects the Commission hiring a former Division employee with expertise in this area as a contracted employee. *The Governor recommended funding as requested and added \$22,261 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Commission requested \$27,170 less than enacted from all sources for other salaries and benefits. The enacted budget funds approximately 53 of the Commission's 54.0 authorized positions. As of the pay period ending November 6, the Commission had 5.0 vacant positions. This suggests there is additional turnover savings. *The Governor recommended funding as requested and added \$0.5 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Centralized Services. The Commission requested the enacted level of \$136,467 for centralized information technology services. This is \$8,630 less than spent in FY 2021 and \$37,709 less than the First Quarter Internal Service Fund Report indicates the Commission is on track to spend for FY 2022. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Office of Health and Human Services

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 184,803,554	\$ 188,886,668	\$ 209,595,818	\$ 221,305,340
Medical Assistance	2,673,734,997	3,006,875,790	3,217,037,426	3,197,912,439
Total	\$ 2,858,538,551	\$ 3,195,762,458	\$ 3,426,633,244	\$ 3,419,217,779
Expenditures by Category				
Salaries and Benefits	\$ 29,039,733	\$ 31,493,984	\$ 32,537,664	\$ 32,537,664
Contracted Services	99,323,786	108,055,509	112,917,740	126,266,972
Subtotal	\$ 128,363,519	\$ 139,549,493	\$ 145,455,404	\$ 158,804,636
Other State Operations	6,768,590	8,120,237	13,723,235	12,765,370
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,723,360,171	3,039,042,281	3,258,876,059	3,239,069,227
Capital	46,271	800,447	328,546	328,546
Capital Debt Service	-	-	-	-
Operating Transfers	-	8,250,000	8,250,000	8,250,000
Total	\$ 2,858,538,551	\$ 3,195,762,458	\$ 3,426,633,244	\$ 3,419,217,779
Sources of Funds				
General Revenue	\$ 909,547,935	\$ 1,100,190,655	\$ 1,023,899,791	\$ 1,027,627,964
Federal Aid	1,918,019,212	2,054,881,356	2,319,922,806	2,330,559,415
Restricted Receipts	30,971,404	40,690,447	82,810,647	61,030,400
Other	-	-	-	-
Total	\$ 2,858,538,551	\$ 3,195,762,458	\$ 3,426,633,244	\$ 3,419,217,779
FTE Authorization	192.0	190.0	190.0	190.0
FTE Average	172.3			

FY 2022 Revised Request. The Executive Office included \$135.8 million more from all sources for total expenses of \$3,331.6 million in its revised request. This includes \$89.2 million more from federal funds, \$47.4 million more from restricted receipts and \$0.7 million less from general revenues. The revised request was submitted in October and does not reflect the revised caseload estimates adopted in November.

The Governor recommended \$95.1 million more than requested, which included \$75.3 million less from general revenues. The recommendation increases medical assistance expenses by \$58.7 million, including \$37.3 million less from general revenues, to reflect the increased match rate and impact of caseload restriction from the extension of the public health emergency for an additional quarter. The Governor also excluded the \$39.0 million from general revenues included in the enacted budget in the event the public health emergency was maintained through the second quarter. He also requested several amendments to adjust spending in the current year.

The Assembly provided \$3,419.2 million, including \$1,027.6 million from general revenues, \$2,330.6 million from federal funds and \$61.0 million from restricted receipts. This is \$7.4 million less than the Governor's original recommendation, including \$3.7 million more from general revenues, \$10.6

million more from federal funds and \$21.8 million less from restricted receipts. The Assembly updated appropriations based on the May caseload estimate and concurred with the amendments.

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.

Medical Assistance

The Caseload Estimating Conference met on November 5, 2021 and based on current law set the FY 2022 medical assistance expenditures at \$2,982.0 million, including \$978.9 million from general revenues, which is \$58.7 million more than enacted from all funds and \$37.3 million less from general revenues. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. The following table itemizes expenses in FY 2020 and FY 2021, recommended by the Governor, adopted by the caseload estimators, and enacted by the Assembly.

The Governor recommended \$2,982.0 million, including \$978.9 million from general revenues. This is consistent with the conference estimate, which is \$58.7 million more than the enacted budget, including \$37.3 million less from general revenues to reflect another extension of the public health emergency that provides additional general revenues savings for FY 2022. The savings are offset by the expenses from delaying redeterminations during the period. The Assembly provided \$3,020.7 million, including \$982.5 million from general revenues. This includes \$106.4 million less than recommended, of which \$52.9 million is from general revenues, to reflect the May caseload estimate, which includes a full year of savings from the enhanced Medicaid match. This is offset by \$145.1 million, including \$56.5 million from general revenues, for the state to make a second uncompensated care payment to the community hospitals. Each program is discussed separately.

Medical Assistance	FY 2020 Spent	FY 2021 Spent	FY 2022 Enacted	FY 2022 Gov. Rec.	FY 2022 May CEC	FY 2022 Final
Hospitals						
Regular Payments	\$ 51.2	\$ 51.1	\$ 72.6	\$ 76.0	\$ 70.0	\$ 70.0
DSH Payments	138.5	142.3	142.5	142.5	142.5	287.6
Total	\$ 189.7	\$ 193.4	\$ 215.1	\$ 218.5	\$ 212.5	\$ 357.6
Long Term Care						
Nursing and Hospice Care	\$ 316.6	\$ 298.6	\$ 348.7	\$ 320.2	\$ 314.3	\$ 314.3
Home and Community Care	70.2	90.0	102.7	100.1	98.6	98.6
Total	\$ 386.8	\$ 388.6	\$ 451.4	\$ 420.3	\$ 412.9	\$ 412.9
Managed Care						
Rlte Care	\$ 647.3	\$ 771.3	\$ 815.4	\$ 826.1	\$ 815.2	\$ 815.2
Rlte Share	2.7	2.0	2.0	2.1	2.1	2.1
Fee For Service	59.5	24.7	36.1	36.0	35.6	35.6
Total	\$ 709.5	\$ 798.0	\$ 853.5	\$ 864.2	\$ 852.9	\$ 852.9
Rhody Health Partners	\$ 241.2	\$ 281.2	\$ 298.8	\$ 304.0	\$ 303.1	\$ 303.1
Medicaid Expansion	\$ 491.1	\$ 633.1	\$ 746.2	\$ 790.0	\$ 745.0	\$ 745.0
Rhody Health Options	\$ 202.9	\$ 123.2	\$ 144.8	\$ 142.7	\$ 133.8	\$ 133.8
Pharmacy	\$ (2.3)	\$ (0.4)	\$ 0.1	\$ (0.3)	\$ 0.1	\$ 0.1
Pharmacy Part D Clawback	\$ 72.0	\$ 59.0	\$ 69.1	\$ 72.2	\$ 68.8	\$ 68.8
Other Medical Services	\$ 124.9	\$ 141.0	\$ 144.1	\$ 170.4	\$ 146.5	\$ 146.5
Federal Funds	\$ 1,461.3	\$ 1,736.8	\$ 1,897.6	\$ 1,993.5	\$ 1,940.0	\$ 2,028.6
General Revenues	945.6	870.6	1,016.2	978.9	926.0	982.5
Restricted Receipts	8.9	9.7	9.5	9.5	9.5	9.5
Total	\$ 2,415.8	\$ 2,617.1	\$ 2,923.3	\$ 2,982.0	\$ 2,875.6	\$ 3,020.7

\$ in millions

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$218.5 million, \$86.6 million from general revenues. It includes \$44.6 million for direct medical services, \$31.4 million for supplemental hospitals payments and \$142.5 million for uncompensated care payments to community hospitals. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$70.0 million from all sources, including \$26.4 million from general revenues, for hospital expenses which is consistent with the May caseload estimate. The Assembly also provided \$287.6 million, including \$113.0 million from general revenues, for the state to make two Disproportionate Share Payments to hospitals in FY 2022 to realign these payments to their respective federal fiscal years.*

Hospitals. The November Caseload Estimating Conference estimate includes FY 2022 expenditures at \$76.0 million, including \$30.0 million from general revenues. The estimate includes \$44.6 million for direct medical services, \$29.4 million for the inpatient and outpatient upper payment limit reimbursements made to the community hospitals, and \$2.0 million from general revenues for graduate medical education activities.

The estimate increases expenses by \$3.4 million from all funds, including \$0.7 million more from general revenues. This includes \$3.0 million more from all sources, including \$1.0 million from general revenues, for updated upper payment limit reimbursements and \$0.4 million, including \$0.1 million from general revenues, to reflect higher than anticipated inpatient and outpatient costs.

The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$70.0 million, including \$26.4 million from general revenues, consistent with the May caseload conference. This is \$6.0 million less than recommended reflecting lower utilization of both inpatient and outpatient hospital services.*

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$142.5 million for the disproportionate share payments for uncompensated care costs to the state's community hospitals. This includes \$56.6 million from general revenues and the remainder from matching federal funds. The estimate includes general revenue savings of \$8.8 million to reflect the ability to claim enhanced Medicaid match on the disproportionate share payment. The Executive Office's revised request includes the enacted level.

Community Hospitals Payments	FY 2020 Reported	FY 2021 Reported	FY 2022 Enacted	FY 2022 Gov. Rec.	FY 2022 May CEC	FY 2022 Final
State	\$ 67,483,497	\$ 58,129,973	\$ 65,418,986	\$ 56,584,360	\$ 56,584,360	\$ 113,049,447
Federal	74,817,538	84,171,062	77,074,994	85,909,621	85,909,621	174,524,412
Subtotal	\$ 142,301,035	\$ 142,301,035	\$ 142,493,980	\$ 142,493,981	\$ 142,493,981	\$ 287,573,859
Upper Payment Limit						
State	\$ 2,124,107	\$ 3,013,308	\$ 8,581,670	\$ 9,544,250	\$ 9,544,251	\$ 9,544,252
Federal	2,660,453	4,907,474	17,598,061	19,892,958	19,892,957	19,892,956
Subtotal	\$ 4,784,560	\$ 7,920,782	\$ 26,179,731	\$ 29,437,208	\$ 29,437,208	\$ 29,437,208
Graduate Medical Education						
State	\$ 1,000,000	\$ 1,156,132	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Federal	-	1,362,125	-	-	-	-
Subtotal	\$ 1,000,000	\$ 2,518,257	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total	\$ 148,085,595	\$ 152,740,074	\$ 170,673,711	\$ 173,931,189	\$ 173,931,189	\$ 319,011,067

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. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly also provided \$287.6 million, including \$113.0 million from general revenues, for the state to make two Disproportionate Share Payments in FY 2022. The state did not make a payment in FY 2007 which resulted in the alignment of different years between the state payment and the federal allotment and this action corrects for that. For FY 2022, the first payment totaling \$142.5 million was made in July 2021 and included the 2021 federal allotment matched by general revenues. The second payment to be made in June 2022, is the 2022 federal allotment matched by general revenues and totals \$145.1 million, including \$56.5 million from general revenues.**

Hospital License Fee. The Assembly included Section 4 of Article 6 of 2021-H 6122 Substitute A, as amended, to set the FY 2022 hospital license fee at 5.725 percent based on 2020 revenues, for a total of \$170.2 million, including \$169.9 million from the community hospitals and \$0.4 million from the state payment made on behalf of Eleanor Slater Hospital. *The Governor's recommendation is consistent with the enacted budget.* **The Assembly included Section 1 of Article 6 of 2022-H 7123, Substitute A, as amended, revising the fee downward to 5.656 percent for collections totaling \$172.0 million, including \$171.1 million from the hospitals and \$0.9 million for the state hospital payment. A recent upward correction to 2020 patient revenues resulted in higher revenues allowing for the rate reduction.**

FY 2022 Hospital License Fee	FY 2022 Enacted	FY 2022 Gov. Rev.	FY 2022 Final	Change to Enacted
Revenues				
<i>Base Year</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>	
<i>Tax Rate</i>	<i>5.725%</i>	<i>5.725%</i>	<i>5.656%</i>	
Community Hospital License Fee	\$ 175,085,569	\$ 175,085,569	\$ 176,209,674	\$ 1,124,105
Washington County Hospitals Waiver	(5,190,423)	(5,190,423)	(5,127,865)	62,558
Subtotal Licensing fee	\$ 169,895,146	\$ 169,895,146	\$ 171,081,809	\$ 1,186,663
Slater License Fee	351,684	351,684	874,180	522,496
Total	\$ 170,246,830	\$ 170,246,830	\$ 171,955,989	\$ 1,709,159

Long Term Care

The November Caseload Estimating Conference estimate includes long term care expenses at \$420.3 million, of which \$170.9 million is from general revenues. This includes \$320.2 million for nursing facilities and hospice care and \$100.1 million for home and community care. The caseload estimate is \$31.1 million less than the enacted budget, including \$19.7 million less from general revenues. This includes \$26.7 million less for nursing facilities, primarily reflecting current expenditures. FY 2021 expenses were \$28.0 million less than estimated for May 2021 and included in the final budget. There is also a decrease of \$2.6 million for other home and community care services for projected expenses. A portion of the general revenue savings reflects the extension of the enhanced Medicaid match.

Long term care fee-for-service costs total \$420.3 million and combined with the \$142.7 million in Rhody Health Options, are \$563.0 million, including \$229.1 million from general revenues. The estimate decreased enacted expenses by \$27.9 million, including \$22.9 million from general revenues for services to the elderly and disabled.

The Executive Office's revised request is consistent with the enacted budget, excluding the change to home and community based services, and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$412.9 million from all sources,**

including \$161.5 million from general revenues and \$251.4 million from federal funds consistent with the May caseload estimate. Combined with Rhody Health Options, total support for long term care services is \$546.7 million, including \$231.9 million from general revenues in FY 2022.

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2022 expenditures of \$320.2 million, of which \$130.2 million is from general revenues for the state's 80 nursing facilities. This includes \$28.5 million less than enacted, including \$17.0 million less from general revenues, for nursing facilities primarily reflecting current expenditures. FY 2021 final expenses were \$29.0 million less than estimated for May 2021. A portion of the general revenue savings reflects the extension of the enhanced Medicaid match. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$314.3 million, of which \$123.0 million is from general revenues, consistent with the May caseload estimate. This is \$5.9 million less than enacted and represents the most recent data on utilization of nursing facilities.**

Home and Community Care. The November Caseload Estimating Conference estimate includes \$100.1 million for home and community care expenses, including \$40.7 million from general revenues. This is \$2.6 million less than enacted, including \$2.7 million less from general revenues to reflect current spending projections based on lower utilization. A portion of the general revenue savings reflects the extension of the enhanced Medicaid match. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$98.6 million, including \$38.6 million from general revenues consistent with the May caseload conference estimate. This is \$1.5 million less than enacted, based on lower utilization.**

Enhanced Home and Community Based Support. The Executive Office's revised request includes \$135.8 million from all sources to reflect the provision of the American Rescue Plan Act that allows for an additional ten percentage points of Medicaid reimbursement on eligible home and community based services that take place from April 1, 2021 through March 31, 2022. The program requires that general revenue savings be reinvested to fund expansionary home and community based activities. The revised request includes \$57.0 million for administrative support and \$78.5 million to be invested in services. Funding must be spent by March 31, 2024. The Executive Office has submitted a plan to the Centers for Medicare and Medicaid Services that has received partial approval.

The revised request does not include any specific proposals to expand services but the Executive Office had submitted three state plan amendments that increases rates from December 1, 2021 until March 31, 2022 for home care providers that totals \$23.9 million, adult day care services totaling \$2.1 million and behavioral health care services totaling \$11.6 million.

The Governor recommended \$190.5 million, which is \$54.7 million more than requested. The Governor's budget shows \$71.9 million received as federal funds to be deposited into a new restricted receipt account and used to match Medicaid funds for new home and community based initiatives. This double counts the expenditures to be paid from these resources, for which the FY 2022 budget includes \$118.8 million. The Executive Office identified \$4.0 million to be used for the Transformation Fund in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals as part of the Action Plan for the consent decree from this funding. The Governor also included \$47.6 million for FY 2023 for community based investments and program support.

While specific detail was not provided in the Governor's budget recommendations, the table on the next page comes from the February 1, 2022 quarterly spending plan submission to the Centers for Medicare and Medicaid Services by the Executive Office. The Governor requested amendments to adjust federal funds and restricted receipts for the April 2022 spending plan submitted to the Centers for Medicare and Medicaid Services to expand home and community based support using the additional resources included in the American Rescue Plan Act for FY 2022 and FY 2023. The amendments reduce federal funds by \$24.9

million and restricted receipts by \$20.1 million for FY 2022 and add \$8.4 million from federal funds and \$11.0 million from restricted receipts for FY 2023. The \$158.5 million total shown in the table for February is different than the \$166.4 million of total spending over both years contained in the original budget recommendation. **The Assembly concurred. Updated expenses as of the April plan are shown below.**

HCBS Plan - ARPA			
Proposals	February		April
Increasing Access to HCBS Services	\$	56.4	\$ 65.0
Building Infrastructure to Expand Provider Capacity and Care Continuum		55.0	30.2
Improving Quality and Race Equity		10.0	-
No Wrong Door Enhancement Initiative		9.3	5.5
Updating Technology		7.0	1.6
HCBS Workforce Training		6.1	7.0
Other Items		14.7	50.2
Total	\$	158.5	\$ 159.4
<i>\$ in millions</i>			

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$864.2 million, including \$335.2 million from general revenues and \$529.0 million from federal funds. The estimate increases funding by \$10.7 million from all sources, including \$9.2 million less from general revenues. The all funds increase is primarily attributable to the extension of the public health emergency through March 2022, and the federal prohibition on terminating individuals who no longer qualify for benefits until April 2022. The concurrent enhanced Medicaid match also explains the general revenue savings.

The estimate includes RItE Care expenses at \$826.1 million, RItE Share at \$2.1 million and fee-for-service expenses at \$36.0 million; a discussion of each follows. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$852.9 million, including \$317.4 million from general revenues consistent with the May caseload conference estimate. This is \$11.3 million less than the Governor's recommendation. Final expenses reflect savings of \$21.8 million from a favorable outcome to the state in its arrangement to share in the plans' gains and losses for program expenses. The savings is offset by the extension of the public health emergency through FY 2022 and the federal prohibition on terminating individuals who no longer qualify for benefits until September 2022.**

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$826.1 million, including \$292.2 million from general revenues and revisions to the caseload enrollment and demographics that influence program costs. The estimate is \$10.7 million more than enacted, which is \$9.2 million less from general revenues and assumes increased enrollment of 20,000, which reflects the extension of the public health emergency's impact on terminations. The estimate also includes a 1.0 percent reduction to the projected monthly capitated rate. A portion of the general revenue savings reflects the extension of the enhanced Medicaid match. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$815.2 million consistent with the May caseload conference estimate. This is \$10.9 million less the Governor's recommendation.**

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$2.1 million, including \$0.7 million from general revenues and is \$0.1 million more than enacted. The Executive Office's revised request is consistent with the enacted budget.

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. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.1 million consistent with the May caseload conference estimate and the Governor's recommendation.**

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$36.0 million from all sources, of which \$14.4 million is general revenues. This is \$0.1 million less than enacted. Fee-based managed care provides additional services to those in the contracted managed care system. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$35.6 million, or \$0.4 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 \$304.0 million from all sources, including \$124.5 million from general revenues for FY 2022 for the managed care program for adults with disabilities. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate.

The estimate is \$5.2 million more than the enacted budget, including \$2.6 million less from general revenues. The estimate includes a higher monthly cost per person than enacted for the 14,756 individuals estimated to be enrolled in the managed care plan. With the extension of the public health emergency, there is no significant impact from continued enrollment in the program since this population is disabled and tends to remain in the caseload. The estimate does reflect additional general revenue savings of \$4.7 million from the extension of the enhanced Medicaid match. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$303.1 million, including \$119.6 million from general revenues, consistent with the May caseload estimate. This is \$0.9 million less than the Governor's recommendation for updated program expenses.**

Medicaid Expansion

Medicaid Expansion for Certain Adults. The November Caseload Estimate increases spending by \$43.8 million for total funding of \$790.0 million to provide Medicaid coverage to adults between ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. This includes updated enrollment of approximately 120,000 enrollees. The estimate also includes \$83.2 million from general revenues for the state match, \$3.2 million more than the enacted budget. This increase is primarily attributable to the extension of the public health emergency through March 2022 and the federal prohibition on terminating individuals who no longer qualify for benefits until April 2022. A portion of the change is from an increase in the monthly cost per enrollee. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$745.0 million, including \$78.8 million from general revenues consistent with the May estimate. This is \$45.0 million less than the Governor's recommendation to reflect an increase in gain share recoupments and rebate collections.**

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 \$142.7 million from all sources, including \$58.1 million from general revenues for this program.

The estimate is \$2.1 million less than enacted, including \$3.1 million less from general revenues for approximately 14,600 enrolled in the managed care plan. The extension of the public health emergency results in additional general revenue savings from the enhanced Medicaid rate but does not necessarily impact enrollment from a delay in terminations. The population enrolled in the program will most likely still meet eligibility criteria during the redetermination process. The decrease reflects fewer enrollees and a lower monthly cost per person. In January 2022, passive enrollment in Rhody Health Options will begin, and the estimate assumes it will result in additional costs to this program shifted from fee-for-service activity, including nursing homes, hospice, and other services. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$133.8 million, including \$52.3 million from general revenues consistent with the May caseload estimate. This is \$8.9 million less than the recommended reflecting fewer enrollees and a lower monthly cost per person.**

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$71.9 million from all sources, which is \$2.7 million more than enacted. This includes \$3.2 million more from general revenues and \$0.5 million less from federal rebates. The estimate includes both direct pharmacy costs and the state's estimated Medicare Part D clawback payment. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$68.9 million consistent with the May caseload conference estimate, which is \$3.0 million less than the Governor's recommendation.**

Fee-for-Service. The Caseload Estimating Conference estimate includes savings of \$0.3 million for FY 2022 pharmacy expenses, which reflects updated fee-for-service pharmacy costs offset by federal rebates. The estimate is \$0.4 million less than enacted and includes \$0.2 million more from general revenues offset by \$0.5 million from federal rebates. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly included \$0.1 million consistent with the May caseload estimate, which is \$0.4 million more than recommended.**

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$72.2 million, \$3.1 million more than enacted. This reflects higher than anticipated enrollment, updated monthly premiums and savings from the Medicaid match from the extension of the public health emergency.

The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. The federal 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 a \$3 co-payment for brand names.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$68.8 million consistent with the May caseload conference estimate and \$3.4 million less than recommended to adjust for the additional quarter of the enhanced Medicaid match in FY 2022.**

Other Medical Services

The 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 \$170.4 million, which includes \$48.0 million from general revenues, \$112.8 million from federal funds and \$9.5 million from restricted receipts. The estimate is \$26.3 million more than the enacted budget, including \$0.9 million less from general revenues and \$27.2 million more from federal funds. The increase reflects the inclusion of \$24.5 million for COVID-19 vaccinations paid entirely from federal funds. A portion of the general revenue savings reflects the extension of the enhanced Medicaid match.

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 that totals \$74.1 million from all sources, or \$0.5 million more than enacted; 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. Those payments increase by \$8.7 million to reflect projected spending. This includes \$5.0 million for transportation expenses, which is \$0.4 million more than enacted.

The \$9.5 million from restricted receipts provides direct general revenue savings for the children's health account; this is consistent with the enacted budget. Every insurance provider that delivers certain services to children with special health care needs pays an assessment, deposited in the children's health restricted receipt account, equivalent to the amount paid by the Executive Office for those services, not to exceed \$12,500 per service per child per year. Expenses are paid from this account that would otherwise require general revenues and cover three categories of services: comprehensive, evaluation, diagnosis, assessment, referral and re-evaluation; home health; and child and adolescent intensive treatment and each category has a number of specific services within it. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$146.5 million, including \$52.3 million from general revenues consistent with the May caseload conference estimate. This is \$23.9 million less than the recommendation from all sources of which \$14.2 million is for lower than anticipated expenses for the COVID-19 vaccinations. Other medical expenses are reduced to reflect current spending trends in addition to a \$0.6 million penalty assessed against MTM. The savings are offset by \$3.6 million in one-time state only expenses for prior year refugee services to correct for expenses inadvertently charged to federal funds.

Non-Emergency Transportation. The November Caseload Estimating Conference estimate includes \$34.8 million, of which \$11.7 million is from general revenues, for payments made to MTM for non-emergency transportation services for Medicaid enrollees. On January 6, 2022, the Executive Office sent a letter to MTM notifying the transportation provider that it was assessing a \$600,000 penalty based on the actions of a driver that resulted in the death of a passenger; penalty would be collected by withholding \$200,000 from the monthly capitated payment made to MTM in February, March and April of 2022. *The Governor recommended funding consistent with the caseload estimate and did not account for the penalty.* **The Assembly included the \$600,000 penalty consistent with the May caseload conference estimate.**

Administration

Unified Health Infrastructure Project. Costs for the Unified Health Infrastructure Project are requested at \$79.9 million from all sources, including \$21.8 million from general revenues, \$51.9 million from federal funds, \$0.2 million from Deloitte Settlement funds and \$6.0 million from other restricted receipts in the budgets for the Executive Office, Department of Human Services and Healthsource RI.

The Executive Office requested \$1.1 million less than enacted, including \$0.8 million less from general revenues, \$0.6 million less from federal funds, and \$0.2 million more from restricted receipts to reflect the balance from the Deloitte Settlement funds. The revised request reflects projected spending and shifting expenses from the development phase to project maintenance.

The Governor recommended \$70,299 less from all sources, including \$25,848 more from general revenues for updated project expenses. This includes \$0.3 million more to account for statewide adjustments, consistent with recent labor agreements and assuming pay increases also apply to non-union staff, partially offset by statewide medical benefit savings. The recommendation reduces contracted services by \$0.4 million, primarily from federal funds for updated project costs. It also reflects \$10,094 from State Fiscal Recovery funds in lieu of general revenues to maintain eligibility functionality during the public health emergency. Subsequent to the Governor's budget submission, the public health emergency was extended through the first quarter of FY 2023 which further delayed the resumption of the process to confirm eligibility for Medicaid. The Governor requested an amendment to add \$0.5 million, including \$0.1 million from general revenues, for the Executive Office's share of operating and technology expenses associated with the expected high volume of redetermination activity. The Assembly provided \$10,094 from general revenues in lieu of State Fiscal Recovery funds and concurred with the remainder of the recommendation.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted/TT Fund & HealthSource RI	Total
FY 2016 through FY 2021	\$ 65,048,311	\$ 308,717,137	\$ 49,262,860	\$ 10,408,287	\$ 437,721,068
FY 2022 Enacted					
EOHHS	\$ 11,321,996	\$ 40,221,985	\$ -	\$ -	\$ 51,543,981
DHS	12,396,645	13,754,584	-	-	26,151,229
HealthSource RI/Contact Center	364,110	-	-	5,009,996	5,374,106
Total	\$ 24,082,751	\$ 53,976,569	\$ -	\$ 5,009,996	\$ 83,069,316
FY 2022 Rev. Rec.					
EOHHS	\$ 10,623,761	\$ 39,585,784	\$ 216,431	\$ -	\$ 50,425,976
DHS	10,533,412	12,984,741	-	1,011,341	24,529,494
HealthSource RI/Contact Center	364,110	-	-	5,019,394	5,383,504
Total	\$ 21,521,283	\$ 52,570,525	\$ 216,431	\$ 6,030,735	\$ 80,338,974
FY 2022 Final					
EOHHS	\$ 10,772,557	\$ 39,996,604	\$ 216,431	\$ -	\$ 50,985,592
DHS	10,972,175	12,629,344	-	1,011,341	24,612,860
HealthSource RI/Contact Center	552,520	-	-	5,019,394	5,571,914
Total	\$ 22,297,252	\$ 52,625,948	\$ 216,431	\$ 6,030,735	\$ 81,170,366
Final to Revised Recommendation					
EOHHS	\$ 148,796	\$ 410,820	\$ -	\$ -	\$ 559,616
DHS	438,763	(355,397)	-	-	83,366
HealthSource RI/Contact Center	188,410	-	-	-	188,410
Total	\$ 775,969	\$ 55,423	\$ -	\$ -	\$ 831,392

Health Information Technology Projects. The Executive Office included \$3.4 million more than enacted from federal funds for Health Information Technology projects totaling \$7.0 million. The revised request includes \$3.0 million for IMAT Solutions to update the electronic clinical quality measurement system that measures and tracks the quality of health care services as generated by the state's Electronic Health Records system. The request also includes \$0.4 million as the state match for system enhancements at the Department of Corrections to enroll inmates in CurrentCare. It appears that the Executive Office excluded the increased costs for both projects in its original FY 2022 budget submission leading to exclusion from the Governor's recommendation and subsequent enactment for FY 2022. It should be noted that the capital request includes two projects totaling \$8.8 million but the expenses requested differ. Subsequent to its budget submission, the Executive Office provided new information to the Office of Management and Budget that the additional funds are not needed as this project could be combined with the new Medicaid

Enterprise System. *The Governor did not recommend funding for this project but did fund the new Medicaid system. The Assembly concurred.*

CurrentCare. The Executive Office requested the enacted level of \$4.3 million, of which \$1.1 million is from general revenues, to make the \$1 monthly payment for the state's Medicaid beneficiaries who opt-in to be enrolled in the exchange. The state also makes that same monthly payment for state employees and the Rhode Island Quality Institute receives funding from enrollees covered by the commercial insurers. The 2021 Assembly passed legislation that mandated the health information system transition from the current opt-in model to the opt-out one.

The Executive Office's capital request, submitted earlier than the operating request, includes \$1.9 million over five years for this transition project. The Executive Office's FY 2023 request includes \$0.6 million, including \$0.1 million from general revenues, to cover the design, development, and implementation costs for the new model, which allows the Rhode Island Quality Institute to increase its revenues used to support the exchange by enrolling new members. The request covers operational, technical, project management, regulatory compliance, and communications support. *The Governor recommended \$1.0 million, including \$0.1 million from general revenues, for FY 2022 and \$1.5 million, including \$0.2 million more than enacted to make the change to an opt-out system in FY 2023. The Assembly concurred.*

Medicaid Enterprise System. The Executive Office requested \$1.4 million from all sources, including \$0.1 million from general revenues, for a contractor to assist with re-procuring the Medicaid Management Information System which is the primary means for processing Medicaid claims, third party liability review, and data management. This is consistent with the enacted budget. The request does not include funding for the new system itself. It should be noted that the capital request includes \$34.3 million for a Medicaid Enterprise System to replace the current Medicaid Management Information System, which includes \$32.6 million from federal Medicaid funds and \$1.7 million from general revenues. The capital request also includes \$6.8 million for an independent verification and validation vendor from FY 2023 through FY 2026 and \$10.2 million to replace the system. *The Governor recommended \$53.3 million, including \$5.3 million from general revenues for the new system in the five-year capital plan and included \$5.5 million, of which \$0.4 million is from general revenues for FY 2022. It should be noted that the Governor recommended a new position for FY 2023 to manage the project. He subsequently requested an amendment to reduced project costs by \$1.3 million, including \$0.1 million from general revenues. The Assembly concurred with the amended recommendation.*

Unite US - Community Resource Platform. The Executive Office included \$44,700 less than enacted from federal funds and restricted receipts for updated expenses that total \$1.1 million for Unite Us to run the community resource platform, which is an eReferral system allowing for social services recommendations from health care providers to community based organizations. The contract expired on April 28, 2022, but can be extended another two years. It should be noted that the capital request includes this project totaling \$1.1 million but the expenses requested from the two fund sources differ. *The Governor recommended funding as requested. The Assembly concurred.*

Cost Trend Analysis. The Executive Office included \$0.7 million from federal funds in its revised request for a new cost trend analysis project. It should be noted that this is the Healthcare Transparency initiative that was included in the FY 2021 and FY 2022 requests but not approved by the Assembly. The proposal to charge a \$1 per member per month for the Healthcare Transparency initiative is included in the Department of Business Regulation's Office of the Health Insurance Commissioner's FY 2023 budget to support cost trend analysis and growth that impacts the medical assistance program. *The Governor recommended funding as requested. The Assembly concurred.*

HealthFacts RI/All Payer Claims Database. The Executive Office requested \$0.9 million more than enacted from federal funds for total funding of \$4.1 million to support the state's All Payer Claims

Database, known as HealthFacts RI. The request includes the enacted amount of \$0.4 million from general revenues. The increase includes \$0.3 million more for software upgrades and \$0.6 million for additional support provided by Freedman Healthcare. *The Governor recommended funding as requested. The Assembly concurred.*

Health System Transformation Program. The Executive Office requested \$7.6 million less than enacted for total funding of \$38.7 million from federal funds for projected expenses through the Health System Transformation program reflecting a revised spending plan. This includes \$5.7 million less for Real Jobs Rhode Island to reflect an updated agreement with the Department of Labor and Training, \$1.6 million less for contracted services and \$0.3 million less to support 16 filled positions and a filled policy position in the Office of the Health Insurance Commissioner.

A reduction to contracted services includes \$1.1 million for the healthcare workforce development initiative at the University of Rhode Island, Rhode Island College and the Community College of Rhode Island, \$0.3 million for the Care Transformation Collaborative and \$0.8 million for Faulkner Consulting. There is also new funding of \$0.4 million for technical assistance from the University of Rhode Island's Center for Healthcare Strategies to the Accountable Entities, as well as \$0.2 million more for adjustments to other initiatives. *The Governor recommended \$40,848 more than requested to account for statewide adjustments, consistent with recent labor agreements and assuming pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Long Term Services and Support Programs. The Executive Office included \$1.6 million more than enacted from newly awarded Money Follows the Person federal funds for its long-term services and supports programs. This includes \$0.4 million to the Rhode Island Parent Information Network to continue the hospital care transition initiative originally supported using CARES Act funds. It also includes \$0.4 million for St. Elizabeth's to expand the Supportive Housing and Accessible Affordable Housing model to six additional sites through three housing providers and \$0.2 million for Faulkner Consulting to develop a sustainability plan for the affordable housing model. There is \$0.3 million for Guidesoft to develop certification standards for conflict free case management and \$0.3 million for the Office of Healthy Aging's DigiAGE program to expand access to training and technology for individuals diverted from nursing home placements. *The Governor recommended funding as requested. The Assembly concurred.*

No Wrong Door Initiative. The Executive Office requested \$0.3 million more from newly awarded Money Follows the Person federal funds for the No Wrong Door Initiative. This includes \$0.2 million for the Faulkner Group to develop a tool to identify potential candidates who can transition from a nursing home to another community based settings. It also includes \$0.1 million for the RDW Group for outreach materials and training videos that will provide information about the Nursing Home Transition Program and making referrals. The revised request also includes \$0.1 million for other online and website services. *The Governor recommended funding as requested. The Assembly concurred.*

McKinsey Opioid Settlement. In February 2021, the Attorney General's Office 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 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 Department of Health's final budget included \$2.1 million for FY 2021 and \$450,000 was included in the FY 2022 enacted budget. The funds included in FY 2021 were not expended, reflective of a delay in program implementation. The Department's FY 2022 revised request assumes expenditures of \$1.7 million or \$1.3 million more than enacted; the remaining \$0.9 million is included in the FY 2023 request.

*The Governor proposed legislation in Article 2 of 2022-H 7123, allowing the Executive Office to receive and spend funds from settlement agreements with opioid manufacturers, pharmaceutical distributors, pharmacies or any monies received from any bankruptcy proceedings. He requested an amendment to further clarify that any governmental entity, such as a school or fire district, are prevented from asserting a claim against any entities that the Attorney General has entered into an opioid settlement agreement subject to the Rhode Island Memorandum of Understanding between State and Cities and Towns Receiving Opioid Funds. The Governor recommended \$1.7 million for FY 2022 and \$0.9 million for FY 2023 in the Executive Office of Health and Human Services' budget. He subsequently requested an amendment to adjust the planned uses for the funds and reduced the Executive Office's budget by \$1.7 million and increased the Department of Health's budget by \$0.8 million to purchase naloxone. **The Assembly concurred and included Section 7 of Article 2 of 2022-H 7123, Substitute A, as amended, for the settlement agreements.***

Substance Use Disorder Provider Capacity Grant. The Executive Office requested \$0.2 million more than enacted from carry forward funds from its federal Substance Use Disorder Provider Capacity grant for a total of \$1.3 million. It includes \$0.7 million for contracted case management software for substance use disorder providers, \$0.1 million for project management, \$0.1 million for other consulting services and \$0.3 million for grants. FY 2021 expenses were \$1.9 million for the first year of the two-year, \$3.1 million grant. The initiative, in conjunction with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, takes a comprehensive approach to increase provider capacity and ability to provide substance abuse use services to Medicaid beneficiaries with opioid use and other substance use disorders. *The Governor recommended funding as requested. **The Assembly concurred.***

Preschool Development Grant. The Executive Office requested \$0.6 million more from the federal Preschool Development grant from unspent prior year funds. The enacted budget includes \$0.7 million for projects that were still being developed and \$0.1 million for data analytics from Freedman Healthcare. The projects have been finalized and the revised request adds \$0.4 million for a child care survey, \$0.1 million more for the data system that now totals \$0.5 million and \$0.1 million for a campaign to advertise child care services. It should be noted that the capital request includes the data system project. *The Governor recommended funding as requested. **The Assembly concurred.***

Early Intervention Services. The Executive Office requested \$0.4 million more than enacted for Early Intervention Services. This includes \$0.4 million less for direct grants to the providers, \$0.1 million more for contracted services and \$0.7 million more for provider relief from federal stimulus funds. The revised request includes \$0.1 million from federal stimulus funds for Welligent to develop an Early Intervention database and \$0.4 million for retention funds for administrative support and staff recruitment.

In October 2021, the Governor requested an amendment to add \$5.5 million from federal State Fiscal Recovery funds to provide stabilization grants and pay for performance bonuses. The Assembly adopted the proposal with \$2.6 million for grants and \$2.9 million for bonuses. As the proposal was requested subsequent to the Executive Office's budget submission, the approved funding was not included in the request. It should also be noted that in December, \$3.6 million from unallocated Coronavirus Relief funds was committed for provider stabilization grants. *The Governor included that approved funding as requested and added \$9.1 million from both sources for the stabilization grants and pay for performance bonuses. **The Assembly concurred.***

Pediatric Provider Payments. In October 2021, the Governor requested an amendment to add \$7.5 million from federal State Fiscal Recovery funds to provide \$6.0 million for stabilization grants and \$1.5 million for pay for performance bonuses. The Assembly concurred in January 2022. The Executive Office's budget submission predated this amendment and the approved funding was not included in the request. *The Governor's recommendation includes the funding. **The Assembly concurred.***

HIV Treatment Services and Administration. The Executive Office requested \$1.5 million more than enacted for total funding of \$13.4 million for HIV services and administration expenses. The revised request increases pharmacy costs by \$0.5 million to reflect projected expenses and community support by \$0.9 million. For administrative expenses, it lowers salary and benefit expenses by \$25,289 to either fully or partially fund 35.0 full-time equivalent positions and increases contracted support by \$0.1 million. *The Governor recommended \$64,449 more than requested to account for statewide adjustments, consistent with recent labor agreements and assuming pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Waiver Renewal Contacted Services. The Executive Office requested \$250,000 from all sources, including \$125,000 from general revenues, to hire a consultant to assist with the state's submission to the Centers for Medicare and Medicaid Services on its Medicaid waiver which expires December 31, 2023. The FY 2023 request includes \$500,000, of which \$250,000 is from general revenues. The Executive Office indicated that while this was not originally requested for FY 2022, review of the scope of work for the waiver renewal in the summer of 2021 suggested support was needed from a consultant with specific expertise in this topic. *The Governor did not recommend the funding.* **The Assembly concurred.**

Medicaid Management Information System Expenses. The Executive Office included \$24.9 million from all sources, of which \$5.1 million is from general revenues, related to Medicaid Management Information system expenses. This is consistent with the enacted budget; however, the Executive Office extended its contract with the system's operator, Gainwell Technologies in March 2021 and increased the value of it to reflect additional services. The contract ends March 30, 2025. The new contract value exceeds the enacted assumption by \$2.3 million, including \$1.4 million more from general revenues. The Executive Office indicated it will identify savings in other expenses to absorb this increase but has provided no further details. Its capital budget request includes \$1.4 million from all sources, including \$0.1 million from general revenues for the planning vendor to assist with reprocurring a new system. *The Governor recommended funding for system expenses consistent with the enacted budget.* **The Assembly concurred.**

Other Salaries and Benefits. The Executive Office requested \$1.1 million less from all sources, including \$0.1 million less from general revenues and \$1.0 million less from federal funds, to either fully or partially fund 145.0 full-time equivalent positions. The revised request includes turnover savings from keeping ten positions vacant; the enacted budget assumed no vacancies for FY 2022. As of the January 1, 2022 payroll, there were 24 vacancies. As noted, the revised request funds positions in other agencies making it difficult to track payroll expenses for them. *The Governor recommended \$1.5 million more than requested, including \$0.9 million more from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming pay increases also apply to non-union staff, partially offset by statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Other Operations. The Executive Office requested \$68,107 more than enacted, including \$10,451 less from general revenues, for all other operations. This includes \$38,627 more for centralized services, including \$30,197 more from general revenues, based on anticipated billings. The revised request also includes \$29,480 more from all sources, including \$40,648 less from general revenues, for all other remaining changes. *The Governor recommended \$111,444 less than requested, including \$61,967 less from general revenues for adjustments to centralized services.* **The Assembly concurred.**

Capital Projects. The Executive Office submitted a capital budget that requires \$22.1 million from all sources, of which \$19.8 million is from federal funds, for 13 projects to be spent in FY 2022. The revised request only includes five projects totaling \$7.8 million. *The Governor recommended one project, the new Medicaid Enterprise System, previously discussed. He requested amendment that reduced the project by \$1.3 million, including \$0.1 million from general revenues.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Children, Youth and Families

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 12,165,158	\$ 19,034,969	\$ 29,885,380	\$ 31,439,897
Child Welfare	200,208,993	221,019,805	221,097,927	220,598,756
Juvenile Corrections	20,900,257	21,925,622	23,192,489	23,146,500
Children's Behavioral Health	13,552,307	14,298,070	16,674,950	16,583,608
Higher Education Incentive Grants	-	200,000	200,000	200,000
Total	\$ 246,826,715	\$ 276,478,466	\$ 291,050,746	\$ 291,968,761
Expenditures by Category				
Salaries and Benefits	\$ 72,307,773	\$ 86,548,458	\$ 88,043,741	\$ 88,043,741
Contracted Services	5,207,963	6,261,467	6,425,462	7,074,094
Subtotal	\$ 77,515,736	\$ 92,809,925	\$ 94,469,203	\$ 95,117,835
Other State Operations	12,590,233	12,527,511	19,000,962	18,683,834
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	155,791,310	169,591,030	177,330,581	177,517,092
Capital	929,436	1,550,000	250,000	650,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 246,826,715	\$ 276,478,466	\$ 291,050,746	\$ 291,968,761
Sources of Funds				
General Revenue	\$ 166,024,592	\$ 193,284,942	\$ 195,690,266	\$ 195,989,385
Federal Aid	78,402,665	81,456,413	93,349,912	93,968,808
Restricted Receipts	1,633,357	1,487,111	1,760,568	1,760,568
Other	766,101	250,000	250,000	250,000
Total	\$ 246,826,715	\$ 276,478,466	\$ 291,050,746	\$ 291,968,761
FTE Authorization	617.5	702.5	702.5	702.5
FTE Average	580.4			

FY 2022 Revised Request. The Department of Children, Youth and Families requested \$11.1 million less than enacted from all sources, including \$5.0 million less from general revenues, \$6.4 million less from federal funds, and \$0.3 million more from restricted receipts.

The Governor recommended \$14.6 million more than enacted and \$25.7 million more than requested. General revenues are \$2.4 million more than enacted and \$7.4 million more than requested. This primarily funds statewide personnel adjusts and recognizes additional savings from another quarter of enhanced Medicaid match. The recommendation appears to maintain the enacted level of general revenues for items where similarly requested changes to related fund sources are recommended. The recommendation also shifted \$4.4 million provided in the enacted budget for new staff to achieve accreditation to unidentified operating expenses to preserve resources available from hiring delays.

The Governor's subsequently requested an amendment to shift \$0.2 million from general revenues from the Department of Elementary and Secondary Education to the Department of Children, Youth and Families

for costs related to Children's Mobile Crisis Response efforts and to exclude \$0.2 million for the Department's state fleet plan based on updated projections on necessary costs to execute the fleet plan.

The Assembly provided \$0.9 million more than recommended from all sources, including \$0.3 million from general revenues and \$0.6 million from federal funds.

Staffing. The Department requested \$80.2 million which is \$6.4 million less than enacted for 702.5 full-time equivalent positions, consistent with enacted authorization. The request adds 4.0 positions to Central Management and 7.0 positions to Child Welfare and reduces the allocation for Juvenile Corrections by 11.0 positions. As of the pay period ending November 20, 2021, there were 590.0 filled positions and 112.5 vacancies. The Department averaged 570.1 positions filled per pay period or approximately 86 more vacancies than assumed in the request. The Department's request assumes an average of 656.0 positions filled or 45.5 vacancies. By fund source, the request includes \$5.7 million less than enacted from general revenues, \$0.6 million less from federal funds, partially offset by \$10,318 more from restricted receipts. It is worth noting that the request includes \$0.7 million less than enacted for overtime costs, most of which are for staff at the training school.

The Governor recommended \$1.5 million more than enacted which is equivalent to approximately 12 full-time equivalent positions. As of January 15, there are 108.5 vacant positions. The recommendation includes \$6.4 million more than requested from general revenues, which includes shifting \$4.4 million provided in the enacted budget for new staff to achieve accreditation to unidentified operating expenses.
The Assembly concurred.

Placements

The Department provides placement services for youth removed from their homes. 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 400 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 revised request includes lower placement costs, largely to match FY 2021 costs, and one less placement than assumed in the enacted budget. The revised request excluded 24 placements from the female youth facilities which are assumed not to open in FY 2022, offset by 25 additional residential placements, most of which are placements typically used for the most high-need youth. Through the first five months of FY 2022, the Department averaged 392 congregate care placements which is 11 more than assumed in the request. In FY 2021, the Department averaged 353.3 placements which was lower than previous years because of the lack of placement availability caused by the pandemic and provider staffing issues. The request assumes residential placements will increase in FY 2022 over FY 2021 levels by approximately 27 placements.

Foster Care Placements. The Department provides home-based placements to between 1,300 and 1,600 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 five months of FY 2022, the Department averaged 1,356 placements which was 24.5 fewer foster care placements than assumed in the request. In FY 2021, the Department averaged 1,481 foster care placements which was higher than previous years because of the lack of residential placement availability caused by the pandemic and provider staffing issues. The Department is expecting a decrease in foster care of approximately 100 youth and an increase of approximately 30 placements within residential care; the remaining 70 youth are assumed to exit Department care which is largely consistent with actual caseloads through November 2021. Last year's recommended budget inadvertently overstated foster youth placed by private agencies and, as there were no placement assumption details provided with the recommendation, this overstatement was unknown at the time of the enacted budget, and was consistent with the recommendation. The revised request corrected this error. *The Governor's budget appears to assume placements consistent with the request.* **The Assembly concurred.**

Placement	Description/Services	Population		
		FY 2022 Enacted	FY 2022 Rev. Req.	Diff. from Enacted
Congregate Care	Residential Based Placements	380.1	380.9	0.8
Assessment and Stabilization Centers	Trauma centers with counseling	8.6	13.3	4.7
Bradley	In-patient psychiatric care, long-term treatment	29.6	29.8	0.2
Group Homes	Less-intensive treatment plans, counseling	125.7	108.9	(16.8)
Independent Living	Unrestricted community access, live in own apartment	44.2	43.8	(0.4)
Residential Treatment Centers	Intensive treatment, behavior modification/treatment; includes psychiatric female youth facilities	82.7	84.1	1.4
Semi Independent Living	Semi-restricted community access, sleep-in staff	39.3	36.3	(3.0)
Out-of-State	Most troubled children care with specialized behavioral needs	50.0	64.7	14.7
Foster Care	Home Based Placements	1,700.0	1,380.6	(319.4)
Total		2,080.1	1,761.5	(318.6)

Congregate Care. The Department requested \$0.2 million more than enacted, including \$1.0 million more from general revenues, for congregate care placements, largely reflecting adjustments based on the FY 2021 experience. The request assumes 25.1 more placements than assumed in the enacted budget, most of which are placements typically reserved for the Department's most high-need youth. The Department indicated it expects there to be an increase in group-based placements as these facilities begin to expand placement capacity, as many had restricted service delivery because of staff shortages and social distancing issues caused by the pandemic. Providers have experienced issues with staffing, resulting in lower placement availability. According to the Department, in November 2021, it has roughly 30 percent fewer residential

placement availability than it did in February 2020, prior to the start of the pandemic. It is unclear if the increase in high level of need placements assumed in the request is the result of actual youth needs or are assumed to increase because of placement availability.

The Department assumed a cost per youth in each congregate care placement similar to the FY 2021 costs with two exceptions. The assessment and stabilization centers cost per placement is expected to decrease by 18 percent compared to FY 2021 levels, largely because FY 2021 had higher costs from the inclusion of an emergency intake center created in response to the COVID-19 emergency. The Department also assumed an increase in cost per placement for highly specialized group home placements by approximately 30 percent, reflecting the needs of a youth being greater than assumed in the enacted budget; it is worth noting there are typically no more than two youth in need of these services at the same time. *The Governor did not recommend the requested general revenue changes, but includes requested changes from all other fund sources. The Governor includes \$1.3 million in general revenue savings and a like increase in federal funds from the enhanced Medicaid rates being assumed through the third quarter which is one quarter longer than assumed in the enacted budget.*

The Department's third quarter report projected significant general revenue savings because of the lack of placement availability caused by issues with provider capacity. At the same time, contracted providers projected operating deficits totaling nearly \$10 million resulting from the lack of placements.

The Assembly did not reduce the budget based on the updated spending projection and instead assumed the Department would provide a retroactive ten percent increase to its providers to assist with operating losses and ensure future capacity.

Female Residential Facilities. The Department's request excludes the \$3.5 million from all sources, including \$1.0 million from general revenues, provided in the enacted budget for two new psychiatric residential facilities for female youth currently residing in out-of-state congregate care placements. The enacted budget assumes occupation of these facilities would occur beginning October 2021 which has not occurred, as no facility or provider have been identified as capable of meeting psychiatric residential treatment facility standards. The Assembly has provided funding each year since FY 2019 for this purpose, but no new facility has become operational.

Currently, female youth who would otherwise be served in state facilities are placed in out-of-state high-end residential facilities which are among the most expensive and intensive placements provided by the Department. In FY 2020 and FY 2021, the Department attempted to find a suitable provider to deliver these services, but no provider was able to meet the psychiatric residential treatment facility requirements. The Department's capital request includes \$5.0 million from federal American Rescue Plan Act funds for FY 2023 to renovate an unidentified state owned facility for a female youth facility. At the time of its request, no suitable provider or facility had been identified. *The Governor retained the \$1.0 million from general revenues, but excluded all other fund sources as requested. The Governor's FY 2023 budget includes \$13.1 million from all sources, including \$2.3 million from general revenues, to establish at least one state psychiatric residential treatment facility.*

The Assembly concurred. For FY 2023, the Assembly provided \$6.0 million more than recommended to expand existing in-state capacity at private facilities and initial design of a new qualified residential treatment program facility. It also recommended \$45.0 million from Rhode Island Capital Plan funds over FY 2024 through FY 2026 for the state to construct such a facility.

Foster Care. The Department requested \$7.9 million less than enacted, including \$4.8 million less from general revenues for home based foster care placements. The Department indicated that the enacted budget, which was consistent with the Governor's recommendation, overstated the assumed population for foster

youth. The enacted population of 1,700 is based on a Department estimate of what was assumed in the recommended budget, as the Governor did not provide population assumptions with his FY 2022 recommendation.

Through the first half of FY 2022, the Department has averaged 1,344 placements which is 37 fewer than assumed in the revised request. For FY 2021, the Department averaged 1,481.3 placements which is approximately 100 more than assumed in the revised request. The Department had experienced an increase in foster care placements in FY 2021, largely due to the unavailability of other placement types caused by restrictions of services in response to the pandemic and staffing shortages. The Department assumed a cost per placement of \$18,764 which is \$213 or 1.1 percent more than FY 2021 expenses. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The Governor also included \$0.7 million in general revenue savings and a like increase in federal funds from the enhanced Medicaid rates continuing one quarter longer than assumed in the enacted budget.*

The Department's third quarter report projected significant general revenue savings because of the lack of placement availability caused by issues with provider capacity. At the same time, contracted providers projected operating deficits totaling nearly \$10 million resulting from the lack of placements.

The Assembly did not reduce the budget based on the updated spending projection and instead assumed the Department would provide a retroactive ten percent increase to its providers to assist with operating losses and ensure future capacity.

Provider Workforce Stabilization. In October 2021, the Governor requested an amendment to add \$12.5 million from federal State Fiscal Recovery funds to provide workforce stabilization payments to direct care staff of congregate care and community based providers in contract with the Department and the Assembly concurred in January 2022. This is in response to providers reporting a high number of vacancies and staff recruitment issues which have resulted in a capped or reduced number of youth that providers are able to serve. These funds are to be distributed to provider employees earning less than \$75,000 annually and to support the recruitment of additional provider staff. At the time of the request, there were 34 provider organizations employing up to 1,500 workers who would be eligible to receive enhanced wage rates which equates to \$694.50 per month per eligible staff member. Eligible employees would also receive funding from the enhanced wage rate for time worked retroactive to July 1, 2021. As the proposal was requested subsequent to the Department's budget submission, the approved funding was not included in the request. *The Governor included the approved funding. The Assembly concurred.*

Foster Care Home Studies. The Department's request excludes the enacted \$19,000 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. The Department decided that it will work toward conducting all of the home studies itself and no longer use external contractors. Funding in the enacted budget was provided for a transition period for the Department to begin this work, but the Department began the process in FY 2021, making the funding no longer necessary. *The Governor did not appear to adjust funding as requested. The Assembly concurred.*

COVID - Child Welfare Grants. The enacted budget includes \$1.5 million for COVID-related child welfare services grants, including \$0.5 million from the Consolidated Appropriations Act of 2021 and \$1.0 million from the American Rescue Plan Act. Specifically, \$0.7 million to enhance community-based and prevention-focused programs, \$0.3 million for improving the child protective services system, \$0.3 million to assist youth whose post-secondary education was interrupted by the pandemic, and \$0.2 million to enhance prevention and early intervention. The FY 2021 final budget had included \$1.8 million from federal Chafee funds, of which \$1.6 million were not spent in FY 2021; the request includes this funding for FY 2022. This adjustment is the only one the Department intended to request but inadvertently excluded

\$0.7 million. *The Governor included \$2.9 million from these funds for FY 2022 which is \$0.3 million more than requested. This includes \$1.6 million from unspent FY 2021 funds and \$1.3 million from all other grants. The Governor provided the remaining \$0.2 million in grant funds in his FY 2023 recommendation. The Assembly concurred.*

Child Care. The Department requested \$0.3 million less than enacted for child care expenses for children in foster care. This includes \$0.7 million more from general revenues and \$1.0 million less from federal funds. The enacted budget shifted \$1.2 million of the Temporary Assistance for Needy Families funds to the home and community-based services program to align with federal eligibility rules which were offset with a shift to the daycare program for a like amount of general revenues. The request inadvertently shifted \$0.7 million from these funds to the community-based services program replacing general revenues. The Department spent \$6.9 million on these expenses in FY 2021 or \$0.8 million less than requested, reflecting the raising of child care rates in FY 2022, consistent with the enacted budget. It appears the intention was simply to reduce federal funds by \$0.3 million. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The recommendation does appear to provide total funding as the request was intended. The Assembly concurred.*

Adoption and Guardianship. The Department requested \$2.0 million more than enacted, including \$1.6 million more 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 2021 costs. The Department indicated that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. The revised request assumes adoption costs of \$8,388 per youth and guardianship costs of \$8,000 per youth which is \$77 and \$318 more than FY 2021 costs, respectively. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The Governor also included \$0.5 million in general revenue savings and a like increase in federal funds from the enhanced Medicaid rates continuing one quarter longer than assumed in the enacted budget. The Assembly concurred.*

Voluntary Extension of Care. The Department requested \$810,197 more than enacted, including \$750,392 more from general revenues, for its Voluntary Extension of Care program for rent and other services. The program lets individuals age 18 through 21 remain in state care with the Family Court retaining oversight. 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 youth cannot be removed from foster care due to age. In the first half of FY 2021, the Department averaged 95 youth. In the fourth quarter of FY 2021, there were 146 youth who were not aging out of the program. The Department reported that the federal age requirement expired at the end of September 2021 and 36 youth subsequently left state care. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The Assembly concurred.*

18 to 21 Year Olds. Currently the state provides transitional services, including residential placements, for individuals age 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. It appears that individuals remain on the Department's caseload who do not meet the statutory standard to do so. For FY 2021, the Department estimated that it spent \$22.4 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 and remain on their caseload past age 18. *The Governor appeared to assume the same 18 to 21 population as requested.* **The Assembly concurred.**

Home and Community Based Services. The Department requested \$1.5 million less than enacted from all sources, including \$2.7 million less from general revenues, to reflect updated usage estimates for its youth and family support services. The decrease in general revenues reflects an expected increase in the services attributable to federal funds based on FY 2021 expenses, as only certain services qualify for Medicaid support. These services include counseling, education programs, family support services for 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, other placements, and in-home populations. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The Governor included \$0.8 million in general revenue savings and a like increase in federal funds from the enhanced Medicaid rates continuing one quarter longer than assumed in the enacted budget.*

The Governor subsequently requested an amendment to shift \$0.2 million from general revenues from the Department of Elementary and Secondary Education to the Department of Children, Youth and Families for costs related to the Children's Mobile Crisis Response efforts. The initiative expands an existing contract to include additional assessment, stabilization and referrals to intensive treatment to address underlying problems of children's mental health issues. **The Assembly concurred.**

Local Education Agency Reimbursement Shortfall. The Department's request assumes payments of \$1.6 million more than enacted for its expected shortfall in reimbursements from local education agencies for education costs for children who receive education services in congregate care. Changes include \$1.9 million more from general revenues, \$2,416 more from restricted receipts, and \$0.2 million less from federal funds. This reflects the expected impact of the ongoing lawsuit and a recent uptick in shortfalls in collections from previous years that the Department does not expect to be able to collect. Historically, the residential facilities have billed local education agencies directly for reimbursement for the education costs. However, the facilities 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 to providers by local education agencies, the Department, in FY 2020, began to pay the education costs to these facilities and sought reimbursement from the appropriate local education agency directly. Any costs not reimbursed would result in additional costs for the state via the Department. The education costs are paid to providers as part of the overall placement cost which includes general revenues, federal funds, and supplemental security income, and payments received from the local education agency offset the general revenue share.

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. As noted, any funding that is not paid by the district is paid by the Department to the residential facility. The Department is currently 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. *The Governor did not recommend the requested general revenue changes, but includes requested changes from all other fund sources.* **The Assembly concurred.**

Children's Rights Settlement. Consistent with the enacted budget, the Department requested \$0.1 million from general revenues 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. The Department is required to

complete a workload study because of its failure to meet a number of required commitments; as of November 17, the Department had posted and received a bid to conduct the study.

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 will be decided between the parties once again in court. Through the report published August 18, 2021, the Department has exited five of the 20 commitment areas. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

Higher Education Incentive Grant. The enacted budget includes \$657,651 for higher education support payments. This includes \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant, \$452,758 from federal funds for Education and Training Vouchers, and \$4,893 from restricted receipts from resources accumulated from unspent Higher Education Incentive Grant funds from prior years. The request includes \$0.2 million less from federal funds and excludes the restricted receipts. The enacted budget inadvertently overstated federal funds availability which is corrected in the revised request. The Department spent \$0.4 million in FY 2021, including \$333,831 from restricted receipts and \$21,873 from federal funds.

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 educational 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 enrolled in college, university, or vocational training programs. *The Governor recommended funding as requested. The Assembly concurred.*

All Other Placements and Services. The Department requested \$2.0 million more than enacted, including \$1.5 million more from general revenues, for all other placements and services, based on FY 2021 spending. These costs include intensive supervision for youth, family nursing assistance, and training for nursing and religious chaplains. These placements also include medical treatments provided to children, a first and last month rent payment when it is the last barrier to reunification, 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 did not recommend the requested general revenue changes, but includes requested changes from all other fund sources. The Assembly concurred.*

Juvenile Corrections

Salaries and Benefits. The Department requested \$1.4 million less than enacted for staffing at the Rhode Island Training School, including \$1.5 million less from general revenues. The request assumes turnover savings equal to 6.3 of its 133.0 requested positions. As of the period ending November 27, 2021, Juvenile Corrections had 121.0 filled positions or 5.7 fewer than assumed in the request. The request excludes authorization for 11.0 positions that were provided in the enacted budget and reduces funding accordingly. The request includes \$0.6 million less than enacted for overtime expenses which is consistent with FY 2021 expenses.

*The Governor recommended \$2.0 million more than requested from all sources, including \$1.9 million more from general revenues. The Governor added \$1.4 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. These costs are partially offset by statewide medical benefit savings based on finalized rates. The Governor recommended overtime expenses of \$0.7 million more than requested; through February 1, 2022, the Department had spent \$1.0 million on overtime or \$1.3 million less than recommended. **The Assembly concurred.***

Education Services. The Department requested \$35,237 more than enacted, including \$12,724 more from general revenues, for education expenses at the Training School. The request is \$153,114 more than FY 2021 expenses. The Department was unable to explain why it requested costs that are more than double FY 2021 expenses. The largest expense of \$0.2 million in the enacted and revised budget are for temporary staff needs, including long term substitute teachers and post-secondary instructors; this expense was \$80,708 in FY 2021 which accounts for most of the difference. 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 did not recommend the requested general revenue changes, but includes requested changes from all other fund sources. **The Assembly concurred.***

Institutional Support Services. The Department requested \$64,503 more than enacted from all sources, including \$59,834 more from general revenues for institutional support services at the Training School. The Department had averaged 33 youth at the Training School through the first half of FY 2022 which is nine more than the FY 2021 average of 24. These expenses includes legal costs, repairs and maintenance, food, non-prescription medicine and clothing expenses for juveniles. *The Governor did not recommend the requested general revenue changes, but includes requested changes from all other fund sources. **The Assembly concurred.***

Juvenile Probation and Parole. The Department requested \$76,940 more than enacted from general revenues for Juvenile Probation and Parole, primarily for increased property rental costs and cell phone expenses. The request is \$64,167 more than spent in FY 2021 and the Department was unable to explain the reason for the increase. These services include the supervision of adolescents that are placed on probation by the Family Court. The Department projected the probation and parole population will increase in FY 2022; through December 2022, the Department averaged 174 probation and parolees which is one less than FY 2021. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Other Operations

Accreditation. The Department submitted an accreditation plan on October 1, 2020 that proposed a 48-month plan for its accreditation. Based on that report, the Assembly added \$9.4 million from general revenues for all accreditation costs, including \$8.8 million for the 75.0 additional positions the Department identified as necessary to become accredited in addition to approving the 16 new positions the Governor had recommended. It also included \$0.6 million for other identified costs such as the application fee, accreditation readiness assessment, accreditation fees, and the site visit. The Department's revised request includes \$4.1 million less from general revenues for the 75.0 positions added by the Assembly. The Assembly also required the Department to submit a report every sixty days on its progress toward achieving accreditation beginning September 1, 2021; the Department complied with that requirement.

The Department developed a phase one hiring plan in July that includes hiring 52 staff. The Department began recruitment, upon approval from the Department of Administration, on August 17, 2021. Of the 52

employees, 7 started prior to November 1, 29 started on November 7, 7 started on November 21, and 9 were still being recruited. The Department indicated that near-future plans include: holding a meeting with the Council in December, paying its \$0.2 million accreditation fee, issuing a request for proposals to hire a project manager who has expertise in supporting states in achieving accreditations, and developing its phase two hiring plan for the remaining 39.0 additional staff. Recruitment and hiring for phase two began in January 2022. *The Governor recommended funding as enacted, but appeared to shift \$4.4 million of turnover savings from hiring delays to unidentified operating expenses.* **The Assembly shifted \$2.2 million of the unidentified expenses to specific items based on third quarter projections.**

Permanent Department Director. The Assembly included language in Article 3 authorizing the Governor to set the salary of the Director of the Department in 2021 and to enter into a three year contract for the position. At a House Finance Committee hearing on November 16, 2021, the Department indicated that the position had been posted, but no viable candidates had applied; the interim Director stated the Governor had contracted with a firm to search for a permanent replacement. *The recommendation includes language in Article 3 of 2022- H 7123 to extend the authorization of the Governor to set the salary of the Director to 2022.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.9 million less than enacted, including \$0.1 million less from general revenues, \$0.7 million less from federal funds, and \$0.1 million less from restricted receipts, for all remaining staff expenses. Of the remaining 494.5 positions, the request funds approximately 471 of the positions. The request assumes full staffing for the administrative program and children's behavioral health program and 23.1 vacancies in the child welfare program. Through the final pay period of November 2021, the Department had 433.0 of these positions filled or 38.0 less than assumed in the request. The Department anticipated a decrease in federal fund availability based on its cost allocation plan which determines what amount of staffing costs are attributable to federal funds. The Department anticipated \$56,889 less than enacted for overtime expenses.

The Governor recommended \$5.3 million more than enacted from all sources, including \$4.8 million more from general revenues. The Governor added \$5.3 million from all sources, including \$3.9 million more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. These costs are partially offset by statewide medical benefit savings based on finalized rates. The Governor did not include the requested turnover savings, but did concur with shifting the costs from federal funds to general revenues. **The Assembly concurred.**

Temporary Staff. The Department requested \$41,395 less than enacted, including \$64,488 less from general revenues and \$23,093 more from federal funds, 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 \$1.3 million on these services in FY 2021. *The Governor did not recommend the general revenue changes, but included requested changes from all other fund sources. This appears to be consistent with the limited scope of changes to general revenues included in the recommendation as a whole.* **The Department's third quarter report estimates \$0.5 million less from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

RIPTA Bus Passes. The Department requested \$0.6 million more from general revenues to purchase bus passes for Department youth and families, increasing the total to \$1.0 million, to account for changes to the bus pass structure. The Department indicated that the Rhode Island Public Transit Authority eliminated its two hour pass and established a new day pass which is \$6.00 instead of \$2.00, resulting in higher travel costs. The Department provides day and monthly bus passes for youth placed in semi-independent and independent living placements so that youth can transport themselves to appointments, visits with family, work and school. The Department indicated that this also assists the youth to develop familiarity with

public transportation. The Department also provides bus passes to families to visit youth if no other means of transportation are available. *The Governor recommended funding consistent with the enacted budget which appears to understate projected expenses.* **The Department's third quarter report estimates \$0.3 million more from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

COVID-19 Expenses. The enacted budget includes \$0.1 million from Federal Emergency Management Agency funds for isolation and intake placements for youth and families. The Department's request excludes these funds, which do not appear necessary for FY 2022, as the cottages used on the Zambrano campus were closed at the end of FY 2021. The Department indicated that if these services are needed, it would direct families to other state COVID resources. *The Governor recommended funding as requested.*

The Assembly provided \$0.3 million more from general revenues to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

Technology Purchases. The Department requested \$0.4 million more than enacted, including \$0.3 million more from general revenues and \$0.1 million more from other sources, for computer supplies, software, and equipment for FY 2022. In FY 2021, the Department spent \$1.2 million on these purchases, including \$0.9 million from general revenues and \$0.3 million from other sources. The Department indicated FY 2021 purchases were largely in response to its staff working remotely during the COVID-19 emergency. The Department reported that since it will be hiring new staff to achieve accreditation, it will purchase additional technology for those positions and will also replace older technology. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources which appears to understate projected expenses.* **The Department's third quarter report estimates \$0.1 million more from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

Parking and Rent. The Department requested \$0.9 million more than enacted, including \$0.8 million more from general revenues, for its parking and rent expenses, primarily at its headquarters in Providence, to be consistent with FY 2021 costs. The Department indicated that its headquarters rent increased in December 2020, but this was not included in its budget request, nor the enacted budget. However, as the request is consistent with FY 2021 costs, the request funds the equivalent to half a year of increased rent costs. The Department indicated that additional space would be required for parking at the Garrahy garage for new staff hired to achieve accreditation; these costs would not be reflected in FY 2021 expenses. The Department indicated these costs were inadvertently excluded. Through the end of November, the Department had spent \$1.8 million, which is \$4.3 million annualized, or \$0.6 million more than requested. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources which appears to understate projected expenses. The recommendation does not resolve the errors in the request.* **The Department's third quarter report estimates \$1.0 million more from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

Federal Family First Prevention Services Act Compliance. The Department requested \$0.1 million more than enacted from federal funds for its contract with Public Consulting Group which oversees the Department's cost allocation plan that determines eligibility for federal reimbursement for staffing positions. The Executive Office of Health and Human Services signed a new contract with the Public Consulting Group, LLC on November 30, 2021, which included services for human service agencies. The new contract added provisions to assist the Department with compliance with the Family First Prevention Services Act of 2018, specifically to include the sex trafficking provisions, and for assistance with the Title

IV-E prevention plan, which is a plan to prevent youth from entering Department care unnecessarily through the expansion of home and community based services. The Department indicated it is unsure what impact this plan may have on federal reimbursements for placements and services.

In the new contract, the Department's share of expenses between January 1, 2022 and December 31, 2022 is \$1.5 million, meaning costs of \$0.8 million will be required for the second half of FY 2022. Through November, the Department had spent \$0.4 million. In total, The Department is projected to spend \$1.3 million, or \$0.3 million more than requested, in FY 2022. FY 2021 expenses were \$1.1 million or \$0.1 million more than requested. It is unclear why costs are expected to decrease below FY 2021 expenses.

In an attempt to reduce states' use of congregate care, the Federal Family First Prevention Act restricted reimbursement of programs that are not designated as qualified residential treatment programs. To qualify, these programs must be licensed and accredited and use a treatment model that includes recognition of trauma. It also must include a registered or licensed nursing staff available 24 hours a day, seven days a week. States must have implemented this legislation by September 29, 2021 to continue to receive federal support for these placements. As the Department did not implement the required changes, \$0.5 million was added from general revenues in the enacted budget to replace lost Title IV-E funds. The Department continues to defer implementing this part of the Act based on its analysis that cost of compliance exceeds the expected loss in Title IV-E claiming. *The Governor recommended funding as requested which appears to understate costs by \$0.3 million.* **The Department's third quarter report estimates \$0.2 million more is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

Staff Training. The Department requested \$112,989 more than enacted from all sources, including \$1,940 less from general revenues and \$114,929 more from federal funds, for training costs for its staff. Staff training costs are expected to rise to \$294,925 as staff are hired in accordance with the accreditation plan. The Department spent \$203,842 on these costs in FY 2021. Training services include handling safety interventions, first aid and CPR training, mental health training, and various other trainings. Through the end of November 2021, the Department had spent \$84,616 on these trainings. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The recommendation does not resolve the errors in the request.* **The Department's third quarter report estimates \$28,465 less from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

Foster Care Expenses. The Department requested \$0.1 million more than enacted, mostly from general revenues, for foster care expenses. Requested changes more closely reflect FY 2021 costs and include \$59,883 more for insurance for foster parents and \$71,235 more for mattresses to foster families. The Department provides insurance to foster parents in case foster youth damage any property; residential providers carry their own insurance. The Department also provides mattresses to foster families when a youth enters that family's care. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. The recommendation does not resolve the errors in the request.* **The Department's third quarter report estimates \$130,729 more from general revenues is needed to fully fund this expense based on updated projections. The Assembly adjusted this expense based on those projections.**

Department Vehicles. The Department requested \$0.2 million more than enacted from general revenues for its share of state fleet costs. Consistent with the Governor's recommendation, the enacted budget had authorized the Department to purchase 30 vehicles through the State Fleet Revolving Loan Fund, including 20 vehicles in FY 2022 and 10 vehicles in FY 2023. It appears that the recommendation understated the necessary funding; the request provides the funding for the vehicles purchased in FY 2022. The Department's capital request excludes funding for FY 2023 and requests to create a fully leased fleet by 2027. The Department has reportedly had issues with acquiring the vehicles related to national supply

chain problems. *The Governor recommended \$0.2 million more than enacted for vehicles in the current year. The Governor appeared to concur with the requested plan to become a fully leased vehicle fleet by FY 2027.*

*The Governor subsequently requested an amendment to exclude that \$0.2 million based on updated projections that the additional funding was not necessary to execute the fleet plan. **The Assembly concurred with the amended recommendation.***

Capital Projects. The Department's request inadvertently excludes \$1.3 million from federal funds that were included in the enacted budget for the replacement of the Department's child welfare system. Adjusting for this, the Department requested funding consistent with the authorized capital plan. *The Governor recommended funding as requested and maintained the error. **The Assembly provided \$0.4 million from federal funds for the child welfare system, consistent with the intent of the capital budget recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.***

Centralized Services. The Department requested \$0.1 million less than enacted for centralized services provided through the Department of Administration, including \$0.4 million less from general revenues and \$0.3 million more from federal funds, reflecting additional costs being attributable to federal funds. The Department indicated that its request reflects an average of previous year costs. The request is \$0.7 million more than FY 2021 spending; however, it is \$0.2 million less than FY 2020 spending and \$0.4 million less than FY 2019 spending, which were higher because the Department's billings included the Benton facility which was transferred to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals in FY 2021; it does not appear the request adjusts for this exclusion. *The Governor recommended \$0.7 million more than enacted, including \$0.4 million more from general revenues, to reflect anticipated charges in FY 2022. This includes \$0.4 million more for facilities maintenance charges and \$0.2 million more for information technology charges. **The Assembly provided \$1.2 million more than recommended from general revenues, consistent with the Department's third quarter report.***

Other Operations. The Department requested \$13,135 more than enacted, including \$23,590 more from general revenues, partially offset by \$10,455 less from federal funds, to reflect updated estimates for all other expenses. These costs include security at its headquarters, out-of-state travel costs for visitation of children, and legal costs. *The Governor did not recommend the requested general revenue changes, but included requested changes from all other fund sources. **The Assembly concurred.***

Department of Health

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 19,631,312	\$ 35,735,625	\$ 46,161,956	\$ 34,141,130
Community Health and Equity	96,867,066	113,075,253	123,234,172	117,789,913
Environmental Health	13,148,998	13,866,161	15,981,388	15,929,948
Health Lab. & Medical Examiner	13,016,008	13,148,234	14,795,134	14,611,839
Customer Services	13,982,356	14,982,808	16,036,842	16,761,676
Policy, Info. & Communications	4,580,649	4,946,363	5,733,066	5,616,489
Preparedness, Response, Infectious				
Disease & Emergency Services	18,928,412	33,099,004	23,654,499	22,448,898
COVID-19	291,348,574	241,991,855	345,639,699	352,309,124
Total	\$ 471,503,375	\$ 470,845,303	\$ 591,236,756	\$ 579,609,017
Expenditures by Category				
Salaries and Benefits	\$ 67,052,802	\$ 71,326,203	\$ 73,456,188	\$ 72,947,665
Contracted Services	225,576,501	206,216,538	285,759,271	261,590,088
Subtotal	\$ 292,629,303	\$ 277,542,741	\$ 359,215,459	\$ 334,537,753
Other State Operations	94,129,768	130,603,962	153,365,711	169,870,363
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	79,285,056	61,646,518	76,744,273	72,973,748
Capital	5,302,567	1,052,082	1,911,313	2,227,153
Capital Debt Service	-	-	-	-
Operating Transfers	156,681	-	-	-
Total	\$ 471,503,375	\$ 470,845,303	\$ 591,236,756	\$ 579,609,017
Sources of Funds				
General Revenue	\$ 207,495,587	\$ 31,030,190	\$ 33,225,823	\$ 277,576,258
Federal Aid	217,978,604	368,284,737	475,829,565	231,051,391
Restricted Receipts	45,833,535	70,930,376	81,581,368	70,381,368
Other	195,649	600,000	600,000	600,000
Total	\$ 471,503,375	\$ 470,845,303	\$ 591,236,756	\$ 579,609,017
FTE Authorization	513.6	530.6	530.4	530.4
FTE Average	505.4			

FY 2022 Revised Request. The Department requested \$128.1 million more from all sources and 0.2 full-time equivalent positions less than enacted. The request includes increases of \$0.5 million from general revenues, \$118.8 million from federal funds and \$8.8 million from restricted receipts.

The Governor recommended \$120.4 million more from all sources than enacted, \$2.2 million more from general revenues. The recommendation is \$7.7 million less than requested, including increases of \$1.7 million from general revenues, \$1.8 million from restricted receipts, offset by \$11.3 million less from federal funds, primarily reflecting updated expenditures for COVID-19.

Subsequent to the Governor's budget submission, the public health emergency was extended. The Governor requested several amendments to update COVID-19 relief spending projections based on current trends. One amendment reduced recommended expenditures supported by indirect cost recovery charges by \$12.0 million, reflecting available resources. The Federal Emergency Management Agency will reimburse more COVID-19-related expenses from the extension of the public health emergency. As a result, the Department is using less of its direct federal grants for these expenses which in turn lowers the indirect cost recovery charges applied to them. Another amendment also added \$0.8 million from opioid settlement funds, reflecting an updated expenditure plan.

The Assembly concurred with the amended recommendation and provided \$245.5 million from general revenues offsetting \$217.3 million of expenses budgeted from federal funds to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as a fund balance adjustment anticipated to be available for use in FY 2023. The Assembly also reduced expenses for home visiting programs by \$1.7 million from all sources, including \$0.7 million from general revenues to reflect a delay in implementation.

Salary and Benefit Adjustments. The revised request includes \$2.0 million less than enacted from all sources for salaries and benefits. This includes \$0.7 million more from federal funds and decreases of \$10,815 from general revenues and \$2.8 million from restricted receipts. The request includes \$2.7 million more for overtime, for which the enacted budget includes \$1.6 million for a total of \$4.3 million; FY 2021 expenditures were \$3.7 million. It should be noted that overtime expenses through the first quarter of the fiscal year total \$0.3 million. All other salary and benefit expenses are \$4.8 million less than enacted to remove expenses for which additional staffing authorizations were not recommended or approved. The request includes medical benefits consistent with FY 2022 revised planning values. It assumes turnover savings equivalent to approximately 21 vacancies, or four more than enacted. At the end of November, the Department had 42.2 full-time equivalent positions vacant.

The Governor recommended \$73.5 million from all sources, which is \$2.1 million more than enacted and \$4.2 million more than requested, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff and statewide medical benefit savings based on finalized rates. The Governor recommended staffing consistent with the request. Subsequent requested amendments reduce salary and benefit expenditures by \$0.5 million, including \$0.1 million less from general revenues and \$0.4 million from federal funds, reflecting additional turnover savings. The Assembly concurred and provided \$72.9 million from all sources for FY 2022.

Centralized Services. The Department requested \$156,018 more than enacted from all sources for its share of centralized services provided by the Department of Administration. This includes increases of \$32,068 from federal funds and \$123,950 from restricted receipts, of which \$121,450 is from indirect cost recovery for information technology support. The request is \$0.4 million less than FY 2021 expenses and expenditures through the first quarter of FY 2022 total \$1.7 million. If this trend were to continue, annualized expenses would be \$6.9 million, which is \$1.2 million more than the revised request. *The Governor recommended \$7,097 less from all sources than requested based on updated billings. This includes \$22,097 more from general revenues for facilities management and \$15,000 less from restricted receipts for information technology support. He requested an amendment to further reduce expenses for information technology support by \$21,422 from federal funds. The Assembly concurred with the amended recommendation.*

COVID-19

CDC Funding: Epidemiology Laboratory Capacity - TBD Grant. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. Through March 2021, six federal legislative acts have been adopted, providing the Centers for Disease Control and Prevention with approximately \$60 billion to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. A portion of these funds can be used through federal fiscal year 2024 and some are to remain available until expended. The Centers for Disease Control and Prevention provides funding to states, municipalities and other entities for surveillance, laboratory capacity or other preparedness and response activities. According to information provided by *Federal Funds Information for States*, Rhode Island will receive a total of \$366.9 million. The Department noted a supplemental award for \$5.0 million, for a total of \$371.9 million. The table shows all COVID related funding that the Department will receive and budgeted expenses.

Total Available	\$	371,865,184		
Expenditures	Per year	Cumulative	Balance	
FY 2020 Spent	\$	828,157	\$	371,037,027
FY 2021 Spent		64,459,905		306,577,122
FY 2022 Final		81,910,911		224,666,211
Total	\$	147,198,973	\$	224,666,211

It appears that \$65.3 million was spent in FY 2020 and FY 2021, which would leave \$220.6 million for FY 2022 and beyond. The Department's revised request includes \$43.3 million or \$3.0 million less than enacted from federal funds for which a specific grant source has not been identified. The request assumes that these funds will be awarded through the American Rescue Plan Act to support expenditures for the Delta Variant, outside of what would be reimbursed by the Federal Emergency Management Agency. In November, the Department was awarded a new \$82 million grant to build a new health laboratory. The grant is exclusive of the requested \$43.3 million for which the source has not been determined. Even with the unidentified funding, it shows a remaining balance of \$29.4 million. Though the Department has sufficient spending authority, uses of grant funds are specific, e.g. K-12 testing. Excluding the funding for which a source has not been identified, the Department would have \$72.7 million to spend on COVID-19 related expenses in FY 2023 and beyond.

COVID-19	FY 2020 & FY 2021 Spent	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final	Final Chg. to Governor
Federal Emergency Management Agency	\$ 30,690,660	\$ 72,102,787	\$ 219,258,333	\$ 26,537,002	\$(192,721,331)
Coronavirus Relief Fund	38,495,984	-	4,648,911	5,116,961	468,050
CDC Direct Grants	65,288,062	187,938,487	133,226,052	81,910,911	(51,315,141)
General Revenue	199,999,962	-	458,187	245,509,915	245,051,728
Total	\$ 334,474,668	\$ 260,041,274	\$ 357,591,483	\$ 359,074,789	\$ 1,483,306
CDC Direct Grants Spending Areas					
Testing	\$ 28,354,421	\$ 42,080,635	\$ 47,872,288	\$ 27,266,230	\$(20,606,058)
Contact Tracing	14,956,345	22,614,515	21,841,866	22,108,623	266,757
Vaccine Campaign	5,031,003	32,546,209	22,064,706	10,371,671	(11,693,035)
Public Health Response	8,294,215	20,690,518	26,822,796	10,804,215	(16,018,581)
Community Mitigation/HEZ	2,494,974	4,799,511	6,951,846	4,617,171	(2,334,675)
Individual Support	-	953,593	1,291,479	1,526,805	235,326
Preparedness Response	6,157,104	17,985,140	5,906,862	4,716,196	(1,190,666)
New Health Laboratory	-	-	500,000	500,000	-
CDC Funding: ELC TBD Grant	-	46,268,366	(25,791)	-	25,791
Total	\$ 65,288,062	\$ 187,938,487	\$ 133,226,052	\$ 81,910,911	\$ (51,315,141)

The first half of the previous table shows FY 2020 and FY 2021 expenses, and budgeted COVID-19 related expenses by sources. The second half of the table shows spending and budgeted areas based on staff's interpretation of data.

The Governor's recommendation excludes the enacted amount of \$46.3 million, as a source for that grant had not been identified. Adjusting for that exclusion, the revised budget is \$30.9 million more, including \$42.0 million more from Federal Emergency Management Agency reimbursements, \$4.6 million more from Coronavirus Relief funds and \$15.6 million less from direct grant awards, in an attempt to preserve these resources for FY 2023. The Governor requested several amendments to reduce recommended expenditures by \$26.7 million from all sources, including \$0.5 million from general revenues reflecting updated spending projections based on current trends.

The Assembly concurred with the amended recommendation and provided \$245.5 million from general revenues, partially offsetting \$217.3 million of expenses budgeted from federal funds to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as a fund balance adjustment anticipated to be available for use in FY 2023. This resulted in an overall add of \$1.5 million from the amended recommendation for COVID-19 related expenses.

COVID Relief - Testing. The revised request includes \$47.0 million more from federal funds than enacted for laboratory contracts, supplies, site equipment, and staffing. This assumes that all but \$1.3 million would be reimbursed by the Federal Emergency Management Agency. The Department noted that the additional funds will be used to enhance response to the spread of the Delta Variant. The request includes \$25.0 million more for contracted services, including management services, laboratory testing, and specimen collection. Operating expenses are \$14.5 million more, including \$8.7 million for medical supplies and \$5.1 million for indirect cost charges. The request also includes \$7.5 million for grants to municipalities and entities to fund K-12 school reopening initiatives. Through the end of November, \$19.8 million had been spent; this appears to be for expenditures through September. There appears to be a two-month lag, as vendors may attempt to bill insurance companies before invoices are submitted for payments.

*The Governor recommended \$168.1 million, \$49.2 million more than requested, reflecting updated expenditures. Of the increase, \$44.7 million is assumed to be reimbursed by the Federal Emergency Management Agency. The Governor requested an amendment to include an additional \$0.9 million to adjust expenditures based on the extension of the timeframe for federal reimbursement. The amendment includes \$21.5 million more of expenses to be reimbursed by the Federal Emergency Management Agency, partially offset by \$20.6 million less for expenses previously assumed to be supported by direct federal grants, for a net increase of \$0.9 million. **The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.***

COVID Relief - Contact Tracing. The Department requested \$26.6 million more from federal funds than enacted for infection prevention, contact tracing, and case investigation, for a total of \$64.8 million. These expenses include \$56.8 million or \$19.9 million more than enacted for 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 request includes \$2.3 million more for salaries and benefits, of which \$1.7 million is for overtime, for a total of \$1.9 million. Overtime expenses were \$1.3 million in FY 2021. Operating expenses are \$4.4 million more than enacted; all but \$0.2 million is for indirect cost charges. Through November 30, it appears \$13.9 million was spent.

The Governor recommended \$61.3 million, or \$3.4 million less than requested, reflecting updated expenditure projections. He subsequently requested an amendment to reduce expenditures by \$4.7 million,

reflecting anticipated expenditures. The amendment also includes general revenue savings of \$0.1 million as these expenses will now be reimbursed by the Federal Emergency Management Agency. The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.

COVID Relief - Surge Hospital Operations. The Department requested \$10.3 million or \$10.0 million more than enacted from federal funds for alternative hospital site operations relating to COVID-19. The request assumes \$10.2 million of these expenses would be reimbursed by the Federal Emergency Management Agency and \$73,500 would be supported with unused FY 2021 Coronavirus Relief funds. Through November 30, payments totaling \$1.4 million were made to Kent Hospital, which is responsible for a site in Cranston. *The Governor recommended \$4.6 million more than enacted, or \$5.4 million less than requested. Of the recommended increase, \$1.1 million is assumed to be reimbursed by the Federal Emergency Management Agency, and \$3.6 million is from Coronavirus Relief funds. It appears that \$2.3 million had been spent as of February 3. The Governor requested an amendment to add \$2.4 million from federal funds, reflecting anticipated expenses. The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.*

COVID Relief - Vaccine Campaign. The revised request includes \$16.6 million more from federal funds than enacted 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. This brings total expenses to \$65.6 million. Approximately half of the expenses would be reimbursed by the Federal Emergency Management Agency; remaining expenditures would be supported by direct Centers for Disease Control and Prevention grants that the Department will receive. Consistent with the capital budget, the request assumes use of \$0.2 million for a new project to replace the Department's vaccine management system. The system would enable online scheduling of appointments and the administration of clinics remotely. Through the end of November, it appears that \$14.1 million had been spent. The request includes \$9.8 million for indirect cost charges; remaining expenses of \$6.5 million include \$0.3 million for staff time allocated to vaccination efforts and \$6.2 million for contracted services, including media buys, cleaning and clerical services. *The Governor recommended \$7.3 million more than enacted or \$9.2 million less than requested. Of the recommended increase, \$1.5 million is assumed to be reimbursed by the Federal Emergency Management Agency. Based on projected expenditures, the Governor requested an amendment to reduce federal fund expenditures by \$11.6 million. The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.*

COVID Relief - Public Health Response. The Department requested \$10.6 million more than enacted from federal funds to support the state's response to the pandemic. This includes \$1.8 million for communication campaign expenses, including interpreters for press conferences and translation services. It also includes \$8.5 million more 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. *The Governor recommended \$5.7 million more than requested based on revised spending projections. Of the increase, \$2.4 million is assumed to be reimbursed by the Federal Emergency Management Agency.*

Subsequent to the budget submission, the public health emergency was extended. The time timeframe for federal reimbursement as well as federal cost sharing assumptions were altered. The Governor requested two amendments to include general revenue savings of \$21,752 and federal fund expenses were reduced by \$7.4 million based projected expenses. The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.

COVID Relief - Community Mitigation/HEZ. The revised request includes \$0.4 million more than enacted from federal 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. *The Governor recommended \$0.2 million less than enacted. He subsequently requested an amendment further reducing expenses by \$2.3 million based on anticipated expenditures.* **The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.**

COVID Relief - Individual Support. The revised request includes \$0.1 million more than enacted from federal funds for expenses associated with quarantine and isolation, for which the enacted budget includes \$1.1 million. These expenses include temporary housing for those that cannot isolate in their homes. The Department indicated that the additional funds will be used for food related expenses. *The Governor recommended \$2.4 million more than enacted or \$2.3 million less than requested. Of the recommended increase, \$1.7 million is from Federal Emergency Management Agency reimbursements, \$0.3 million is from direct grants, and \$0.3 million is from Coronavirus Relief funds, reflecting actual expenditures. The Governor subsequently requested an amendment to include an additional \$1.2 million, for total expenses of \$4.7 million. This assumes \$2.9 million would be reimbursed by the Federal Emergency Management Agency.* **The Assembly concurred with the amended recommendation and made further adjustments to account for the extension and reimbursement assumptions.**

COVID Relief - Business and Workforce. The revised request includes the enacted amount of \$29,462 from federal funds for overtime expenses relating to inspections of businesses throughout the state to ensure compliance with COVID-19 mandates. *The Governor concurred and added \$3,477 from all sources to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, and statewide medical benefit savings based on finalized rates. Based on anticipated expenditures, the Governor requested an amendment to remove these expenses.* **The Assembly concurred with the amended recommendation.**

COVID Relief - Public Health Workers. The CARES Act, adopted in March 2020 included funding for surveillance, laboratory capacity, infection control and other response activities. In March 2021, the Centers for Disease Control and Prevention made the Community Health Workers for Covid Response grant available. Funds can be used for various training programs. It appears that the funds were awarded in early fall and the Department's request did not include this expense. *The Governor's recommendation includes the awarded \$5.0 million. Based on anticipated expenditures, the Governor requested an amendment to reduce recommended expenses by \$3.5 million.* **The Assembly concurred with the amended recommendation.**

New Health Laboratory. The Department submitted a capital budget requesting a total of \$81.8 million, including \$78.0 million from State Fiscal Recovery funds available through the American Rescue Plan Act and \$6.1 million from its indirect cost recovery restricted receipts to construct a new 80,000 square foot facility on former Interstate-195 land in Providence, to house the operations of the Health Laboratories program. The Department indicated that this location is preferable due to its proximity to major customers and collaborators in the medical and academic institutions. The current Chapin facility was built in 1976 and has 70,000 square feet. It currently houses the Office of State Medical Examiners and health laboratory programs, which perform chemical, physical and microbiological analyses of environmental samples, clinical specimens and forensic evidence.

In November, the administration issued a request for proposals for the project and responses are due by December 10. The Department noted that the architectural plan for the new facility may include 30,000 to 40,000 square feet of space for private development; the cost for that component is not included in the

request. The request does assume additional laboratory space for private bioscience tenants and retail space. Subsequent to the budget submission, the Centers for Disease Control and Prevention announced that the state will receive an \$82 million federal grant for the construction of a new health laboratory facility. *The recommendation includes \$0.5 million in FY 2022, and \$81.2 million in FY 2023; however, the Capital Budget includes \$0.5 million in FY 2022, \$30.0 million each in FY 2023 and FY 2024, and \$21.2 million in FY 2025. The Assembly included funding consistent with the capital budget.*

Preparedness, Response, Infectious Disease & Emergency Services

HIV, Hepatitis and Other Infectious Diseases Prevention. The request includes \$25.2 million from all sources, including \$17.4 million from Epidemiology and Laboratory Capacity grant funds to address emerging infectious disease issues. The request is \$0.7 million more than enacted from all sources, including \$22,685 less from general revenues for prevention and control of infectious, communicable diseases in the areas of HIV/AIDS, STD, viral hepatitis, and tuberculosis. Federal fund expenditures are \$0.7 million more, reflecting available grant awards from the Centers for Disease Control and Prevention. The request includes \$0.4 million less for salaries and benefits, reflecting updated staffing allocations and medical benefit savings. The request includes \$1.1 million for operating expenses, including increases for laboratory testing and funding for detection and mitigation for homeless and confinement facilities.

The Governor recommended \$13.7 million less than requested. This includes \$0.3 million more to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff and statewide medical benefit savings based on finalized rates. All other expenses are \$14.0 million less; it appears that some of these expenses were shifted elsewhere in the Department to reflect where expenses will likely occur and some expenses were reduced to preserve resources for FY 2023. The Assembly concurred.

Preparedness and Public Health Emergency Response. The revised request includes \$1.3 million more than enacted, including \$22,685 more from general revenues to support the Center of Emergency Medical Services, which oversees licensing of emergency medical services in the state, and the Center of Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. The request includes \$0.3 million more for salaries, reflecting updated staffing allocations and costs. It includes \$0.6 million to provide hospitals and municipalities with financial support to develop and expand capabilities to respond to public health emergencies. All other operating expenses are \$0.5 million more, including \$0.1 million for indirect cost charges and \$0.4 million for program supplies.

The Governor concurred and added \$2.2 million more from all sources, including \$0.3 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. The recommendation reflects adjustments to various grants, reflecting available funds.

Subsequent to the budget submission, the public health emergency was extended. The Federal Emergency Management Agency will reimburse more COVID relief related expenses from that extension. The Governor requested two amendments to include general revenue savings of \$16,065 and federal fund expenses were reduced by \$1.2 million based projected expenses. The Assembly concurred with the amended recommendation.

Central Management

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. The 2021 Assembly adopted legislation requiring the Director of the Office of Management and Budget to approve expenditures from the indirect cost recoveries on federal stimulus grants. At the end of FY 2021, the Department reported a surplus of \$4.0 million. While this was \$2.7 million more than the final budget had assumed, receipts were \$4.1 million less and expenditures were \$6.8 million less, largely for unspecified budgeted expenses.

Excluding expenditures for centralized services, the revised request includes \$32.7 million or \$6.1 million more than enacted. This includes \$6.8 million for salary and benefit expenses of 52.0 full-time equivalent positions, \$2.0 million less than enacted, based on updated staffing allocations and authorized staffing levels. It also adds \$6.3 million for architectural and engineering services for the construction of the new health laboratory. Subsequent to the budget submission, the Centers for Disease Control and Prevention announced that the state will receive an \$82 million federal grant for the project cost.

The revised request assumes the enacted indirect cost rate of 19.2 percent and receipts of \$38.0 million, \$11.2 million more than enacted. The Department indicated that the rate is being reassessed based on revenue projections resulting from the Federal Emergency Management Agency extending the reimbursement deadline to March 2022 and grant spending. Based on requested expenditures and receipts, the Department projected a surplus of \$8.1 million at the end of FY 2022. Provided that the recently announced grant funds the entire project cost for the new health lab, the projected surplus would be approximately \$14 million.

The Governor concurred and added \$3.4 million, including \$0.5 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings. The recommendation also adds \$2.9 million for operating expenses, including data analytics and information technology support. It retains the enacted amount of \$6.1 million originally budgeted for the new health lab. The Budget Office indicated that though the funds will no longer be used for architectural and engineering services, the recommended level will provide the Department with flexibility to utilize the funds.

*Subsequent to the Governor's budget submission, the public health emergency was extended. The Federal Emergency Management Agency will reimburse more COVID-19 relief related expenses from the extension of the public health emergency. As a result, the Department is using less of its direct federal grants for these expenses which in turn lowers the indirect cost recovery charges applied to them. The Governor subsequently requested an amendment reducing recommended expenditures by \$12.0 million, reflecting available resources. Another amendment included savings of \$8,653 from general revenues. **The Assembly concurred with the amended recommendation.***

Other Expenses. The revised request includes \$0.9 million more than enacted from all sources for all other expenses in Central Management. This includes \$10,438 more from general revenues for the Minority Health Program; a like amount of these expenses were reduced elsewhere in the revised request. Restricted receipt expenditures are \$0.8 million more than enacted to primarily reflect \$750,000 from donated funds the Department received to support infrastructure expenses for establishing five new Health Equity Zones. *The Governor concurred and added \$85,845 more, including \$50,190 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. It also includes \$35,655 for various operating expenses. Subsequently, the Governor requested an amendment to reduce federal fund expenses by \$12,173 based on projected spending. **The Assembly concurred with the amended recommendation.***

Community Health and Equity

Maternal, Infant, and Early Childhood Home Visiting Programs. The revised request includes \$1.7 million more from all sources, primarily from federal funds for the Maternal, Infant and Early Childhood Home Visiting programs, which provide 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 assumes use of an additional \$1.9 million authorized under the American Rescue Plan Act for the program, for a total of \$2.4 million to provide services to additional families and to underserved populations.

The request includes \$2.0 million more for grants to community-based agencies for services. It also includes \$0.8 million for contracted work to be performed by the Rhode Island Parent Information Network, Care Transformation Collaborative of Rhode Island, and other service providers. These expenditures are partially offset by \$0.6 million less for salaries and benefits reflecting updated staffing costs and allocations, and \$0.5 million less for program expenses. The revised request of \$15.6 million is \$4.8 million more than FY 2021 expenses.

*The Governor recommended \$1.6 million less than requested, primarily to correct for over budgeted expenses. The recommendation includes \$0.1 million to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff and statewide medical benefit savings based on finalized rates. **The Assembly further reduced expenses by \$1.7 million from all sources, including \$0.7 million from general revenues, reflecting a delay in obtaining Medicaid approval for the First Connections and home visiting programs.***

Immunization Programs. The Department requested \$1.7 million more from federal funds and restricted receipts than enacted for immunization programs. This includes \$1.5 million more for vaccine purchases, based on projections. Salary and benefit expenses are \$0.6 million less to fund 5.7 fewer positions than enacted, based on updated staffing costs and allocations. All other expenses are \$0.8 million more, including \$0.5 million to enhance flu vaccination efforts, \$0.2 million for contracted temporary services and \$0.1 million for indirect cost charges. *The Governor concurred and added \$0.2 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

WIC Nutrition Assistance. The Department requested \$1.2 million less from federal funds than enacted for the Women, Infants, and Children nutrition assistance program, which provides supplemental food, nutrition education and information, referral and coordination services for eligible women and children under the age of five that are at risk of poor health and development because of inadequate nutrition, health care, or both. The request includes \$1.2 million less for benefit payments, based on a decrease in utilization. Salary and benefit expenditures are \$0.2 million less than enacted, including an additional \$0.1 million in turnover savings and \$0.1 million less to reflect updated staffing allocations for 0.7 fewer positions. Program expenses are \$0.2 million more for information technology, claims processing and other expenses.

*The Governor concurred and added \$0.1 million from federal funds to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. The Governor subsequently requested an amendment to reduce expenses by \$250,000, reflecting anticipated expenditures. **The Assembly concurred.***

Opioid Overdose Prevention Programs. The Department requested a total of \$1.2 million, including \$1.0 million in FY 2022 from the federal State Opioid Response Grant that was awarded to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Funding is being provided to the

Department of Health through a Memorandum of Understanding. The request includes \$0.5 million for a media campaign to increase awareness and \$0.5 million in grants will be provided to communities with high overdose rates, including Central Falls, Pawtucket, Providence and Woonsocket. *The Governor concurred. The Assembly concurred.*

Chronic Care and Disease Management. The revised request includes \$0.7 million more than enacted from all sources, including \$0.5 million from federal funds for several chronic care programs. It also includes \$0.3 million from restricted receipts, of which \$0.1 million is from restricted Volkswagen Settlement funds for the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations. The request includes \$0.2 million more for cancer screening and the state's cancer registry, a statewide surveillance database related to the cancer patient population; \$0.1 million to address Alzheimer's disease and related disorders; and \$0.1 million for heart disease and stroke prevention programs. The revised request of \$9.2 million is \$1.3 million more than FY 2021 expenses. *The Governor concurred and added \$0.2 million from federal funds and restricted receipts to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Other Expenses. The revised request includes \$1.8 million more than enacted; all but \$2,846 is from federal funds for all remaining expenses in the Division of Community Health and Equity. This includes \$0.7 million for perinatal and early childhood services, including newborn screening and \$1.0 million for health promotion and wellness programs, including smoking cessation, suicide and rape prevention. Of the requested increase, \$1.0 million, or 58.4 percent is budgeted as grants to various entities and community-based organizations for screening and other services. *The Governor concurred and added \$0.4 million from all sources, including \$40,772 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates.*

Subsequent to the budget submission, the public health emergency was extended. The timeframe for federal reimbursement as well as federal cost sharing assumptions were altered. The Governor requested an amendment to include general revenue savings of \$17,703 and to reduce federal fund expenses by \$15,511 based on projecting spending. The Assembly concurred with the amended recommendation.

Environmental Health

Food Protection Program. The revised request includes \$337,311 more from all sources than enacted, including \$157,202 from general revenues for food protection, which 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 request includes \$167,294 more from federal funds for unspecified expenses relating to the Summer Food Service program and \$75,856 for the Manufactured Food Regulatory Program, which established a uniform basis for measuring and improving activities of manufactured food regulatory programs nationally. Salary and benefit expenses are essentially at the enacted level; however, it assumes \$0.1 million more from general revenues and a like reduction from federal funds, reflecting updated staffing allocations.

The enacted budget includes \$0.4 million from general revenues for the Shellfish Dockside Program. This includes \$0.3 million to support 3.0 new full-time equivalent positions and \$0.1 million for lab testing and monitoring. The Department indicated that there is a delay in implementing the program as it was in the process of filling one of the positions.

The Governor concurred, with exception of including an additional \$0.3 million in turnover savings reflecting a delay in implementing the Shellfish Monitoring program. The recommendation uses these

*savings and an additional \$0.1 million to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

Blood Lead Poisoning Prevention. The revised request includes \$0.4 million more than enacted, \$0.2 million more each from federal funds and restricted receipts for blood lead poisoning prevention activities. The program provides state staff to investigate complaints and inquiries about lead poisoning, arrange inspections when elevated blood lead levels are found, make referrals for case management and provide follow up after the inspection to ensure the lead abatement was completed and the individual's blood lead level has returned to a reasonable level. The request includes \$0.2 million for information technology support relating to the lead elimination surveillance system and the certificate of conformance database and \$0.1 million for advertising expenses.

*The Governor concurred and added \$55,153 from federal funds and restricted receipts to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This is partially offset by statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

Other Expenses. The Department included \$0.8 million more from all sources than enacted for all other expenses in the Division of Environmental Health, which is responsible for all licensure and regulatory activities relating to environmental health, drinking water protection programs, as well as activities relating to healthy homes. The request includes \$0.2 million less from general revenues and \$1.0 million more from federal funds, of which \$0.5 million 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. The request includes \$0.2 million more for salaries and benefits, reflecting updated staffing allocations, and \$0.3 million more for information technology support for the environmental health tracking system.

*The Governor concurred and added \$0.4 million from all sources, including \$0.1 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This also includes statewide medical benefit savings based on finalized rates. Subsequent to the budget submission, the public health emergency was extended. The timeframe for federal reimbursement as well as federal cost share assumptions were altered. The Governor requested an amendment to include general revenue savings of \$48,250 and to reduce federal fund expenses by \$3,190 based on projected spending. **The Assembly concurred.***

Health Laboratories and Medical Examiners

Office of State Medical Examiners. The Department requested \$3.2 million from all sources; all but \$0.1 million is from general revenues to support the Office of State Medical Examiners. This is \$0.4 million more than enacted, including \$0.3 million more from general revenues. The request includes \$0.5 million more for contracted medical examiners and medical services for a total of \$0.9 million. The Department noted that some contractors require a higher rate per case to cover their airfare and per diem. Through the end of November, \$0.5 million has been spent. Expenditures were \$0.6 million in FY 2021, \$0.5 million each in FY 2020 and FY 2019. Salary and benefit expenditures are \$45,871 more than enacted, reflecting updated staffing allocations. At the end of November, the office had two vacancies, including the chief medical examiner position, which has been vacant for six years.

In October, the Department of Administration held a public hearing to increase the wage for the position, which the Department had historically indicated was the hindrance for filling it. The wage increase is not included in the request. In the event the Department fills the position, an adjustment to wages may be needed. *The Governor concurred and added \$0.2 million from general revenues to account for statewide*

*adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This also includes statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

Health Laboratories. The request includes \$519,841 more than enacted from all sources, of which \$130,745 is from general revenues for the Health Laboratories program. Salary and benefit expenses are \$256,986 more than enacted to support approximately two positions within the Department's staffing authorization. Operating expenses are \$262,855 more than enacted and include \$71,935 for medical supplies, such as test kits, chemicals, reagents and glassware, and \$110,559 for laboratory equipment.

*The Governor concurred and added \$0.6 million from all sources, including \$0.5 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This also includes statewide medical benefit savings based on finalized rates. Subsequent to the budget submission, the public health emergency was extended. The timeframe for federal reimbursement as well as federal cost share assumptions were altered. The Governor requested an amendment to include general revenue savings of \$85,011 and to reduce federal fund expenses by \$98,284 based on projected spending. **The Assembly concurred with the amended recommendation.***

Customer Services

McKinsey Opioid Settlement. In February 2021, the Attorney General's Office 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 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 final budget included \$2.1 million for FY 2021 and \$450,000 was included in the FY 2022 enacted budget. The funds included in FY 2021 were not expended, reflective of a delay in program implementation. The FY 2022 revised request assumes expenditures of \$1.7 million or \$1.3 million more than enacted; the remaining \$0.9 million is included in the FY 2023 request.

*The Governor proposed legislation in Article 2 of 2022-H 7123, allowing the Executive Office to receive and spend funds from settlement agreements with opioid manufacturers, pharmaceutical distributors, pharmacies or any monies received from any bankruptcy proceedings. The recommended budgets include these expenditures in the Executive Office of Health and Human Services' budget. He subsequently requested an amendment to include \$0.8 million for the Department to purchase naloxone supplies, which will be distributed to community partners for populations at risk of overdose. **The Assembly concurred with the amended recommendation.***

Opioid Stewardship Act. The request includes the enacted amount of \$0.5 million from the Opioid Stewardship Fund for its operating expenses. However, it shifts \$151,475 for operations to fund a position within the Department's existing staffing authorization. It also includes \$100,000 in grants to community-based agencies and municipalities to address the opioid epidemic and to address fatal overdose outcomes and \$54,700 for the needle exchange and resources program. The Opioid Stewardship Act, enacted in 2019, established fees totaling \$5.0 million annually, assessed to manufacturers and distributors of opioids registered in the state, and deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation. Expenditures for programs supported by the fund appear in multiple state agencies.

*The Governor proposed legislation to transfer authority for administering the Opioid Stewardship Act, including staff from the Department of Health to the Executive Office of Health and Human Services. The recommendation includes \$0.3 million in the Department of Health's budget, or \$148,634 less than requested, including \$7,447 to account for statewide personnel adjustments. All other expenses are \$156,086, including \$10,281 less for the needle exchange and resources program and \$0.1 million less for grants. **The Assembly concurred.***

Other Expenses. The revised request includes \$0.7 million more from all sources for the operations of the Office of Vital Records, the Center of Health Facilities Regulation and the Center of Health Professional Boards and Licensing. This includes \$0.8 million more from federal funds and \$0.1 million less from restricted receipts for costs associated with the Medical Marijuana Licensing program. Salary and benefit expenses are \$0.5 million more for updated staffing costs and allocation. Of the salary and benefit increase, \$0.4 million is for the Center of Health Facilities Regulation, which is responsible for conducting inspections and investigating complaints. All other expenses are \$0.3 million more for contracted clerical services and software maintenance relating to the prescription drug monitoring system.

The Governor concurred and added \$0.9 million more from all sources, including \$0.5 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff and statewide medical benefit savings based on finalized rates. The recommendation also includes \$20,614 for clerical services, based on an anticipated vacancy.

*Subsequent to the budget submission, the public health emergency was extended. The timeframe for federal reimbursement as well as federal cost share assumptions were altered. The Governor requested an amendment to include general revenue savings of \$55,812 and to reduce federal fund expenses by \$19,354 based on projecting spending. **The Assembly concurred with the amended recommendation.***

Policy, Information and Communications

Center for Health Data Analysis. The revised request includes \$0.2 million more from all sources than enacted for the Center for Health Data Analysis, which manages health datasets and systems. This includes \$22,495 less from general revenues and \$223,079 more from federal funds, of which \$161,238 is for the annual survey that measures changes in the health of people in the state as part of the Behavioral Risk Surveillance System. Expenditures were also revised for national violent death reporting and the development of an overdose mapping application system. The latter is used by law enforcement and other entities to track where incidents of overdose are occurring.

The Governor concurred and added \$0.2 million more to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. This also includes statewide medical benefit savings based on finalized rates. The recommendation also adds \$23,271 for information technology support relating to the Health Systems Development project.

*Subsequent to the budget submission, the public health emergency was extended. The timeframe for federal reimbursement as well as federal cost share assumptions were altered. The Governor requested an amendment to include general revenue savings of \$0.1 million and to reduce federal fund expenses by \$10,606 based on projecting spending. **The Assembly concurred with the amended recommendation.***

Other Expenses. The Department included \$0.3 million more than enacted from all sources of which \$22,495 is from general revenues for all other expenses in the Division of Policy, Information and Communications. The request includes \$0.5 million from federal funds and restricted receipts for health professional loan repayment. The funds are used to pay a portion of an eligible health care professional's student loans if the participant agrees to work for two years in a health professional shortage area. The restricted receipts are donated funds and are used to provide the 50.0 percent minimum match on the federal

grant. Remaining expenses are \$150,594 less, including \$297,097 less for salaries and benefits, and \$190,000 more for clerical services to augment staffing because of turnover in the office.

*The Governor concurred and added \$61,733 more from all sources, including \$29,938 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff and statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

Department of Human Services

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 11,661,238	\$ 13,231,807	\$ 15,070,781	\$ 15,070,781
Child Support Enforcement	14,397,911	15,922,580	15,821,004	15,821,004
Individual and Family Support	172,040,583	244,132,810	263,400,639	263,491,689
Office of Veterans Services	37,432,250	42,171,345	47,038,205	46,673,867
Health Care Eligibility	17,762,588	21,738,241	22,355,407	21,996,921
Supplemental Security Income	18,363,777	17,950,819	18,334,440	17,739,900
Rhode Island Works	70,620,451	95,034,432	87,547,958	74,400,910
Other Programs	393,808,395	255,017,605	425,864,249	426,043,101
Office of Healthy Aging	28,745,850	37,114,346	41,459,586	41,459,586
Total	\$ 764,833,043	\$ 742,313,985	\$ 936,892,269	\$ 922,697,759
Expenditures by Category				
Salaries and Benefits	\$ 97,573,465	\$ 107,697,641	\$ 116,339,233	\$ 115,344,496
Contracted Services	30,409,823	37,246,357	37,865,784	37,826,347
Subtotal	\$ 127,983,288	\$ 144,943,998	\$ 154,205,017	\$ 153,170,843
Other State Operations	31,604,340	34,745,828	39,286,010	39,688,410
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	600,519,829	556,297,671	737,124,950	723,562,214
Capital	1,179,330	2,056,518	2,958,292	2,958,292
Capital Debt Service	-	-	-	-
Operating Transfers	3,546,256	4,269,970	3,318,000	3,318,000
Total	\$ 764,833,043	\$ 742,313,985	\$ 936,892,269	\$ 922,697,759
Sources of Funds				
General Revenue	\$ 99,159,088	\$ 123,896,295	\$ 125,717,323	\$ 125,901,893
Federal Aid	657,277,978	607,062,243	798,011,825	783,632,745
Restricted Receipts	3,862,803	6,190,477	7,994,348	7,994,348
Other	4,533,174	5,164,970	5,168,773	5,168,773
Total	\$ 764,833,043	\$ 742,313,985	\$ 936,892,269	\$ 922,697,759
FTE Authorization				
Department of Human Services	755.0	753.0	753.0	753.0
Office of Veterans Services	252.1	263.1	263.0	263.0
Office of Healthy Aging	31.0	31.0	31.0	31.0
Total Authorized Positions	1,038.1	1,047.1	1,047.0	1,047.0
FTE Average	921.3			

FY 2022 Revised Request. The Department of Human Services, including the Office of Veterans Services and the Office of Healthy Aging, requested \$139.0 million more from all sources of funds for FY 2022, including \$139.0 million more from federal funds and \$1.8 million more from restricted receipts, partially offset by \$1.5 million less from general revenues and \$0.3 million less from other sources. The Department requested authorization for 1,047.0 full-time equivalent position, 0.1 less than enacted for the Office of Veterans Services.

*The Governor recommended \$55.6 million more than requested from all sources, primarily federal funds and included \$3.4 million more from general revenues. From federal funds, the recommendation includes \$19.0 million from federal State Fiscal Recovery funds for child care providers, including retention bonuses, which was authorized by the Assembly in 2021-H 6494, Substitute A. The Governor recommended staffing authorization as requested. **The Assembly provided \$14.2 million less than recommended from all sources, primarily reflecting caseload savings and revisions based on spending through the third quarter. It concurred with the recommended staffing level.***

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 2022 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	138%	150%	180%	185%	225%	250%
1	\$ 13,590	\$ 18,075	\$ 18,754	\$ 20,385	\$ 24,462	\$ 25,142	\$ 30,578	\$ 33,975
2	18,310	24,352	25,268	27,465	32,958	33,874	41,198	45,775
3	23,030	30,630	31,781	34,545	41,454	42,606	51,818	57,575
4	27,750	36,908	38,295	41,625	49,950	51,338	62,438	69,375
5	32,470	43,185	44,809	48,705	58,446	60,070	73,058	81,175
6	37,190	49,463	51,322	55,785	66,942	68,802	83,678	92,975
7	41,910	55,740	57,836	62,865	75,438	77,534	94,298	104,775
8	46,630	62,018	64,349	69,945	83,934	86,266	104,918	116,575

For families with more than 8 members, add \$4,720 for each additional member for the 100 percent calculation.

Staffing. The Department requested 1,047.0 full-time equivalent positions in FY 2022, 0.1 less than the enacted budget authorization. The request reduces authorization for registered nurses at the Rhode Island Veterans' Home by 0.1, from 35.6 to 35.5 full-time equivalent positions, which reconciles the authorization to actual staffing needs.

The revised request provides funding for 978.5 positions, leaving 68.5 positions unfunded. As of January 1, 2022, the Department had 872.0 filled positions and is averaging 874.3 filled positions in FY 2022. *The Governor recommended the requested level of staffing. **The Assembly concurred.***

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$99.5 million from all sources, including \$27.4 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 \$14.2 million less than enacted, including \$0.1 million more from general revenues. The Department's request does not reflect the estimate adopted at the November Caseload Estimating Conference.

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

*The Governor recommended total caseload expenditures of \$106.6 million, which is \$7.1 million more than the November caseload estimate. Compared to the estimate, the Governor included \$1.9 million for two child care initiatives. The remaining \$5.2 million was added in error and the Governor subsequently requested an amendment to reduce the funding. **The Assembly provided \$92.9 million from all sources, including \$26.6 million from general revenues, consistent with the May caseload estimate.***

Cash Assistance	FY 2020 Actual	FY 2021 Actual	FY 2022 Enacted	FY 2022 Nov. CEC	FY 2022 Gov. Rev.	FY 2022 Final
Rhode Island Works						
Persons	9,050	5,872	6,655	6,300	6,300	6,094
Monthly Cost per Person	\$ 182.48	\$ 183.37	\$ 237.81	\$ 235.45	\$ 235.45	\$ 233.00
Total Costs/Federal Funds	\$ 21.7	\$ 14.4	\$ 20.9	\$ 19.7	\$ 19.7	\$ 18.6
Child Care						
Subsidies	8,724	5,616	7,420	6,272	6,272	5,500
Annual Cost per Subsidy	\$ 7,705	\$ 9,843	\$ 9,995	\$ 9,700	\$ 10,825	\$ 10,140
General Revenue	\$ 9.4	\$ 8.4	\$ 8.7	\$ 8.4	\$ 8.4	\$ 8.1
Federal Funds	57.8	46.9	65.5	52.4	59.5	47.7
Total Costs	\$ 67.2	\$ 55.3	\$ 74.2	\$ 60.8	\$ 67.9	\$ 55.8
SSI						
Persons	33,983	33,184	33,400	33,000	33,000	32,735
Monthly Cost per Person	\$ 46.10	\$ 45.89	\$ 44.62	\$ 46.14	\$ 46.14	\$ 45.00
Total Costs/General Revenues	\$ 18.8	\$ 18.3	\$ 18.0	\$ 18.3	\$ 18.3	\$ 17.7
SSI Transition/Bridge						
Persons	103	67	64	61	61	115
Monthly Cost per Person	\$ 160.00	\$ 167.39	\$ 178.00	\$ 189.00	\$ 189.00	\$ 190.00
Total Costs/General Revenues	\$ 0.9	\$ 0.7	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.8
General Revenue	\$ 29.1	\$ 27.4	\$ 27.4	\$ 27.4	\$ 27.4	\$ 26.6
Federal Funds	79.5	61.3	86.4	72.1	79.1	66.3
Total Cash Assistance	\$ 108.6	\$ 88.8	\$ 113.7	\$ 99.5	\$ 106.6	\$ 92.9

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures of \$19.7 million entirely from federal funds. The estimate decreased the monthly caseload by 355 cases to 6,300 and the monthly cost per person decreases by \$2.36 to \$235.45. The estimated program expenditures are \$1.2 million less than enacted reflecting the reduced caseload as well as adjustments for clothing and other supportive services. The Department requested the enacted funding for the program and does not reflect the estimate adopted at the November caseload conference.

The 2021 Assembly enacted several program changes which increased payments and participants. This includes allowing children of Rhode Island Works participants who are under 19 and in high school to remain on the program. Previously, they must have been under 19 and on track to graduate. It allows adult participants who have complied with their employment plans to have that income exempted from the monthly benefit calculation for either: six months, until their family's total gross household income exceeds 185 percent of federal poverty, or until they reach their lifetime limit, whichever is first. The Assembly also eliminated the age restriction for the child clothing allowance, which was limited to school age children, and increased the monthly benefit payments for Rhode Island Works participants by 30 percent. *The Governor recommended \$1.2 million less than enacted, consistent with the November caseload estimate. Consistent with the May estimate, the Assembly reduced expenditures by \$1.0 million reflecting a \$2.45 reduction in the average monthly cost per case and 206 fewer people.*

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$60.8 million, of which \$8.4 million is from general revenues. This is \$13.3 million less than enacted, including \$0.3 million less from general revenues. The estimate reduces child care subsidies by 720 for a monthly level of 6,272 and the annual cost by \$295 to \$9,700 for FY 2022. The Department requested the enacted level and does not reflect the estimate adopted at the November caseload conference. 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 federal poverty. However, families that became eligible for subsidized child care

because their income was at or below 180 percent of poverty 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 applied to licensed child care centers only as family care providers received separate rate increases. The 2019 Assembly extended tiered reimbursement for family based providers for infants and toddlers only. Providers with higher rankings receive additional funding compared to those in the lower tiers. The 2021 Assembly increased payments for first tier infant, toddler and preschool age providers above the 25th percentile of a 2018 market survey and payments for top tier providers above the 75th percentile. It also increased rates for school-age children by an average of about 26 percent and established tiered reimbursement for this age group.

The 2021 Assembly limited family child care co-pays to 7.0 percent of income; prior rules and regulations set the maximum at 14.0 percent. It also established a one-year pilot program to provide child care assistance for individuals enrolled in a degree program at a Rhode Island public post-secondary institution.

The Governor recommended \$6.3 million less than enacted from all sources, including \$0.2 million less from general revenues. It is \$7.1 million more than the caseload estimate from federal sources, of which \$1.9 million accounts for two initiatives temporarily authorized in response to the coronavirus pandemic. This includes \$0.6 million to continue waiving co-pays and \$1.3 million to reimburse providers based on enrollment rather than attendance. The enacted budget and caseload estimate assume the initiatives would expire on December 31, 2021; however, the Department continued both practices through emergency rules and regulations. The recommendation also adds \$5.2 million in error, but the Governor subsequently requested an amendment to reduce the funding which lowers the cost per case to \$9,914.

Consistent with the May caseload estimate, the Assembly reduced expenditures by \$5.1 million compared to the November estimate, including \$0.4 million from general revenues, reflecting a 772 reduction in subsidies to 5,500 and a \$440 increase in the cost per case to \$10,140.

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes revised FY 2022 direct supplemental security income expenditures of \$18.3 million from general revenues, or \$0.4 million more than enacted. The caseload decreases by 400 persons to a monthly level of 33,000. Estimators increased the monthly cost per person by \$1.52 to \$46.14. The estimate also includes transaction fees of \$63,000, consistent with the enacted level. The Department requested the enacted funding for the program and does not reflect the estimate adopted at the November caseload conference. *The Governor recommended \$0.4 million more than enacted, consistent with the November caseload estimate.* **Consistent with the May caseload estimate, the Assembly reduced funding by \$0.6 million reflecting a 265 person decrease to 32,735 and a \$1.14 lower monthly cost per person to \$45.00.**

Assisted Living State Supplemental Payment. The Department requested revised expenditures of \$0.2 million from general revenues for additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in a state licensed assisted living facility that is not eligible to receive Medicaid. The request is \$0.2 million less than enacted based on prior year payments; caseload testimony suggests total payments could be \$0.1 million based on payments through the first quarter. *The Governor recommended funding as requested.* **The Assembly concurred.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates revised expenditures for the supplemental security income transition/bridge program at \$0.7 million, entirely from general revenues, which is \$0.1 million less than enacted. The estimate includes \$0.1 million for cash payments and \$0.6 million for burials. The estimate assumes 61 monthly persons, or three fewer than the enacted budget, and increases the monthly cost per person by \$11 to \$189.

The Department's request for enacted funding does not reflect the November caseload conference. This program is designed for individuals who maintain an active application for the supplemental security income program. *The Governor recommended \$0.1 million less than enacted, consistent with the caseload estimate. Consistent with the May caseload estimate, the Assembly increased funding by \$0.1 million reflecting a 54 person increase to 115 and a \$1.00 increase to the monthly cost per person to \$190.00.*

Hardship Payments. The Department requested the enacted amount of \$90,000 from general revenues for hardship contingency payments, which provide temporary support to individuals who do not qualify for supplemental security income or Rhode Island Works programs. Payments declined 92.5 percent from FY 2017 through FY 2021; final FY 2021 expenses were \$4,170. The Department 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 inadvertently excluded the funding but subsequently requested an amendment to restore the funding. The Assembly concurred with the amended recommendation.*

Other Programs

Eligibility Programs Administration. The Department requested \$0.1 million less than enacted from all sources, including \$0.7 million less 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 RI Bridges, or the Unified Health Infrastructure Project. The request includes \$1.0 million to be collected from Deloitte for federal fines related to project implementation and system issues. Adjusting for this, the request is \$1.1 million less than enacted from all sources, primarily reflecting turnover savings. *The Governor recommended \$4.1 million more than requested from all sources, including \$1.4 million from general revenues. This reflects \$4.1 million more for staff, and shifts \$0.5 million from general revenues for RI Bridges operating expenses to State Fiscal Recovery funds. The Governor subsequently requested an amendment to reduce expenses by \$0.1 million, including \$34,153 from general revenues, reflecting security savings from closing the Providence field office.*

Staff and Other Expenses	General Revenues			All Sources		
	Eligibility			Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
Enacted	\$ 12.4	\$ 26.6	\$ 39.0	\$ 26.2	\$ 61.8	\$ 87.9
Revised Request	10.9	27.4	38.3	24.3	63.5	87.8
Revised Change to Enacted	\$ (1.5)	\$ 0.8	\$ (0.7)	\$ (1.8)	\$ 1.7	\$ (0.1)
FY 2023 Request	10.5	26.1	36.6	22.7	60.4	83.1
Request Change to Enacted	\$ (1.9)	\$ (0.4)	\$ (2.4)	\$ (3.5)	\$ (1.4)	\$ (4.7)

\$ in millions; excludes centralized services

The Assembly reduced expenditures by \$0.3 million from all sources, including \$4,868 less from general revenues, reflecting revisions based on spending through the third quarter and increased expenses to support redetermination efforts. It also maintained general revenues for RI Bridges operating expenses in lieu of State Fiscal Recovery funds.

Staffing. The Department requested \$1.0 million less than enacted, including \$14,322 less 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 the 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 reduction of staff expenses reflects turnover savings of \$1.7 million, equivalent to approximately 11 full-time positions, offset by \$0.2 million more for overtime and \$0.4 million more for

medical benefit expenses. *The Governor recommended \$4.1 million more than requested, including \$1.9 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly reduced expenditures by \$0.5 million from all sources, including \$0.6 million from general revenues. This reflects \$0.7 million of turnover savings based on expenses through the third quarter offset by \$0.2 million more for eligibility redetermination efforts as the end of the public health emergency nears.*

Rent for Satellite Offices. The Department requested \$2.1 million from all sources for rent of office space, which is \$0.3 million less than enacted, including \$0.2 million less from general revenues. The enacted budget assumes savings of \$1.1 million, including \$0.6 million from general revenues, from closing the Providence field office for six months in FY 2022. Staff from the Providence field office moved to other locations occupied by state staff. This includes the following locations in Providence: the Department of Labor and Training on Reservoir Avenue, the Office of Rehabilitative Services on Fountain Street, and the Department of Administration on Smith Street. The Reservoir Avenue and Fountain Street locations would both serve clients. Staff were also moved to other field offices, including Pawtucket, and to the Pastore Campus in Cranston. The Department announced on December 2, 2021, that the Providence field office closed. As of January, all field offices were closed to the public, though application materials could still be dropped off at most locations. This has increased call center volume, time spent on hold, and ability to access information. *The Governor recommended funding as requested. All field offices reopened to the public on January 18. The Assembly concurred.*

Unified Health Infrastructure Project Fines. The Department's request includes \$1.0 million from restricted receipts that will be collected from Deloitte to pay a fine from the Food and Nutrition Services related to Supplemental Nutrition Assistance Program delays. Consistent with the vendor's agreement with the state, it will pay fines incurred because of the impact of early system issues on benefit applications and issuance. While the vendor will pay for the fine, the expense passes through the Department's budget. *The Governor recommended funding as requested. The Assembly concurred.*

Other Expenses. Excluding centralized services, the Department requested \$0.2 million more than enacted, including \$0.5 million less from general revenues, for all other operating expenses for administration of the eligibility programs. This primarily reflects a reduction in contracted information technology expenses based on the most recent RI Bridges maintenance contract, offset by additional telecommunication and furniture expenses related to staff moving out of the Providence field office and into other state owned property. *The Governor recommended funding as requested, but shifted \$0.5 million from general revenues to State Fiscal Recovery funds. He recommended a total of \$0.8 million from State Fiscal Recovery funds in lieu of general revenues to maintain RI Bridges eligibility functions related to the coronavirus emergency, including \$0.6 million for FY 2022 and \$0.2 million for FY 2023. Funding is programmed in the budgets of the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI. The Governor subsequently requested an amendment to reduce operating expenses by \$0.1 million from all sources, including \$34,153 from general revenues, reflecting security savings from closing the Providence field office.*

The Assembly concurred with the requested amendment and further reduced expenses by \$0.3 million from general revenues based on expenses through the third quarter. It maintained general revenues for RI Bridges operating expenses in lieu of State Fiscal Recovery funds and added \$0.6 million from all sources, including \$0.4 million from general revenues for eligibility redetermination efforts as the end of the public health emergency nears. The final appropriation is \$0.2 million more than the enacted budget, including \$0.6 million less from general revenues and \$0.4 million less from federal funds.

ARPA - Child Care Support. The 2022 Assembly authorized the use of \$19.0 million from State Fiscal Recovery funds for two \$1,500 retention bonuses for direct care staff at child care centers and licensed family-based care providers. Funds would also be used to waive any fees for new family child care providers, including application fees and background checks. As authorization occurred subsequent to the agency's budget request, the Department excluded the funds. *The Governor recommended a total of \$42.0 million from State Fiscal Recovery funds to continue providing retention bonuses for child care providers. Funding would also be used for quality improvements, creating a workforces registry, and education opportunities for direct care staff. The recommended budget includes the \$19.0 million authorized in 2021-H 6494, Substitute A, for FY 2022, \$21.3 million for FY 2023, \$1.2 million for FY 2024, and \$0.5 million for FY 2025. The Assembly concurred.*

Child Care Quality Improvements. The Department requested \$0.1 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 2021 experience and available discretionary block grant funding. 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 regulatory changes in response to the coronavirus. *The Governor recommended funding as requested. The Assembly concurred.*

Child Care Stabilization Grants. The Department requested total funding of \$25.4 million from federal child care stabilization funds authorized under the American Rescue Plan Act. The Act authorized \$39.0 billion for child care providers, including \$24.0 billion from child care stabilization funds which must be used to provide grants to child care providers with operating expenses during the pandemic. The state was awarded \$57.3 million, which is included in the enacted budget. The Department was also awarded \$18.6 million from child care stabilization funds authorized under the Consolidated Appropriations Act of 2021, which was distributed in FY 2021. The revised request is \$31.8 million less than enacted based on anticipated grant awards; remaining funds are available for use in FY 2023. *The Governor recommended total funding of \$56.0 million for FY 2022, \$30.5 million more than requested based on Budget Office estimates of coronavirus relief grant spending approvals. The remaining \$1.3 million is included in the FY 2023 recommendation. The Assembly concurred.*

Child Support Enforcement Lien Network. The Department requested \$0.1 million less than enacted from restricted receipts to support the Lien Network operated by the Child Support Enforcement program. The enacted budget includes \$4.1 million for the network, which 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 but was converted into a restricted receipt account, which now appears in its budget. Funds deposited into the account reflect fees collected for and paid to the vendor. The revised request reduces expenditures based on projected fee collections. *The Governor recommended funding as requested. The Assembly concurred.*

Child Support Enforcement Other Program Expenses. The Department requested \$0.5 million less than enacted from federal funds for expenditures related to child support enforcement. This primarily reflects a reduction in anticipated information technology expenses, specifically for continued maintenance of the InRhodes system and for software licensing. *The Governor recommended \$0.5 million more than requested, including \$0.2 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Pandemic Emergency Assistance. The request includes \$2.7 million from federal Pandemic Emergency Assistance funds authorized under the American Rescue Plan Act. Funds must be used for non-recurrent, short-term benefits that support individuals eligible for Temporary Assistance for Needy Family funds, such as Rhode Island Works participants. The Department will distribute funds to households with children

participating in the Supplemental Nutrition Assistance Program that have income at or below 100 percent of the federal poverty level. Average payments of \$125 per family are expected to be distributed in summer 2022. *The Governor recommended funding as requested. The Assembly concurred.*

Supplemental Nutrition Assistance Program - Benefits. The Department requested \$171.0 million more than enacted from federal funds for direct benefit payments for the Supplemental Nutrition Assistance Program. Total projected payments for FY 2022 are \$425.1 million, or \$31.0 million more than FY 2021. Additionally, the Department was approved to provide pandemic related benefits in July and August for elementary and secondary education students eligible for free and reduced price lunch. The FY 2022 enacted budget includes \$254.1 million for the program, which assumes participation would return to pre-pandemic levels and does not include additional payments for students. *The Governor recommended funding as requested. The Assembly concurred.*

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requested \$0.6 million from federal funds for process and technology improvements associated with the Supplemental Nutrition Assistance Program. The Department was awarded \$0.7 million in FY 2021 from this competitive grant process. The Department also receives funding for training and education programs to support benefit recipients; the request includes the enacted amount of \$3.1 million for these programs. *The Governor recommended funding as requested. The Assembly concurred.*

LIHEAP, Water and Weatherization Assistance Programs. The Department requested \$3.2 million less than enacted from federal sources for benefits and operating expenses related to the low income home energy assistance, water, and weatherization assistance programs, based on projected expenditures. This includes \$23.2 million from energy assistance funds authorized under the American Rescue Plan Act in response to the public health emergency, and \$3.6 million for water assistance also authorized in response to the emergency. The low income home energy assistance program provides funds to low income households to meet the increasing costs of home energy and reduce the severity of an energy related crisis. The weatherization assistance program 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. New water assistance funding will assist low-income households with water and wastewater bills. *The Governor recommended \$0.9 million less than requested based on anticipated expenditures. The Assembly concurred.*

Office of Rehabilitative Services. The Department requested \$3.5 million less than enacted from all sources, including \$0.8 million less from general revenues, for programs operated by the Office of Rehabilitative Services. The revised request corrects overstated federal funds included in the enacted budget and adjusts the associated state match. The Office helps individuals with disabilities to obtain and maintain employment, economic self-sufficiency, independence and full integration into society. The Office provides resources and services through three program areas: vocation rehabilitation services, services for the blind and visually impaired, and disability determination services. *The Governor recommended \$1.4 million more than requested, including \$0.2 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Domestic Violence Prevention Activities. The Department requested \$0.4 million more than enacted from federal funds for domestic violence prevention activities. This includes \$55,285 of funds authorized under the CARES Act carried forward from FY 2021 and \$0.4 million authorized under the American Rescue Plan Act. Funding is provided to the RI Coalition Against Domestic Violence and distributed to domestic violence shelters in the state. *The Governor recommended funding as requested. The Assembly concurred.*

Community Action Agencies. The Department requested the enacted level of \$600,000 to support services provided by the state's nine community action agencies. *The Governor concurred and added \$50,015 made available in October from excess Coronavirus Relief funds.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$2.2 million more from federal funds for expenses related to the community services block grant, primarily reflecting carry-forward of unspent funds. In addition to its annual award, the state received \$5.5 million from one-time funding authorized under the CARES Act. The enacted budget includes \$4.1 million for FY 2021 and \$1.4 million for FY 2022; actual FY 2021 expenses were \$2.0 million less than the final appropriation. The revised request carries forward \$1.6 million to FY 2022 and remaining funds are requested for FY 2023. Nearly all funding is used to support local community agencies and programs. *The Governor recommended \$0.4 million more than requested based on Budget Office estimates of coronavirus relief grant spending approvals.* **The Assembly concurred.**

Preschool Development Grant. The Department requested \$0.4 million more than enacted 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 subsequently awarded \$26.8 million over three years to build on efforts made through the first grant award. Coordinated by the Executive Office of Health and Human Services, the funds are being used to expand access to high quality early childhood education and implement findings from the completed assessments. *The Governor recommended \$5,665 more than requested.* **The Assembly concurred.**

Other Staffing. The Department requested \$0.5 million less than enacted from all sources for all other staffing expenses in the central management and individual and family support programs. This includes \$22,157 less from general revenues and the remainder from federal funds. This reflects \$0.3 million from turnover savings and \$0.2 million from medical benefit savings. *The Governor recommended \$0.2 million more than requested, including \$55,604 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Centralized Services. The Department requested \$0.3 million more than enacted for its share of centralized facilities management services provided by the Department of Administration, including \$0.1 million more from general revenues. The Department reported that the request was initially made in error as it intended to request the enacted amount of \$9.0 million for centralized services; however, based on billings through the first half of the fiscal year, it expects the additional funding will be needed. *The Governor recommended \$0.2 million more than requested, primarily from general revenues, for centralized facilities management services, reflecting anticipated billings.* **The Assembly concurred.**

Capital - Blind Vending Facilities. The Department requested the enacted level of \$165,000 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities. There are currently 15 facilities that operate under the name COFFEE PLUS. The staff is trained through the Department's Office of Rehabilitation Services. The request is consistent with the Department's capital budget request. *The Governor recommended \$0.1 million more than requested.* **The Assembly concurred; the project is discussed in greater detail in the Capital Budget section of this publication.**

Capital - Hazard Building Repairs. The Department requested \$0.7 million from indirect cost recovery restricted receipts to renovate and repair the Hazard building located on the Pastore Campus. The enacted budget includes \$150,000 from these funds for operating expenses; the revised request shifts funding for

the project and adds \$0.6 million. The Department included Rhode Island Capital Plan funds for the project in its capital budget submission, but included restricted receipts in its operating request in order to complete repairs as soon as possible. The project must be completed before staff can move to the Hazard building. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of the publication.*

Other Operations. The Department requested \$0.6 million less than enacted for all other operations, including \$34,743 more from general revenues. The revised request also includes \$0.9 million less from federal funds and \$0.2 million more from restricted receipts. This includes \$0.4 million for contracted account and financial services support and \$0.6 million for contracted management support, such as managing distribution of coronavirus related grants. This is offset by \$2.0 million less for grants, reflecting actual availability of funds. *The Governor recommended \$0.5 million less than requested from federal funds reflecting revisions to multiple grants. The Assembly concurred.*

Office of Veterans Services

Restricted Receipts. The Office of Veterans Services collects restricted receipts from residents at the Veterans' Home, located in Bristol. Residents pay a per diem fee based on their net income. Net income is defined as a resident's gross income minus applicable federal and state taxes and minus \$150 per month of residency and 50.0 percent of any sum received due to wounds incurred during battle conditions for which the resident received the purple heart, and minus amounts paid to support their spouse, parents, minor children, or children who are blind or permanently disabled. Fees are paid monthly to the Home and any failure to make payment when due can be cause for dismissal from the facility, though prior to dismissal, the resident is afforded administrative due process. Residents with a 70 percent or greater service related disability do not pay a maintenance fee as the Home receives an enhanced federal per diem for them.

In FY 2021, the Office collected \$0.7 million from Veterans' Home resident restricted receipts and anticipates collecting \$0.6 million and \$0.7 million in FY 2022 and FY 2023, respectively. Compared to FY 2021, the request reflects a significant decline in the Home's census as a result of the coronavirus. As of December 10, the census is 129 residents. Along with other sources, the Office uses these restricted receipts for maintenance and operational costs for the Veterans' Home. *The Governor's recommendation assumes use of \$7,853 more than requested for personnel expenses. The Assembly concurred.*

Veterans' Home. The Office requested \$1.5 million less than enacted from all sources, including \$0.1 million less from general revenues. From federal funds, the request reflects \$0.7 million less from Federal Emergency Management Agency reimbursements based on actual eligible expenses incurred and \$0.8 million less from federal funds authorized under the Consolidated Appropriations Act of 2021. The Home used the one-time funds in FY 2021. Due to the decline in resident census and related operating expenses, the Department did not anticipate other funds would be needed to offset the loss of federal funds. However, the Department's first quarter report is \$0.6 million more than enacted or \$2.1 million more than the revised request. Subsequent to the budget submission, the Office reported that it was authorized by the Department of Administration to use an additional \$1.1 million, including \$0.6 million from Coronavirus Relief funds and \$0.4 million from general revenues, for pooled nursing expenses as contract expenses reportedly increased 40 percent as a result of the pandemic.

The Governor recommended \$6.1 million more than requested from all sources, including \$1.4 million more from general revenues. It includes \$3.2 million from Coronavirus Relief funds for pooled nursing services under the emergency staffing contract signed prior to the expiration of those funds. It also accounts for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Governor subsequently requested an amendment to shift \$0.6 million from federal per diem funds to general revenues based on projected availability of funds.

The Assembly concurred with the requested amendment and included additional revisions that reduced total funding by \$0.3 million, including \$1.0 million more from general revenues, compared to the Governor's original recommendation. Based on the Office's third quarter report, it included turnover saving of \$0.8 million from general revenues. The Assembly also provided \$1.2 million more from general revenues, offset by \$0.7 million less from federal funds, to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

VetCorps. The Office requested \$41,667 from new federal funds for VetCorps. In 2020, the Office was selected by AmeriCorps to host the VetCorps program, which launched in February 2021. Program participants help connect military veterans and their families with benefits and services in Rhode Island, and receive a stipend for their service, consistent with other AmeriCorps programs. *The Governor recommended \$4,493 more than requested.* **The Assembly concurred.**

Other Operations. The Office requested \$91,020 more than enacted from general revenues for all other expenses, including the Office and Veterans' Cemetery. The additional general revenue funding would restore turnover savings at the Warwick office. However, the Office's first quarter report excludes the additional funding, suggesting the enacted appropriation is sufficient. *The Governor recommended \$119,334 more than requested from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **Based on the Office's third quarter report, the Assembly reduced expenses by \$70,000.**

Capital Projects. The Office requested \$0.4 million less than enacted from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter. Consistent with the capital budget request, this reflects shifting asset protection projects to the out-years. The request also includes the enacted amount of \$350,000 from Rhode Island Capital Plan funds for asset protection projects at the Veterans' Home in Bristol. *The Governor recommended \$160,000 more than requested for projects at the cemetery.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Office of Healthy Aging

Home and Community Care Services. The Office requested \$0.3 million less than enacted from federal funds for home care and adult day care services, including \$0.1 million less from general revenues. The enacted budget includes funding to increase rates paid to adult day and home care providers, expand eligibility to individuals with income at or below 250 percent of the federal poverty level, and expand the programs to include individuals with early onset Alzheimer's disease or related dementia. The revised request reflects continued decline in program participation as a result of the coronavirus pandemic and represents total funding of \$9.8 million from all sources, including \$4.1 million from general revenues. *The Governor recommended total funding as requested but shifted \$0.1 million from general revenues to federal funds, which reflects the availability of an enhanced federal match authorized in response to the pandemic.* **The Assembly concurred and enacted legislation in Article 13 codifying the 2021 expansion of home and community care services to individuals with early onset Alzheimer's disease or related dementia.**

Paratransit Services for the Elderly. The Office requested \$0.4 million more than enacted from all sources for elderly transportation services, including \$0.1 million more from each general revenues and matching federal funds. It also includes \$0.1 million more from gas tax proceeds; the enacted budget lowered expenses from gas tax proceeds based on projected yields. The Executive Office of Health and Human Services holds the transportation contract with Medical Transportation Management, Inc. and

allocates expenses for eligible participants without Medicaid to the Office. *The Governor recommended \$0.1 million less than requested, primarily from federal funds, and included the requested level of gas tax proceeds based on projected gas tax yields.* **The Assembly concurred.**

Elderly Nutrition Programs. The Office requested \$0.9 million more than enacted from federal funds authorized in response to the coronavirus emergency for elderly nutrition programs, including home delivered and congregate meals. This represents shifting sources authorized from multiple federal acts. The Office requested total funding of \$5.6 million for elderly nutrition programs in FY 2022, including the enacted level of \$0.6 million from general revenues. *The Governor recommended \$1,165 more than requested.* **The Assembly concurred.**

Supportive Services. The Office requested \$1.1 million from federal funds authorized in response to the coronavirus emergency for supportive services for older and disabled individuals. This represents shifting sources authorized from multiple federal acts. Total requested funding for supportive services is \$4.8 million for FY 2022. Funds can be used for activities outlined in Title III-B of the Older Americans Act, such as health education, counseling, housing services, transportation, elder abuse prevention and response activities. *The Governor recommended \$0.3 million more than requested based on Budget Office estimates of coronavirus relief grant spending approvals.* **The Assembly concurred.**

Elder Abuse Prevention. The Office requested \$0.3 million more than enacted from federal funds authorized in response to the coronavirus emergency for elderly abuse prevention activities. This represents shifting sources authorized from multiple federal acts. *The Governor recommended \$0.3 million more than requested based on Budget Office estimates of coronavirus relief grant spending approvals.* **The Assembly concurred.**

Family Caregiver Support. The Office requested \$0.2 million more than enacted from federal funds authorized in response to the coronavirus emergency for family caregiver support. This represents shifting sources authorized from multiple federal acts. Funds may be used to provide information to caregivers on available support, assist caregivers in accessing that support, individual counseling and caregiver training, respite care, and, on a limited basis, services that supplement the care provided by caregivers. Total requested caregiver support for FY 2022 is \$2.0 million, including the enacted amount of \$350,000 from general revenues for respite. *The Governor recommended \$0.6 million more than requested based on Budget Office estimates of coronavirus relief grant spending approvals.* **The Assembly concurred.**

Preventative Health and Vaccines. The Office requested \$0.1 million more than enacted for preventative health services and access to vaccines for elderly residents. This includes \$75,000 more from funds authorized under the American Rescue Plan Act and \$25,000 more from annual Title III funding. Vaccine access funding can be used for advocacy and outreach. *The Governor recommended \$175,000 more than enacted based on Budget Office estimates of coronavirus relief grant spending approvals.* **The Assembly concurred.**

Other Operations. The Office requested \$0.2 million more than enacted from all sources, including \$3,543 more from general revenues, for all other grant and operating expenditures within the Office. The revised request includes \$0.1 million more for personnel expenditures, restoring turnover savings equivalent to 0.6 positions. It also includes \$0.1 million more for grants to local organizations and \$34,845 more for all operating expenses. As of January 1, it had 4.0 vacancies. *The Governor recommended \$267,581 more than requested from all sources, including \$107,407 more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based finalized rates.* **The Assembly concurred.**

Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 2,613,874	\$ 6,352,964	\$ 5,518,718	\$ 3,518,718
Services for the Dev. Disabled	280,307,710	336,685,992	348,797,887	332,293,610
Hosp. & Comm. System Support	1,438,943	3,743,266	3,705,077	2,505,077
Hospital & Comm. Rehab. Services	125,075,847	118,283,372	141,564,410	128,692,211
Behavioral Healthcare Services	34,408,585	58,533,659	50,668,264	51,260,870
Total	\$ 443,844,959	\$ 523,599,253	\$ 550,254,356	\$ 518,270,486
Expenditures by Category				
Salaries and Benefits	\$ 122,742,751	\$ 137,406,781	\$ 139,301,560	\$ 120,816,576
Contracted Services	8,147,156	11,402,384	10,981,879	12,668,393
Subtotal	\$ 130,889,907	\$ 148,809,165	\$ 150,283,439	\$ 133,484,969
Other State Operations	14,734,616	17,616,900	39,849,048	40,734,623
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	267,278,829	356,174,481	358,658,737	342,332,789
Capital	69,314	998,707	1,463,132	1,718,105
Capital Debt Service	-	-	-	-
Operating Transfers	30,872,293	-	-	-
Total	\$ 443,844,959	\$ 523,599,253	\$ 550,254,356	\$ 518,270,486
Sources of Funds				
General Revenue	\$ 189,777,370	\$ 271,942,823	\$ 279,157,219	\$ 253,239,782
Federal Aid	251,200,266	247,059,780	266,263,713	260,197,280
Restricted Receipts	2,866,125	4,196,650	4,034,622	4,034,622
Other	1,198	400,000	798,802	798,802
Total	\$ 443,844,959	\$ 523,599,253	\$ 550,254,356	\$ 518,270,486
FTE Authorization	1,188.4	1,190.4	1,190.4	1,190.4
FTE Average	1,039.3			

FY 2022 Revised Request. The Department requested \$13.9 million more than enacted, including \$11.7 million more from federal funds, \$0.3 million more from Rhode Island Capital Plan funds, \$0.2 million more from restricted receipts and \$7,717 less from general revenues.

The Families First Coronavirus Response Act includes a temporary 6.2 percent increase to a state's Medicaid match rate which is available until the end of the public health emergency. The FY 2022 enacted budget assumes the higher rate for two quarters but the emergency has been extended into the third quarter allowing for additional general revenue savings. The Department's revised request was submitted prior to notification of the extension but the November caseload conference estimate for individuals with developmental disabilities receiving services through the privately operated system does include general revenue savings of \$4.4 million from the extension.

The Governor recommended \$12.7 million more than requested, including \$7.2 million more from general revenues, \$5.5 million more from federal funds and \$0.4 million less from restricted receipts. This includes

\$8.9 million for the recent labor agreements and assuming pay increases also apply to non-union staff. The recommendation also includes \$0.1 million for the first \$1,500 stipend payments which equates to only 91 individuals receiving it. As of the January 15 pay period, the Department had 944 filled positions so it would appear the recommended budget underfunds the stipend payment by about \$1.3 million. Subsequent to his recommendation, the Governor requested several amendments to adjust current year spending, each is noted separately. The Assembly provided \$32.0 million less than recommended, including \$25.9 million less from general revenues and \$6.1 million less from federal funds. This includes \$18.6 million less from all sources, of which \$12.7 million is from general revenues, to reflect the May caseload conference estimate and \$18.2 million, including \$16.9 million from general revenues, for projected savings included in the Department's third quarter report.

Staffing. The Department requested 1,190.4 full-time equivalent positions for FY 2022 which is consistent with the enacted authorization. The enacted budget transferred staff among divisions primarily to reflect actions taken to reallocate staff where needed. The Department uses AlloCap, a cost allocation plan developed by Public Consulting Group (PCG), to spread staffing expenses across divisions, mostly applying to administrative staff whose responsibilities are spread throughout the Department. The Department tracks the staffing information and, on a quarterly basis, submits it to PCG which spreads the expenses across programs. The Department's administrative staff then verifies the information to use throughout the budget process. This process can often take six to eight weeks to complete. The revised and FY 2023 requests reflect adjustments to staffing expenses in the different divisions based on the last quarter of FY 2021. The FY 2022 enacted budget was based on the last quarter of FY 2020. The changes are noted in the separate sections but an analysis of staffing expenses is difficult since the costs are now spread across the Department and can change quarterly based on the updates. *The Governor's recommendation reflects the cost allocation used by the Department in its request; the plan had not been updated. The Assembly included savings of \$18.2 million, of which \$16.9 million is from general revenues, reflecting projected staffing expenses in the third quarter report, which included an updated cost allocation plan.*

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family supports or medical services to support adults with developmental disabilities. As of October 2021, there are 4,366 individuals receiving services through either the state-run system or through community-based providers. This includes approximately 3,986 individuals receiving direct residential/day programming and/or family supports.

The Department included \$332.6 million from all sources, of which \$144.1 million is from general revenues, for programs to support adults with developmental disabilities. It included \$0.1 million from Rhode Island Capital Plan funds and excluded centralized services. The Department's revised request is \$1.7 million less from all sources, including \$0.2 million less from general revenues, \$2.6 million less from Medicaid funds and \$0.1 million less from restricted receipts. The request includes \$307.9 million for the community-based system and \$27.2 million for the state-run one.

The 2021 Assembly included Article 3 of 2021-H 6122, Substitute A, as amended, to add expenses for the community based system for adults with developmental disabilities to the semi-annual medical assistance and public assistance caseload conference. The conferences, as outlined in Rhode Island General Law, Chapter 35-17 meet at least twice a year, November and May, to provide for a more stable and accurate method of financial planning and budgeting. The conference estimators take testimony from the Executive Office for medical assistance expenses, including long-term care, managed care programs, hospitals, pharmacy and other medical services.

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides testimony for privately operated services for adults with developmental disabilities. The Department of Human

Services provides testimony for Rhode Island Works, the Supplemental Security Income program, general public assistance, and child care. The separate agencies report a preliminary estimate in testimony, which forms the basis for the caseload estimate adopted by the State Budget Officer and House and Senate Fiscal Advisors. The estimates are based only on current law and practice. The November Caseload Estimating Conference adopted estimate is the starting point for the Governor's revised and budget year recommendations. Any changes made in the Governor's budgets for either medical assistance, cash assistance or services to adults with developmental disabilities to the estimate must represent a status or policy change not contemplated in the current law estimate. Any expenditure revisions in the May estimate are incorporated into the final appropriation adjusting for any changes made by the Assembly.

*The Governor recommended \$13.5 million more than requested, including \$6.8 million more from general revenues. This includes \$12.6 million from general revenues to write off loans given to the developmental disability organizations to develop the community based system when the Ladd Center closed. He subsequently requested an amendment to add \$1.7 million, including \$0.8 million from general revenues for Health Management Associates to evaluate, recommend and assist with implementing new rates and payment systems services provided to adults with developmental disabilities through the community based system. The contract was awarded after the Department submitted its request and inadvertently excluded from the recommendation. He also requested an amendment to add \$0.4 million, including \$0.2 million for retention bonuses in the state-run system. **The Assembly concurred with the amendments and adjusted expenses in the privately operated program consistent with the May caseload conference estimate, which reduced expenses by \$18.6 million, including \$12.7 million from general revenues.***

Privately Operated Community Programs. The Caseload Estimating Conference met on November 5, 2021, and based on current law, set the FY 2022 expenditures for private community developmentally disabled services at \$294.8 million, including \$122.3 million from general revenues, which is \$0.7 million less the enacted from all funds and \$4.6 million less from general revenues. The Department's revised request was submitted prior to the caseload estimate so it does not reflect the adopted estimate.

Because private services for individuals with developmental disabilities had not previously been included in the Caseload Estimating Conference, the conferees had to adopt estimating conventions including, estimating costs by service categories. These categories include residential rehabilitation, day services, employment, transportation, case management and other support services, L9 supplemental funding, and non-Medicaid funded services. Because these categories do not neatly align with current budgeting practices, the conferees estimated the distribution of FY 2022 enacted expenditures by category based on the testimony, guidance from the Department, and the consensus of the conferees. The conferees assume that the budget process will be adapted in future years to facilitate distribution of enacted appropriations by category.

In the Caseload Estimating Conference, projections are based on current law. As a result, the FY 2022 enacted budget includes a rate increase to support raising direct support professionals' hourly wages to at least an average of \$15.75, the FY 2022 projection contains this rate increase. However, the Department presented testimony recognizing that the state had agreed to an "Action Plan" related to an ongoing federal consent decree. Many elements of the plan require action through the state budget process and were not yet current law. As a result, the FY 2023 estimates represent a baseline projection and exclude the costs of items like a technology fund, a transformation fund, and rate increases that support additional direct support professional wage increases in FY 2023. Although the costs of these items are not within the scope of the Conference, the conferees assume that the state intends to maintain good faith compliance with all elements of the Action Plan, which also includes hiring an outside agency to review current rates and rate structure and make preliminary recommendations.

In compliance with that plan, the Governor requested an amendment to the FY 2022 budget on December 2, 2021, to add \$4.0 million of the \$12.0 million agreed to for the transformation fund, discussed separately.

The Governor recommended funding consistent with the conference estimate. He also recommended \$4.0 million from federal funds and restricted receipts for the transformation fund within the Executive Office's budget. The Assembly provided \$276.3 million, including \$109.6 million from general revenues, consistent with the May caseload conference estimate. This is \$18.6 million less than recommended, including \$12.7 million less from general revenues, based on spending through three quarters and a full year of savings from the enhanced Medicaid match.

The following table itemizes private community based expenditures adopted by the caseload estimators, recommended by the Governor and enacted by the Assembly. Each category is discussed separately.

Private Community Developmentally Disabled Services	FY 2022 Enacted*	FY 2022 Nov. CEC	FY 2022 Gov. Rec.	FY 2022 May CEC	FY 2022 Final
Residential Rehabilitation	\$ 183.0	\$ 173.8	\$ 173.8	\$ 167.0	\$ 167.0
Day Program					
Day Program	\$ 67.4	\$ 69.0	\$ 69.0	\$ 61.6	\$ 61.6
Shared Living Item	-	4.3	4.3	4.3	4.3
Subtotal	\$ 67.4	\$ 73.3	\$ 73.3	\$ 65.9	\$ 65.9
Employment	\$ 5.0	\$ 7.5	\$ 7.5	\$ 4.2	\$ 4.2
Transportation	\$ 5.8	\$ 8.0	\$ 8.0	\$ 6.0	\$ 6.0
Case Management and Other Support Services	\$ 14.3	\$ 12.8	\$ 12.8	\$ 11.7	\$ 11.7
L9 Supplemental Funding	\$ 15.2	\$ 15.5	\$ 15.5	\$ 19.0	\$ 19.0
Non Medicaid Funded					
DD State Subsidies	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.0
Out-of-state placements	0.9	0.3	0.3	0.3	0.3
PCSEPP Program	2.7	2.5	2.5	1.5	1.5
Contract Transportation	1.0	1.0	1.0	0.7	0.7
Subtotal	\$ 4.8	\$ 3.9	\$ 3.9	\$ 2.5	\$ 2.5
Federal Funds	\$ 168.7	\$ 172.0	\$ 172.0	\$ 166.7	\$ 166.7
General Revenues	126.9	122.3	122.3	109.6	109.6
Total	\$ 295.6	\$ 294.8	\$ 294.8	\$ 276.3	\$ 276.3

*Estimated distribution of enacted expenditures based on testimony and consensus of caseload conferees

\$ in millions

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$173.8 million, including \$70.7 million from general revenues. The estimate is \$9.2 million less than enacted, including \$4.1 million from general revenues for residential rehabilitation services, which is approximately 60 percent of the program services. The services are provided in a variety of community based settings including 24-hour group homes, individual living situations such as an apartment or home, shared living arrangements or with a relative. *The Governor recommended funding consistent with the caseload estimate.* The Assembly provided \$167.0 million, including \$65.3 million from general revenues, consistent with the May Caseload Conference estimate, which is \$6.8 million less than the November estimate.

Day Program. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$73.3 million, including \$29.8 million from general revenues. The estimate is \$5.9 million more than enacted, including \$2.6 million from general revenues for day program services, which is approximately 25 percent of program expenses.

Day program expenses capture services offered at a center-based day program, a community based day program or home-based day program, including the provision of education, training, and opportunities to acquire the skills and experience needed to participate in the community. Expenses are estimated to be \$69.0 million in FY 2022, which is a \$1.6 million increase compared to the proposed enacted distribution.

This category also includes an estimate for a “shared living” item of \$4.3 million for FY 2022 based on testimony from the Department. Funding supports Shared Living Arrangement contractors who provided increased support during the pandemic for individuals who remained at home instead of attending a community based day program. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$65.9 million, including \$25.8 million from general revenues, consistent with the May caseload conference estimate and \$7.4 million less than the November estimate.*

Employment. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$7.5 million, including \$3.5 million from general revenues, for employment services. The estimate is \$2.5 million more than the proposed enacted distribution, including \$1.1 million from general revenues; these services are 2.5 percent of total program expenses. Employment captures services such as job assessment and development, job coaching, job retention, and prevocational training for adults with developmental disabilities. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$4.2 million, including \$1.6 million from general revenues, consistent with the May caseload conference estimate and \$3.3 million less than the November estimate.*

Transportation. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$8.0 million, including \$3.3 million from general revenues, for transportation expenses. The estimate is \$2.2 million more than enacted, including \$1.0 million from general revenues; these services are 2.7 percent of program costs. An individual is provided transportation from, or in the immediate vicinity to, their residence in order to participate in employment/day activities. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$6.0 million, including \$2.3 million from general revenues, consistent with the May caseload conference estimate, and \$2.0 million less than the November estimate.*

Case Management and Other Support. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$12.8 million, including \$5.2 million from general revenues for case management and other support services. The estimate is \$1.5 million less than enacted, including \$0.6 million less from general revenues; these services are 4.3 percent of the estimate. An individual can receive these assorted services which include, but are not limited to, attendant care, home modifications, assistive technology, and support facilitation. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$11.7 million, including \$4.6 million from general revenues, consistent with the May caseload conference estimate and \$1.1 million less than the November estimate.*

L9 Supplemental Funding. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$15.5 million, including \$6.3 million from general revenues, for L9 supplemental funding. The estimate is \$0.3 million more than enacted, including \$0.1 million from general revenues, for additional services; this is 5.3 percent of program expenses. This funding is provided in addition to the annual authorizations. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$19.0 million, including \$7.4 million from general revenues, consistent with the May caseload conference estimate, and \$3.5 million more than the November estimate.*

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2022 expenditures of \$3.9 million from general revenues for all other non-Medicaid funded services. The estimate is \$0.8 million less than enacted for the state-only expenses that are 1.3 percent of the estimate. The estimate includes \$2.5 million for the Person-Centered Supported Employment Performance Program, which is an individualized approach to employment planning and job development. This is abbreviated as PCSEPP in the table and is \$203,644 below the proposed enacted distribution based on current spending.

For state-only transportation expenses, the Department and the Executive Office of Health and Human Services collaborate to provide this service through the Rhode Island Public Transit Authority to individuals

with developmental disabilities. This is estimated to cost \$1.0 million for FY 2022, which is equal to the proposed enacted distribution. These services are in addition to transportation benefits included in the authorization packages which were previously discussed. The estimate includes \$0.1 million for monthly stipends to family caregivers of individuals who formerly resided at the Ladd Center. It also includes \$0.3 million for one individual in an out-of-state placement. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$2.5 million from general revenues, consistent with the May Caseload Conference estimate, and \$1.4 million less than the November estimate.*

Transformation and Technology Funds. The revised request for the Executive Office of Health and Human Services proposes \$78.5 million for an investment in home and community based services made available through the American Rescue Plan Act. The Act allows for an additional ten percentage points of Medicaid reimbursement on eligible home and community based services that take place from April 1, 2021 through March 31, 2022. The program requires that general revenue savings be reinvested to fund expansionary home and community based activities.

On December 2, 2021, the Governor requested an amendment to dedicate \$4.0 million of the newly available funds to the \$12.0 million court ordered transformation fund for integrated day activities and supported employment services under the consent decree. The Assembly did not take any action on the amendment. *The Governor recommended \$4.0 million in the Executive Office for the Transformation Fund and \$1.0 million, including \$0.4 million from general revenues, for technology purchases for individuals receiving services. The Assembly concurred.*

System Rate Review. The federal court Action Plan agreed to in October 2021, calls for a review of the current rate structure for the privately operated program. It was anticipated that the contract for the work would be awarded by November 1, 2021 and completed by December 1, 2022. The Request for Proposals had been issued but at the time of the Department's budget request, it had not been awarded and no funding was requested. On January 1, 2022, the Department signed a five-month contract, effective through June 30, 2022, with an optional one-year renewal, with Health Management Associates that totals \$490,875. *The Governor's recommendation did not include funding for this contract, apparently in error. He subsequently requested an amendment to add \$1.7 million, including \$0.8 million from general revenue for the new contract. The Assembly concurred with the amended recommendation.*

Developmental Disabilities Providers - Loan Write-Off. The state made advanced payments to 25 privately operated agencies to provide services to adults with developmental disabilities who resided at the state-run Ladd Center, through a community based system of residential care and/or day programs. The payments were equal to a month of expenses so that a provider had an advance to operate a facility while waiting for a reimbursement for those services. Those advanced payments are booked as a receivable for the state's accounting purposes and recorded as a corresponding payable on a community agency's financial statements. As of the end of June 2021, the advanced payments totaled \$12.6 million.

It should be noted that the Assembly included Sections 12 and 13 of Article 12 of 2017-H 5175, Substitute A, as amended, to allow revenues from the sale of state-owned residential property supporting group home services for adults with developmental disabilities, be used to pay down what at that time was \$13.3 million in advanced payments made by the state to private agencies instead of being deposited into the Information Technology Investment Fund. *The Governor recommended \$12.6 million from general revenues to write-off these start-up loans. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$0.4 million more than enacted from all sources, including \$0.4 million more from general revenues, for other division expenses and its 56.0 positions. This is primarily for staffing cost adjustments which include converting vacant positions from the state-run residential system to three new administrative positions.

The Department requested \$0.1 million less than enacted reflecting updated program expenses. This is also \$0.1 million more for the Sherlock Center to offer benefits counseling under the consent decree. *The Governor recommended \$0.5 million more than requested, including \$0.2 million more from general revenues, to reflect his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. Subsequently, the Governor requested an amendment to add \$25,224 from general revenues for the retention bonuses. The Assembly concurred with the amended recommendation.*

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 established a policy that clients would be admitted into the state-run system in emergency situations only. As of November 2021, there were 109 clients in the state-run facilities.

The Department requested \$1.6 million less than enacted to reflect updated program expenses based on a reduced census. The general revenues are \$0.8 million more than enacted to reflect the revised cost allocation plan and inadvertent exclusion of \$1.4 million in savings from the enhanced Medicaid rate match assumed in the budget. Additionally, the public health emergency has been extended for another quarter, therefore general revenue savings are understated by \$2.4 million in the revised request.

The Governor recommended \$1.7 million more than requested, including \$0.8 million less from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Governor also included \$1.9 million from the continuation of the public health emergency and extension of the enhanced Medicaid rate, which appears to understate the available savings. Subsequently, the Governor requested an amendment to add \$0.4 million, including \$0.2 million from general revenues, for the retention bonuses. The Assembly concurred with the amended recommendation.

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 the 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.

Substance Use and Mental Health Treatment Services Grants. The Department requested \$5.1 million less than enacted, from federal mental health and substance abuse block grant funds, as well as enhanced federal resources through recent legislation for total funding of \$30.3 million. This is based on a revised spending plan that spreads funding over multiple years. Subsequent information suggests this may still overstate current year spending.

The funding plan includes \$2.9 million for student assistance programs, \$2.4 million for regional substance abuse task forces, \$2.0 million for BH Link, \$3.1 million for recovery community centers, mobile treatment teams, outreach and community mental health center liaisons, \$1.4 million for residential services and expanded capacity, and \$0.4 million to purchase naloxone kits.

The following table shows the separate grants included in the enacted budget, revised request and Governor's recommendation. *The Governor recommended \$22.6 million, which is \$6.9 million less than requested, from substance abuse block grant funds through the Consolidated Appropriations Act based on an updated spending plan. He also included \$0.2 million more for an updated award for the mental health block grant. The Assembly concurred.*

FY 2022				
Block Grant	Enacted	Revised Request	Governor/ Assembly	Change to Rev. Req.
Substance Abuse	\$ 7.1	\$ 7.1	\$ 7.1	\$ -
CAA: Substance Abuse	7.1	10.4	3.3	(7.1)
ARP: Substance Abuse	6.4	1.1	1.1	-
Mental Health	5.5	5.5	5.7	0.2
CAA: Mental Health	-	1.5	1.5	-
ARP: Mental Health	5.6	1.0	1.0	-
CAA: Emergency Grants for Mental/Substance Use Disorders	2.9	2.9	2.9	-
Total	\$ 34.6	\$ 29.5	\$ 22.6	\$ (6.9)

\$ in millions

CARES Act - Behavioral Healthcare Services. The Department requested \$0.9 million that was not included in the enacted budget from federal funds included as part of the CARES Act to support services provided to East Bay Community Action, Thrive Behavioral Health, Newport Community Mental Health, International Institute of Rhode Island, and The Providence Center. The Department spent \$0.7 million in FY 2021. *The Governor recommended funding as requested.* **The Assembly concurred.**

COVID Relief Funds - Governor's Emergency Education Relief. The Department requested \$0.2 million more than enacted for total funding of \$0.8 million from the Governor's Emergency Education Relief funds available through the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act, to increase student access to mental health professionals. Payments totaling \$0.3 million were made to Coastline EAP in FY 2021 and this arrangement will continue into FY 2022. It should be noted that this agency also receives funding through the mental health block grant. *The Governor recommended funding essentially consistent with the enacted level, which is \$0.3 million less than requested to reflect an updated spending plan.* **The Assembly concurred.**

COVID Relief Funds - Substance Use Disorder Provider Grant Program. The Department requested \$735,000 from COVID relief funds for substance abuse prevention programs that expand community based services potentially reducing hospitalizations during the pandemic. *The Governor did not recommend the funding.* **The Assembly concurred.**

Opioid Stewardship Funds. The Department requested \$2.3 million from Opioid Stewardship funds, which is consistent with the enacted level. The administration's plan for use of the funds includes expanding core housing programs, particularly where there is a demonstrated need or significant shortages, including recovery housing and vouchers for people with a history of substance use disorder and at risk of returning to use, as well as support for inpatient residential treatment programs to address the shortage of in-state, non-hospital residential treatment programs, particularly for youth. *The Governor recommended \$0.4 million less than requested to reflect the Department's updated spending plan.* **The Assembly concurred.**

State Opioid Response Grant. The Department included \$2.5 million more than enacted from federal State Opioid Response Grant funds, reflecting a new award and payments made for services provided in FY 2021. This includes \$7.7 million for community support activities, \$0.2 million for Narcan and \$0.9 million for a media and education campaign. Funding is for residential support, recovery housing and peer support and projects through the Department of Health. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Crisis Counseling Immediate Services Program. The Department added \$0.5 million from a new federal grant through the Rhode Island Emergency Management Agency to provide crisis counseling services for

survivors of COVID-19. Funding has been awarded to Family Services of Rhode Island and Horizon Health Partners for crisis counseling training programs, including for clinicians to address the impact of the pandemic. *The Governor recommended funding as requested. The Assembly concurred.*

Projects for Assistance in Transition from Homelessness Grant. The Department added \$0.3 million from new Projects for Assistance in Transition from Homelessness (PATH) federal funds awarded to the House of Hope and Coalition to End Homelessness. The program provides assistance to individuals who are homeless or at risk of homelessness and have serious mental illnesses. Services include outreach and case management, screening and diagnostic treatment, housing, community mental health and alcohol and drug treatment, and referrals for primary health care, job training and educational support. *The Governor recommended funding as requested. The Assembly concurred.*

Promoting Integration of Primary and Behavioral Healthcare Grant. The Department requested \$2.7 million from the federal Promoting Integration of Primary and Behavioral Healthcare Grant, consistent with the enacted budget. Funding is available through December 31, 2023. The grant promotes full integration and collaboration in clinical practice between primary and behavioral healthcare, supports 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 promotes and offers 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. *The Governor recommended \$0.9 million less than requested to account for the Department's updated spending plan. The Assembly concurred.*

Screening, Brief Intervention and Referral to Treatment Grant. The Department requested \$0.5 million more than enacted, for total funding of \$0.8 million, for projected spending for the final year of the 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 increase includes \$0.2 million for community based programs and \$0.3 million for a cooperative agreement with the Department of Health for data collection. *The Governor recommended funding as requested. The Assembly concurred.*

Youth Treatment Implementation. The Department requested \$0.6 million more than enacted from federal youth treatment implementation funds carried forward from FY 2021. The grant focuses on increasing access to screening, assessment, treatment and recovery services for adolescents ages 12 to 17 and young adults 18 to 25 who are at risk of or are experiencing substance use disorders and/or co-occurring substance use and mental health disorders. The project provides services, including outreach, engagement and treatment, to 1,160 youth and young adults over a four-year period. The revised request totals \$0.9 million and the FY 2023 request has \$0.3 million for the final year of the grant. *The Governor recommended funding as requested. The Assembly concurred.*

Social Services Block Grant - Mental Health Treatment Services. The Department requested \$0.1 million more than enacted from federal Social Services Block Grant funds made available from an updated agreement with the state's grant recipient, the Department of Human Services. The revised total is \$1.1 million and includes \$0.9 million for clinical services previously supported through the Medicaid funded limited benefit for certain behavioral healthcare services, primarily through the community mental health centers. This is \$0.2 million more than FY 2021 actual expenses. *The Governor recommended funding as requested. The Assembly concurred.*

9-8-8 Planning Grant. The Department requested \$65,000 more than enacted from available restricted receipts, not spent in FY 2021, for a total of \$160,000 through the National Suicide Prevention Lifeline for a 9-8-8 planning grant award. Funding is available to state mental health, behavioral health and public health agencies. The grant will assist with implementing a new, national, three-digit number for mental

health crisis and suicide response, or 9-8-8. Funding has been awarded to the Substance Use and Mental Health Leadership Council.

The Governor recommended funding as requested. He also recommended \$1.9 million from State Fiscal Recovery funds in the Executive Office of Health and Human Services' budget for FY 2023 to create a 9-8-8 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communication Commission adopted rules to ensure a consistent level of service. He subsequently requested an amendment to shift the funds to the Department for FY 2023. The Assembly concurred.

Substance Use Residential Capacity Expansion. The Department requested \$246,000 more from available asset forfeiture funds for total funding of \$296,000 to expand access to substance abuse residential treatment services by increasing capacity through MAP Behavioral Health Services and Galilee Mission. The enacted budget includes \$50,000 for treatment services.

The plan is to increase capacity from 16 beds to 28 beds at MAP and construct 10 new beds by converting office space at Galilee Mission. Once the beds are available, it is anticipated that these will be Medicaid funded ones and expenses will be in the Executive Office of Health and Human Services' budget. It should be noted that the November Caseload Estimating Conference estimate for FY 2022 and FY 2023 does not include funding for them. *The Governor recommended \$29,740 more than requested to reflect available funds. The Assembly concurred.*

Staffing and Other Operations. The Department requested \$0.8 million less from all sources, including \$0.3 million more from general revenues, for staffing and all other expenses of the Division of Behavioral Healthcare Services. Salaries and benefits are \$0.3 million less than enacted, including \$0.9 million more from general revenues, to reflect the cost allocation plan and updated staffing expenses. The request also excludes \$0.6 million from general revenues originally requested by the Department and contained in the enacted budget, apparently in error.

Other expenses are \$44,740 more than enacted to adjust for current year spending for the remaining federal grants supporting community based activities and adjustments to various operating expenses. It should be noted that the revised request includes \$94,647 from restricted receipts in error related to a program never enacted. *The Governor recommended \$0.1 million more than requested, primarily from general revenues, to reflect his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. He corrected for the error in the enacted budget and recommended the remainder of the request. The Assembly concurred.*

Eleanor Slater Hospital

Operations. The Department requested \$15.0 million more than enacted, primarily from federal funds, for total hospital expenses at both the Cranston campus and Zambarano unit in Burrillville. The enacted budget is based on the Governor's amended budget recommendation that rescinded his proposed hospital reorganization and recommended hospital expenses totaling \$118.0 million, including \$116.0 million from general revenues and \$2.0 million from federal Medicaid funds. It appears that ongoing costs at the state hospital are higher than originally assumed in that recommendation and the Department requested \$131.7 million, which is \$5.1 million less than FY 2021 expenses.

The Department also assumed an increase in the amount of Medicaid funds it can claim for services provided which avoids the need for general revenues to cover the increased budget need. At the time of the budget submission, the additional Medicaid funds were based on the assumption that the Department would not come into compliance with the Medicaid requirement to have fewer psychiatric patients than medical ones, also known as the IMD mix. It did increase federal claiming for the patients that it can bill for those under age 19 and over age 65, totaling \$15.7 million. The revised request increases the number of patients

in the allowable pool by 26 to 45 and assumes a higher cost per day, \$1,657 compared to the \$500 included in the enacted budget. As of the December 1 review, the hospital remains in violation of the IMD mix.

The Governor recommended \$8.0 million more than requested, including \$0.4 million less from general revenues. This included \$6.7 million from federal Coronavirus Relief funds for emergency staffing expenses at the hospital and \$3.0 million less for centralized services related to the hospital based on updated billings. The recommendation also includes \$4.3 million for the recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Governor's recommendation increases the per patient Medicaid billings as requested and includes \$1.3 million more from an additional quarter of the enhanced Medicaid rate. The Governor requested an amendment to add \$1.0 million, including \$0.9 million from general revenues for the retention bonuses and a separate amendment to add \$1.7 million from Medicaid funds inadvertently excluded from the recommendation. He also requested an amendment to add \$0.6 million for capital projects performed through the Department of Administration that exceed available resources; this was offset by \$1.7 million in turnover savings included in third quarter report.

The Assembly concurred with the amendments and further reduced expenses by \$15.0 million, including \$12.0 million from general revenues, reflecting additional savings included in the third quarter report. It also excluded \$0.1 million from federal funds and added \$0.6 million from general revenues to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

Medicaid Billings. Prior to FY 2020, services provided at the state hospital were funded through general revenues, Medicaid, Medicare and other third party payors. It was determined that there was a need to address the services provided at the state-run hospital so the Department could address several federal compliance and billing issues that resulted in a loss of federal Medicaid funds for FY 2020.

First, the state hospital had a mix of medical and psychiatric patients; to get the Medicaid match the patient mix cannot have more psychiatric than medical patients. From August 2019 to early February 2020, the state hospital was out of compliance with this rule and incurred a loss of \$20.0 million from Medicaid funds requiring an offsetting general revenue payment. Second, it was determined that the state could not leverage Medicaid for patients who are in the psychiatric forensic unit at the Benton facility, which resulted in a loss of \$15.0 million from Medicaid funds.

The Executive Office of Health and Human Services formalized how the state can bill for patients at the state hospital which addressed one of the billing issues. The state received approval to once again receive Medicaid funds for medical patients, not including the forensic population at the Benton facility, which will be funded entirely from general revenues.

The Executive Office also formally defined an Institute for Mental Disease and would perform a review every May 1 and December 1 to determine if the state hospital is in compliance and not determined to be in violation of the mix. During the May 1, 2021 review, it was determined that the hospital was out of compliance with the mix. However, even with this determination, the hospital can still bill Medicaid for services provided to those under age 19 and over age 65. The FY 2022 enacted budget includes \$2.0 million from Medicaid funds for these populations. As noted, the revised request assumes the state remains out of compliance, which was confirmed during the December 1 review. The request assumes \$15.7 million in Medicaid funds for populations that remain eligible.

As previously noted, the revised request increases the number of patients in the allowable pool by 26 to 45 and assumes a higher cost per day, \$1,657 compared to the \$500 included in the enacted budget. This

results in \$13.7 million more in Medicaid funds to offset state expenses. *The Governor's recommendation includes the requested adjustments and appears to reflect a higher daily rate based on updated personnel costs, three quarters at the enhanced Medicaid rate and another five patients.* **The Assembly concurred with the 50 patients but updated the daily rate based on projections included in the third quarter report that reduced hospital expenses.**

Medicaid Billings	FY 2022 Enacted	FY 2022 Revised	FY 2022 Gov. Rec.*	FY 2022 Final*	Change to Gov. Rec.
# patients	19	45	50	50	-
Daily Rate	\$ 500	\$ 1,657	\$ 1,708	\$ 1,601	\$ (107)
Total	\$ 3,467,500	\$ 27,060,048	\$ 31,173,615	\$ 29,217,382	\$ (1,956,233)
Medicaid	\$ 2,003,522	\$ 15,372,112	\$ 18,495,306	\$ 17,334,673	\$ (1,160,633)

Benton Facility. The 52-bed forensic psychiatric facility, as part of the Eleanor Slater Hospital system, is a secure building serving patients who are involved in the criminal justice system. The Department is in the process of obtaining a separate license for a state-only funded facility. It was determined by the Centers for Medicare and Medicaid Services that the expenses at the Benton facility are not eligible for Medicaid reimbursement.

The Department is using Pinnacle Healthcare Solutions to do a hospital review to separately license the facility through the state's Certificate of Need process; it will continue to be subject to Joint Commission review. The contract, totaling \$52,000, is from August 30, 2021 to November 30, 2021, with an option to renew for another 13-weeks. The revised request does not include any funding for it. *The Governor's recommendation also does not include funding for the contract. His FY 2023 recommended budget separates the Benton facility into a distinct psychiatric hospital. The Department's third quarter report includes four payments totaling \$88,000 made to Pinnacle Healthcare Solutions.* **As previously noted, the Assembly adjusted hospital expenses based on the third quarter report, which includes making this payment.**

Hospital License Fee. The 2021 Assembly passed legislation to establish a 5.725 percent hospital license fee based on 2020 revenues which includes a \$0.4 million payment for the state hospital. The Department requested the enacted level of \$0.4 million from general revenues. *The Governor recommended funding as requested.* **The 2022 Assembly passed Section 1 of Article 6 of 2022-H 7132, Substitute A, as amended, to revise the license fee downward to 5.656 percent and added \$0.5 million from general revenues to account for a \$0.9 million payment for Eleanor Slater Hospital.**

Other Administrative Programs

RICLAS Privatization Plan. The 2021 Assembly did not concur with the Governor's proposal to privatize the state-run system and did not provide the recommended \$700,000, including \$350,000 from general revenues, for consultant services to facilitate the plan. The Department used Alvarez & Marsal, under a \$678,370 contract, from March 29, 2021 through September 17, 2021, for a plan to transition the state-run system to the community based providers. On July 2, Alvarez & Marsal ceased working on the plan when the proposal to privatize the system was not approved.

In August 2021, the Department paid \$352,563 for the initial work done on the plan and the revised request includes only \$200,000 from general revenues for the payment. The Department reported that the general revenues can be matched by federal Medicaid funds, which were not included in the revised request. The contract requires an annual report that was due 60 days after the end of contract or September 17. It was later determined by the Department and the Executive Office that the report did not need to be submitted because the work ended in July and not in September. *The Governor recommended funding as requested.* **The Assembly concurred.**

Legal Services. The Department included \$80,000 from general revenues for Partridge, Snow and Hahn to provide legal advice related to any current or former employees at Eleanor Slater Hospital that might result in litigation. The contract was signed on December 10, 2021. The FY 2023 request includes another \$20,000. *The Governor recommended funding as requested.* **The Assembly concurred.**

Cost Allocation Plan. The Department requested the enacted amount of \$360,000 from general revenues for its portion of the contract with Public Consulting Group (PCG) for the cost allocation plan used by the Executive Office of Health and Human Services and the agencies under its umbrella. The Executive Office, which manages the contract, amended it in December 2021, which increased the cost by \$2.4 million. Each agency was given the opportunity to request specific services from PCG and approved the most recent amendment. The Department uses the contractor for the AlloCap staffing cost allocation services and its portion of the contract is \$458,014, or \$98,014 more than enacted, which is not included in the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Centralized Services. The Department's revised request includes \$3.3 million for centralized services for entities other than Eleanor Slater Hospital which is essentially consistent with FY 2021 expenses, but shifts \$0.3 million of general revenues to federal funds. This is \$0.5 million less from all sources and \$0.3 million less from general revenues. Centralized services charged to Eleanor Slater Hospital total \$17.2 million from general revenues and appear in that section of this analysis. *The Governor recommended \$0.1 million more than requested, including \$0.2 million more from general revenues, for updated billings.* **The Assembly concurred.**

Staffing and Other Operations. The Department requested \$1.1 million less from all sources, including \$1.6 million less from general revenues, for staffing and other operations in the central management and hospital and community support programs. This includes \$0.1 million more from all sources for current staffing, including \$0.5 million less from general revenues which reflects the cost allocation plan. The request also excludes \$1.1 million from general revenues originally requested by the Department, and contained in the enacted budget, apparently in error. *The Governor recommended \$0.4 million more than requested, primarily from general revenues, to reflect his recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly included \$3.2 million less than recommended from general revenues based on projected spending in the Department's third quarter report, which included additional turnover savings from a high level of vacancies.**

Capital Projects. The Department requested \$700,000 from Rhode Island Capital Plan funds, which includes \$600,000 to purchase hospital equipment, or \$300,000 more than enacted, and \$100,000 for residential development in the Division of Developmental Disabilities. This is not consistent with its FY 2023 through FY 2027 capital request, which includes \$15.1 million for 16 projects, two of which are included in the revised request. *The Governor recommended \$98,802 more than requested for the residential developmental project.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Office of the Child Advocate

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 913,780	\$ 1,127,434	\$ 1,070,509	\$ 1,070,509
Contracted Services	723	2,700	2,700	2,700
Subtotal	\$ 914,503	\$ 1,130,134	\$ 1,073,209	\$ 1,073,209
Other State Operations	76,671	93,607	91,322	91,322
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	17,785	-	-
Capital	-	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 991,174	\$ 1,243,526	\$ 1,166,531	\$ 1,166,531
Sources of Funds				
General Revenue	\$ 937,682	\$ 1,036,219	\$ 1,104,557	\$ 1,104,557
Federal Aid	53,492	207,307	61,974	61,974
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 991,174	\$ 1,243,526	\$ 1,166,531	\$ 1,166,531
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average	8.0			

FY 2022 Revised Request. The Office of the Child Advocate requested \$7,935 less than enacted, including \$2,365 more from general revenues. The Office requested 10.0 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommended \$76,995 less than enacted and \$69,060 less than requested. General revenues are \$68,338 more than enacted and \$65,973 more than requested. The Assembly concurred.*

Salaries and Benefits. The Office requested \$7,935 less than enacted for salaries and benefits, including \$2,365 more from general revenues. The request assumes funding for all positions for FY 2022, which is consistent with the enacted budget. Through the October 23 pay period, the Office averaged 8.0 positions filled or 2.0 vacant positions. The Office has 3.0 positions which are partially funded from a Victims of Crime Act grant in the enacted budget. However, in September 2021, the Office was notified that it will not receive any funding from the federal Victims of Crime Act grant for FY 2022. The total for this grant in the enacted budget is \$186,782 and the request did not exclude these funds.

Of the 3.0 positions that are partially funded through the Victims of Crime Act grant, 2.0 of the positions were vacant at the time of the request. The request shifted funding of \$35,013 for the 2.0 vacant positions from general revenues to federal funds which makes them entirely federally funded. The Office indicated it does not intend to fill these two positions in FY 2022. The request shifted federal funding of \$45,313 for the remaining position to general revenues which makes the position entirely general revenue funded. This position was filled at the time of the request. The request also excluded \$7,588 from general revenues to properly reflect the cost of a position which was overstated in the enacted budget. *The Governor recommended \$56,925 less than enacted, including \$70,623 more from general revenues. He added*

*\$69,385 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. He also shifted funding of \$1,238 to general revenues, making the Office's 8.0 currently filled positions entirely general revenue funded, and excluded \$127,548 from federal funds. **The Assembly concurred.***

Other Operating Expenses. The Office requested funding consistent with the enacted budget for all other expenses. The request includes \$57,725 for centralized services, including \$27,230 for facilities management and \$30,495 for information technology services. The request also includes federal funds of \$20,515. In September 2021, the Office was notified that it will not receive any funding from the federal Victims of Crime Act grant for FY 2022 and does not anticipate receiving funding for FY 2023. *The Governor recommended \$20,070 less than enacted from all sources, including \$2,285 less from general revenues, based on spending through the second quarter. The recommendation also excluded \$17,785 from federal funds that are not expected to be available. **The Assembly concurred.***

Commission on the Deaf and Hard of Hearing

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 508,985	\$ 514,231	\$ 526,050	\$ 531,050
Contracted Services	159,149	182,806	177,665	207,665
Subtotal	\$ 668,134	\$ 697,037	\$ 703,715	\$ 738,715
Other State Operations	86,941	88,627	76,370	81,370
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	33,000	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 755,075	\$ 818,664	\$ 780,085	\$ 820,085
Sources of Funds				
General Revenue	\$ 575,032	\$ 655,862	\$ 699,765	\$ 739,765
Federal Aid	-	-	-	-
Restricted Receipts	180,043	162,802	80,320	80,320
Other	-	-	-	-
Total	\$ 755,075	\$ 818,664	\$ 780,085	\$ 820,085
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2022 Revised Request. The Commission's revised request is \$21,003 less than enacted from all sources, including \$8,830 less from general revenues.

The Governor recommended \$17,576 less from all sources than requested. This includes \$52,733 more from general revenues, of which \$32,502 is for statewide adjustments. Based on spending through the third quarter, the Assembly provided \$40,000 more from general revenues.

Salary and Benefit Adjustments. The revised request includes \$21,003 less from all sources than enacted from unintended adjustments to salaries and benefits. It removes the 10.0 percent, or \$12,173 from restricted receipts for partial funding for the director of operations for the management and oversight of the Emergency and Public Communication Access Program. This is to reflect available resources; however, these expenses were not allocated to general revenues, causing the request to be understated. As of the pay period ending October 9, all of the Commission's authorized positions were filled.

The Governor concurred with the request and added \$32,822 from all sources, all but \$320 is from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. The recommendation also includes \$710 of statewide medical benefit savings, based on newly established rates. The Assembly provided \$5,000 for overtime expenses and concurred with the remainder of the recommendation.

Emergency and Public Communication Access Program. Excluding salaries and benefits, the Commission's revised request includes the enacted amount of \$150,629 from restricted receipts, which is

supported from an annual transfer of \$80,000 from the Dual Party Phone Relay surcharge of \$0.09 on all landlines. The purpose of this account is to fund emergency communication and enhance public communication access for deaf and hard of hearing people. Based on available resources, \$80,000 would be available for FY 2022 and currently budgeted expenditures would have to be reduced by \$82,802 or shifted to another source. *The Governor reduced restricted receipt expenses by \$70,629, reflecting available resources and added \$20,231 from general revenues to partially fund them. He also proposed legislation in Article 2 of 2022-H 7123 increasing the amount that is transferred from the fund to the Commission from \$80,000 to \$100,000, effective July 1, 2022.* **The Assembly concurred and provided an additional \$30,000 from general revenues for interpreter services.**

Other Expenses. The Commission requested the enacted amount of \$64,969 from general revenues for all other operating expenses. This includes \$41,935 for centralized information technology services. *The Governor recommended \$11,401 more than requested for unspecified operating expenses.* **The Assembly provided \$5,000 for centralized information technology expenses and concurred with the remainder of the recommendation.**

Governor's Commission on Disabilities

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 408,037	\$ 437,757	\$ 422,712	\$ 422,712
Contracted Services	49,946	157,917	196,241	196,241
Subtotal	\$ 457,983	\$ 595,674	\$ 618,953	\$ 618,953
Other State Operations	60,450	50,021	55,017	55,017
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	748,133	884,786	889,779	889,779
Capital	-	-	3,457	3,457
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,266,566	\$ 1,530,481	\$ 1,567,206	\$ 1,567,206
Sources of Funds				
General Revenue	\$ 834,302	\$ 1,090,710	\$ 1,118,123	\$ 1,118,123
Federal Aid	429,040	380,316	378,658	378,658
Restricted Receipts	3,224	59,455	70,425	70,425
Other	-	-	-	-
Total	\$ 1,266,566	\$ 1,530,481	\$ 1,567,206	\$ 1,567,206
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2022 Revised Request. The revised request is \$9,229 more from all sources than enacted, including \$1,658 less from federal funds and \$10,887 more from restricted receipts. General revenues and staffing authorization are at the enacted level. *The Governor concurred, and also added \$27,496 from all sources, including \$27,413 from general revenues to account for statewide adjustments.* **The Assembly concurred.**

Turnover Savings. The Commission's revised request includes \$42,541 less from all sources, including \$2,319 more from restricted receipts and \$44,860 less from general revenues, reflecting salary and benefit savings from a vacant position. The Commission also downgraded the position when refilling it from a senior planning and program development specialist with a lower paid position.

The Governor concurred. The recommendation also adds \$27,496 from all sources, including \$29,076 to account for statewide adjustments, consistent with Governor's recent labor agreements and assuming the pay increases also apply to non-union staff. These are partially offset by \$1,580 from statewide medical benefit savings based on the finalized rates. **The Assembly concurred.**

Livable Home Modification Grant Program. The Commission's revised request repurposes \$36,170 of the general revenue turnover savings for the Livable Home Modification Grant Program expenses for which the enacted budget includes \$507,850. The program provides 50.0 percent of the total retrofit costs, up to \$4,000 in funding to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The additional funds would support 13 grants, based on an FY 2021 average cost of \$2,754 per project. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Expenses. The revised request includes \$15,600 more from all sources, including \$8,690 more from general revenues for all other operating expenses. This includes \$8,905 for reviewing school construction design plans to ensure compliance with Americans with Disabilities Act requirements, \$3,457 to purchase two workstations for contracted staff, and \$2,501 for the Commission's share of centralized services, based on FY 2021 expenses. *The Governor concurred.* **The Assembly concurred.**

Office of the Mental Health Advocate

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 563,628	\$ 573,442	\$ 612,932	\$ 612,932
Contracted Services	2,237	2,200	2,200	2,200
Subtotal	\$ 565,865	\$ 575,642	\$ 615,132	\$ 615,132
Other State Operations	68,434	103,548	105,202	105,202
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	1,218	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 635,517	\$ 680,190	\$ 721,334	\$ 721,334
Sources of Funds				
General Revenue	\$ 635,517	\$ 680,190	\$ 721,334	\$ 721,334
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 635,517	\$ 680,190	\$ 721,334	\$ 721,334
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2022 Revised Request. The Office's revised request is \$4,008 more than enacted from general revenues. *The Governor recommended \$41,144 more than enacted from general revenues, \$37,136 more than requested.* **The Assembly concurred.**

Operations. The Office requested \$4,008 more than enacted from general revenues which includes \$3,513 more for operating expenses, primarily for a new copier, \$500 more for psychiatric consultations and \$5 less for adjusted benefit expenses. *The Governor recommended \$41,144 more than enacted from general revenues, \$37,136 more than requested. He added \$40,419 to account for statewide adjustments, consistent with recent labor agreements and assuming pay increases also apply to non-union staff and offset by \$924 from statewide medical benefit savings based on finalized rates. He also added \$1,654, primarily for facilities management centralized services. He did not fund the new copier or additional consultations.* **The Assembly concurred.**

Department of Elementary and Secondary Education

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
State Aid	\$ 1,058,649,291	\$ 1,569,097,368	\$ 1,139,008,437	\$ 1,106,591,398
School Housing Aid	80,000,000	80,000,000	80,000,000	80,000,000
Teachers' Retirement	116,889,437	123,916,166	123,987,654	123,987,654
RI School for the Deaf	8,102,695	8,762,532	9,431,851	9,240,943
Central Falls School District	44,782,814	69,744,062	56,702,746	48,702,746
Davies Career & Technical School	18,044,478	25,868,985	23,511,505	21,779,989
Met. Career & Tech. School	9,276,651	14,259,217	11,592,007	10,092,007
Administration	262,608,226	354,379,153	335,780,114	348,487,896
Total	\$ 1,598,353,592	\$ 2,246,027,483	\$ 1,780,014,314	\$ 1,748,882,633
Expenditures by Category				
Salaries and Benefits	\$ 41,672,907	\$ 45,522,307	\$ 49,406,611	\$ 48,481,199
Contracted Services	61,643,813	125,150,333	82,310,158	75,052,440
Subtotal	\$ 103,316,720	\$ 170,672,640	\$ 131,716,769	\$ 123,533,639
Other State Operations	10,125,887	13,500,884	11,323,813	11,292,301
Aid to Local Units of Government	1,447,832,466	1,996,900,206	1,573,687,397	1,551,770,358
Assistance, Grants, and Benefits	35,998,211	62,185,860	57,980,069	57,980,069
Capital	241,850	1,849,985	4,182,519	3,182,519
Capital Debt Service	-	-	-	-
Operating Transfers	838,458	917,908	1,123,747	1,123,747
Total	\$ 1,598,353,592	\$ 2,246,027,483	\$ 1,780,014,314	\$ 1,748,882,633
Sources of Funds				
General Revenue	\$ 1,280,130,112	\$ 1,330,848,245	\$ 1,333,374,881	\$ 1,332,893,403
Federal Aid	281,247,841	865,552,301	396,213,470	366,565,561
Restricted Receipts	36,227,361	46,702,937	47,223,169	47,223,169
Other	748,278	2,924,000	3,202,794	2,200,500
Total	\$ 1,598,353,592	\$ 2,246,027,483	\$ 1,780,014,314	\$ 1,748,882,633
FTE Authorization				
Administration	139.1	143.1	143.1	143.1
Davies	126.0	123.0	123.0	123.0
School for the Deaf	60.0	60.0	60.0	60.0
Total Authorized Positions	325.1	326.1	326.1	326.1
FTE Average	297.4			

FY 2022 Revised Request. The Council on Elementary and Secondary Education requested \$477.2 million less spending for FY 2022, including \$71,488 more from general revenues for teacher retirement. It also requested the enacted level of 326.1 full-time equivalent positions. *The Governor recommended \$466.0 million less than enacted, including \$2.5 million more from general revenues. The recommendation is \$11.1 million more than requested, including \$2.5 million from general revenues. The Assembly provided \$31.1 million less than recommended, primarily from federal funds to reflect anticipated*

expenditures. It included \$0.8 million from general revenues for local school districts that were underpaid as a result of data input errors in the calculation of funding formula aid.

Education Aid. The Council requested the enacted amount of \$981.8 million for state aid to local school districts, excluding the Central Falls School District and the Met School. Following enactment of the FY 2022 budget, the Division of Municipal Finance adjusted local property value data used to determine the state's share of education costs. The original calculation included incorrect information provided by multiple municipalities, including data input errors from Foster, West Warwick, Cumberland, and North Kingstown. Correcting the data affects the state's share of education formula aid for 24 districts and 16 charter schools, with some getting more and some getting less. The net impact of the change is \$0.4 million above the enacted budget. Current law requires the adjustment to district aid payments in the following fiscal year and, as such, is included in the FY 2023 request.

The Governor recommended the requested \$981.8 million from general revenues for education aid and added \$0.2 million from federal Coronavirus Relief funds distributed to local education agencies as part of the FY 2020 final appropriation. The funds were subsequently included in the FY 2021 budget and the revised recommendation carried forward remaining funds. The Governor also included \$0.8 million in the FY 2023 recommendation and legislation to hold districts harmless from the impact of the data correction. The Assembly concurred and also included funding and legislation in Article 10 to shift the \$0.8 million from general revenues to FY 2022.

Education Stabilization Funds

In response to the coronavirus emergency, Congress authorized a total of \$190.3 billion for emergency relief to elementary and secondary schools through three separate acts. All funds were awarded to states in proportion to the distribution of Title I-A formula grants, of which at least 90 percent must be distributed to local education agencies, including charter and state schools. The state first received \$46.4 million through the CARES Act, of which \$41.7 million was distributed through the funding formula in FY 2020. The state was subsequently awarded \$184.8 million and \$415.1 million through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, respectively. The enacted FY 2022 budget includes authorization to spend a total of \$599.8 million from both acts, including funds directly distributed to local education agencies and discretionary funds to be used or distributed by the Department.

The following table shows education stabilization funding included in the enacted budget, revised FY 2022 request, FY 2023 request, and remaining funds available for use. The revised request significantly reduces the authorization from these federal funds as both local education agencies and the Department expect to use the funds over multiple fiscal years. Funding for Central Falls and the state schools are included in the table below, but discussed separately in this analysis.

Elementary & Secondary School Emergency Relief Funds				
	FY 2022 Enacted	FY 2022 Revised	FY 2023 Request	Remaining Funds
Aid to Districts	\$ 539.8	\$ 88.2	\$ 183.3	\$ 268.3
<i>State Schools</i>	8.8	2.7	4.0	2.2
<i>Central Falls</i>	22.0	9.0	12.8	0.2
<i>All Other Districts</i>	508.9	76.5	166.5	265.9
Discretionary Funds	60.0	12.1	31.5	16.4
Total	\$ 599.8	\$ 100.3	\$ 214.8	\$ 284.7

\$ in millions; excludes CARES Act funding

The Governor recommended \$0.3 million less than requested reflecting anticipated expenditures, including \$1.7 million less for districts and \$1.4 million more for administrative expenses. The Assembly shifted \$40.1 million to FY 2023 based on expenses through the third quarter.

Education Stabilization - District Funds. The Council requested authorization to spend \$427.9 million less from federal Elementary and Secondary School Emergency Relief funds. The enacted budget includes authorization to spend \$508.9 million, or 90 percent of the state's awards. The reduction reflects anticipated expenditures at the local level, excluding Central Falls and the state schools, discussed separately. The FY 2023 request includes expenditures of \$166.5 million and remaining funds would be used in FY 2024. *The Governor recommended \$1.7 million less than requested based on projected expenditures. The Assembly shifted \$33.0 million to FY 2023.*

Education Stabilization - Discretionary Funds. The Council requested authorization to spend \$46.7 million less from Elementary and Secondary School Emergency Relief funds set aside to be used and/or distributed by the Department. Of the state's total award, the 10.0 percent may be reserved by the Department but only 0.5 percent of that share may be used for administrative expenses. Of the Department's share, at least 20.0 percent must be used to address learning loss. The revised request reflects the use of funds over multiple years, including \$13.3 million for FY 2022, \$31.5 million for FY 2023, and remaining funds in FY 2024. The following table shows the planned use of discretionary funds. *The Governor recommended \$1.4 million more than requested, which carries forward CARES Act funding from FY 2021. The Assembly shifted \$7.1 million to FY 2023.*

Initiative	Amount
Supporting Low Performing Schools	\$ 23.9
Strengthen Core Instruction	6.9
Personalized Student Supports	2.5
Community Engagement & Supports	1.1
Expand Learning Time	9.4
Educator Pipeline & Supports	1.4
Early Childhood	0.1
Secondary Schools	0.8
Department Administration & IT	4.2
Total	\$ 50.2

\$ in millions

Governor's Emergency Education Relief. The Council requested authorization to spend \$0.5 million less than enacted from federal Governor's Emergency Education Relief funds. The enacted budget includes \$2.5 million to expand the state prekindergarten program. Governor Raimondo also awarded funding to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Community College of Rhode Island, and the Office of Postsecondary Commissioner. The revised request includes \$2.0 million to open new classrooms and shifts remaining funding to FY 2023 to maintain them. The revised request adds other federal funds for early childhood education, discussed separately, to open new classrooms in FY 2022. *The Governor did not concur and included the enacted level of funding. The Assembly concurred.*

Central Falls School District. The Council requested \$13.0 million less than enacted from federal funds for the Central Falls School District and the enacted level of general revenues. The revised request reflects the plan to use education stabilization funds, authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, over the course of multiple fiscal years with \$9.0 million for FY 2022. The enacted budget shows the district's entire \$22.0 million share of funding. *The Governor recommended funding as requested. The Assembly shifted \$8.0 million from federal funds to FY 2023 based on expenses through the third quarter.*

Metropolitan Career and Technical School. The Council requested \$2.7 million less than enacted from federal funds for the Met School and the enacted level of general revenues. The revised request reflects the plan to use education stabilization funds, authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, over the course of multiple fiscal years with \$2.0 million for FY 2022. The enacted budget shows the school's entire \$4.7 million share of funding. *The Governor recommended funding as requested.* **The Assembly shifted \$1.5 million from federal funds based on expenses through the third quarter.**

School Housing Aid. The Council requested the enacted level of \$80.0 million from general revenues for school housing aid. This includes \$71.0 million from general revenues for the traditional program and \$9.0 million for the School Building Authority Capital Fund. Compared to the enacted budget, the request shifts \$8.4 million from the traditional program to the fund to reflect actual distributions. These were less than assumed in the enacted budget because of savings from local bond refinancing as well as project delays.

Funding from the School Building Authority Capital Fund is being used to pilot a new program in FY 2022. The new Facility Equity Initiative funds improvements for the five school districts with the highest state reimbursement rates: Central Falls, Woonsocket, Pawtucket, Providence, and West Warwick. The program provides these districts with immediate access to funding for school improvement projects, as opposed to borrowing and receiving reimbursement through the traditional program. This is expected to allow districts to focus on necessary high impact educational improvements. Since FY 2019, the fund has supported technical assistance to districts and the School Building Authority to take advantage of the short-term incentives authorized in 2018; prior to that it was used to fund immediate health and safety projects in schools across the state. *The Governor recommended funding as requested.* **The Assembly concurred.**

Textbook Reimbursement. The Council requested the enacted level of \$240,000 from general revenues for the textbook loan program. The state 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 2021, final program expenditures were \$23,315. *The Governor recommended funding as requested.* **Based on actual program expenses, the Assembly reduced funding by \$214,429.**

Teacher Retirement. The Council requested \$71,488 more than enacted to fund the state's share of the employer contribution for teacher retirement costs for FY 2022. Actual FY 2021 teacher retirement costs were \$1.5 million less than the final appropriation. *The Governor recommended funding as requested.* **The Assembly concurred.**

Education Telecommunications Access Fund. The Council requested \$0.2 million less than enacted from all sources for the education telecommunications access fund for total funding of \$1.2 million, based on anticipated contract expenses for the program. The fund provides financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the internet. It is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line and supplemented with \$0.4 million from general revenues. The federal allocation varies based on technology surveys and applications and the number of students in poverty. The Department reported that increased competition has led to lower vendor costs. Additionally, some districts built local area networks which supply internet for all schools within the district to share, also reducing total program expenses.

The Governor recommended \$10,006 more than requested from restricted receipts for staff expenses to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, and statewide medical benefit savings based on finalized rates. **The Assembly concurred.**

Statewide Student Transportation. The Council requested \$0.4 million less 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 anticipated utilization by local education agencies for out-of-district transportation for students attending charter schools, vocational schools, and special education programs. The revised request for \$34.7 million is \$1.4 million more than the final FY 2021 appropriation of \$33.2 million; actual FY 2021 expenditures were only \$26.3 million reflecting the impact of the coronavirus emergency on in-person learning and student transportation. *The Governor recommended funding as requested.* **The Assembly concurred.**

School Spending Analysis (2.0 FTE). The Council requested \$0.3 million from general revenues and authorization for two Uniform Chart of Accounts (UCOA) specialists, consistent with the enacted budget. The positions support reporting requirements enacted in Article 10 of 2021-H 6122, Substitute A, as amended, by assessing and reporting on each local education agency's compliance with the basic education plan. Reporting will begin in August 2022 and occur annually to each local education agency, the General Assembly, and the Governor. As of December 6, the positions had not been filled, though the Department was accepting applications. *The Governor recommended funding as requested.* **The Assembly concurred.**

Providence Public School District Oversight. The Council's request does not include funding for oversight of the Providence Public School District. In May 2019, the Commission 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 remains financially responsible for the school district, the Department continues to support the implementation of the district's Turnaround Action Plan. It previously reported that no staff are assigned specifically to this effort and it has not incurred related expenses. Rather, leadership and staff from various program areas support the district when needed. *The Governor recommended funding as requested.* **The Assembly concurred.**

COVID Relief - Aid to Non-Public Schools. The Council requested \$5.2 million less than enacted from federal funds awarded in response to the coronavirus emergency for non-public schools. The state received a total of \$13.4 million for non-public schools from the Consolidated Appropriations Act of 2021 and American Rescue Plan Act. The revised request reduces funding to \$8.1 million based on anticipated expenditures and shifts \$2.8 million to FY 2023. *The Governor did not concur and included the enacted level of funding.* **The Assembly concurred.**

COVID Relief - Rethink K-12 Education Grant. The Council requested \$0.9 million less than enacted from federal Rethink K-12 Education Models grant funds. The grant was authorized under the CARES Act in response to the coronavirus emergency. 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, such as expanding the advanced coursework network, now called the all course network. *The Governor recommended funding as requested.* **The Assembly concurred.**

COVID Relief - Summer Education Programming. The FY 2021 final budget includes \$6.2 million from federal Coronavirus Relief funds appropriated for summer education programs and in person services for children and youth through four separate initiatives. This included funding for grants to municipal and non-profit summer camps, Summer Academy for Interactive Learning (SAIL) which offered online summer courses, and grants to urban communities for summer learning activities. As these were one-time funds, the request excludes the funding. *The Governor included \$129,272 from Coronavirus Relief funds carried forward from FY 2021 for final program payments.* **The Assembly concurred.**

COVID Relief - K-12 Reopening Initiatives. The final FY 2021 budget includes \$37.2 million from Coronavirus Relief funds appropriated for several initiatives related to reopening elementary and secondary schools. Of this amount, \$25.0 million was specifically for reopening expenses in the Providence Public School District and \$12.2 million was for all other districts. Funding supported distributing air purifiers to

local education agencies, recruiting and training additional substitute teachers, and providing support to at-risk students. As these were one-time funds, the request excludes the funding. *The Governor included \$236,928 from Coronavirus Relief funds carried forward from FY 2021 for final payments related to reopening Providence schools. The Assembly concurred.*

Early Childhood Education Grants. The Council requested authorization to spend \$1.7 million more from federal funds, including \$1.1 million more from Preschool Development Grant - Birth to 5 funds and \$0.7 million from one-time Child Care Development block grant funds authorized in response to the public health emergency. The funds are used to support the state's prekindergarten program, including one-time Governor's Emergency Education Relief funds, discussed separately. The program opened 27 new classrooms with 516 seats in September 2021. For FY 2022, a total of 127 classrooms served 2,364 prekindergarten students. The FY 2023 request includes \$6.1 million from both grants, the last year of funding. For FY 2024, another fund source would be needed to maintain the current number of classrooms. *The Governor recommended funding as requested. The Assembly concurred.*

Homeless Youth Grants. The Council requested authorization to spend \$1.5 million more than enacted from federal funds to support students experiencing homelessness. The American Rescue Plan Act includes \$800.0 million to identify homeless children, provide wraparound services, and provide assistance enabling them to attend school and participate fully in school activities. Rhode Island was awarded a total of \$2.7 million; the Council requested the remaining \$1.2 million for FY 2023. *The Governor recommended \$1.2 million more than requested, which programs all but \$366 of the new federal award for FY 2022. The Assembly concurred.*

Vision Services. The Council requested authorization to spend the enacted level of \$0.7 million from federal special education funds for the RI Vision Services program 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 Governor recommended funding as requested. The Assembly concurred.*

Special Education Grants. The Council requested authorization to spend \$4.8 million less than enacted from federal special education funds, reflecting award adjustments and shifting \$4.4 million authorized in response to the coronavirus emergency to FY 2023. 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 \$0.5 million more than requested from funds authorized in response to the public health emergency. The Assembly concurred.*

Title I Grants. The Council requested authorization to spend \$0.8 million more than enacted from federal Title I funds, reflecting updated anticipated awards and available carry-forward funds. Most Title I funds go directly 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 as requested. The Assembly concurred.*

Vocational Education Grants. The Council requested authorization to spend \$2.9 million more than enacted from federal vocational education grant funds used to improve programs statewide. The revised request reflects updated grant awards and carry-forward of unspent prior year funds. *The Governor recommended funding as requested. The Assembly concurred.*

School Mental Health. The Council requested authorization to spend \$5.9 million more than enacted from five federal grants designated to address adolescent mental health, including three new grants. This includes

\$1.3 million for adjustments to ongoing multi-year awards, including \$1.4 million more from funding specifically for adolescent mental health and school-based services and \$0.1 million less from school climate transformation funds, which are being used to expand student social, emotional, and behavioral programs. The request also includes \$3.4 million from federal grants through the Substance Abuse and Mental Health Services Administration, of which \$1.6 million will be specifically used to expand a youth mental health services pilot program to the Cranston, West Warwick, and Westerly school districts. The program pilot was first launched in 2018 in Pawtucket, Providence and Westerly; the new funding would expand services to 24,330 students in those districts. Additionally, the revised request includes \$1.1 million to provide mental health first aid training. It also includes the enacted level of \$590,000 from general revenues to support student mental health initiatives.

The Governor recommended funding as requested. He subsequently requested an amendment to shift \$0.2 million from general revenues to the Department of Children, Youth and Families for costs related to Children's Mobile Crisis Response efforts. The Assembly concurred.

Nutrition Grants. The Council requested authorization to spend \$8.2 million more than enacted from federal nutrition program funds. This primarily reflects federal funds authorized through the Consolidated Appropriations Act of 2021 to reimburse school programs for emergency operating expenses incurred during the public health emergency. *The Governor recommended funding as requested. The Assembly added \$20.0 million based on expenses through the third quarter.*

Adult Education Grants. The Council requested authorization to spend \$39,119 more than enacted from all sources for adult education grants. This includes \$16,619 more from federal funds and \$22,500 from a new grant awarded by the United Way. The request includes the enacted level of \$3.5 million from the Governor's Workforce Board and \$1.9 million from general revenues. The Department administers adult education grants that are used to fund local adult education programs and literacy services, including workplace literacy, family literacy, English literacy, and civics education programs. *The Governor recommended funding as requested. The Assembly concurred.*

21st Century Community Learning Centers. The Council requested authorization to spend \$1.2 million more than enacted from federal 21st Century Community Learning Centers funds, reflecting the carry-forward of unspent prior year funds. These funds are distributed to local education agencies to support community learning centers that provide academic enrichment opportunities for students in poverty and low-performing schools. *The Governor recommended funding as requested. The Assembly concurred.*

Literacy Development Grant. The Council requested authorization to spend \$2.9 million more than enacted from federal funds to strengthen literacy programs. The Department received a five-year, \$20 million Comprehensive Literacy State Development grant. Funding primarily supports communities and local education agencies in strengthening literacy development and instruction for children from birth through grade 12. Most funding is being distributed as grants for districts to develop and implement comprehensive literacy instruction, including professional development. *The Governor recommended funding as requested. The Assembly concurred.*

Gates Foundation Grant. In August 2021, the Department was awarded a \$1.1 million grant from the Bill and Melinda Gates Foundation to make algebra more accessible. Funds would be used to create an algebra readiness course to better prepare English language learners in Providence Public Schools for algebra I. The Council's revised request includes the new funding. *The Governor recommended \$5,020 more than requested. The Assembly concurred.*

Other Salaries and Benefits. The Council requested \$0.7 million more than enacted, primarily from federal funds, for all other salaries and benefits for the Department's 143.1 administration positions. The increase reflects additional staff costs for administration of specific program, including school nutrition,

vocational education, adult education, and mental health services, among others. It should be noted the enacted budget includes funding and authorization for 2.0 new full-time equivalent positions, including 1.0 social studies specialist and 1.0 world language specialist. As of December 6, the new positions had not been filled, though the Department was accepting applications.

The Governor recommended \$1.7 million more than requested, including \$1.1 million from general revenues for staff expenses to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.

Other Grant and Programming Revisions. The Council requested \$1.5 million more than enacted, primarily from federal funds, and the enacted level from general revenues for all other expenditures. This includes adjustments to various grants, primarily reflecting carry-forward of unspent funding, nearly all of which will be passed through to local education agencies. *The Governor recommended funding as requested. The Assembly concurred.*

Davies Career and Technical School

Funding Formula. The Council requested the enacted level of \$14.4 million from general revenues for Davies Career and Technical School, including \$9.2 million from funding formula aid and \$5.3 million from stabilization funds. Following enactment of the FY 2022 budget, the Division of Municipal Finance adjusted local property value data used to determine the state's share of education costs. The original calculation included incorrect information provided by multiple municipalities, including data input errors from Foster, West Warwick, Cumberland, and North Kingstown. Correcting the data affects the state's share of education formula aid for 24 districts and 16 charter schools, with some getting more and some getting less. The net impact of the change is \$0.4 million above the enacted budget; the impact to Davies is \$2,988. Current law requires the adjustment to district aid payments in the following fiscal year and, as such, is included in the FY 2023 request.

The Governor recommended \$0.8 million more than enacted, including \$1.1 million from general revenues for staff expenses to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. He subsequently requested an amendment to reduce funding for teaching staff by \$0.7 million based on the most recent labor agreement, which will expire on June 30, 2022. The Assembly concurred with the amended recommendation and shifted the \$2,988 data correction funding from FY 2023 to FY 2022.

Other Operations. The Council requested \$3.5 million less from all sources of funds for all other expenses at Davies Career and Technical School. The request includes \$3.2 million less from federal funds, primarily education stabilization funds which will be used over multiple fiscal years, and \$0.4 million less from restricted receipts, primarily from local district tuition. The revised request reflects the plan to use education stabilization funds, authorized under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, over the course of multiple fiscal years with \$0.5 million for FY 2022. The enacted budget showed the school's entire \$3.8 million share of funding.

The Governor recommended funding as requested and added \$0.1 million from federal funds for staff expenses to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. He also included \$2,294 from other funds for staff expenses in error. The Assembly excluded \$2,294 from other funds, correcting for the error, and concurred with the remainder of the recommendation

Capital. The Council requested the enacted level of \$2.1 million from Rhode Island Capital Plan funds for capital projects at the Davies Career and Technical School. Consistent with the capital budget request, this includes \$0.5 million for a major renovation project, \$0.7 million for asset protection and \$0.9 million for its heating, ventilation and cooling repair project. *The Governor recommended \$0.3 million more for two projects.* **Based on a revised project schedule, the Assembly shifted \$1.0 million to FY 2023. 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's revised request includes a total of \$0.6 million from restricted receipts for the School for the Deaf, including \$57,500 collected from school breakfast and lunch and \$522,820 from tuition collected for some students. The revised request is \$0.1 million more than enacted from tuition receipts, reflecting available carry-forward funds. 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 December, enrollment totaled 82 students, of which three are from out-of-state. Of the 79 in-state students, 49.4 percent receive services at a Level 1 for which no tuition is collected. *The Governor recommended \$34,412 more from restricted receipts, primarily from school breakfast and lunch collections.* **The Assembly concurred.**

Operations. The Council requested \$0.1 million more than enacted from all sources for remaining expenses at the School for the Deaf, including the enacted level of general revenues. This includes \$0.1 million from restricted receipts reflecting available carry-forward, and \$10,280 less from federal funds. From all sources, the request includes \$0.3 million of turnover savings offset by \$0.4 million for all other operating expenses, primarily for contracted student supportive services such as speech, occupational, and physical therapy. As of the pay period ending December 18, the School had four vacancies.

The Governor recommended \$0.6 million more than requested from all sources, including \$0.5 million from general revenues. This includes \$0.5 million to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. It also includes \$21,904 more for school meal expenses.

In March, the Governor requested an amendment to reduce funding for teaching staff by \$229,121; however, the School's labor agreement expired in June 2021 and it was operating under a memorandum of agreement. The School and union subsequently reached an agreement in May. **The Assembly reduced expenditures by only \$190,908 to account for elements not contained in the new agreement.**

Capital. The Council requested the enacted level of \$250,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf, including upgrading its surveillance system. It should be noted that this is \$75,000 less than the capital budget request, which includes \$250,000 for security enhancements and \$75,000 for asset protection projects. The School subsequently reported that expenses are not anticipated to exceed the enacted appropriation. *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 this publication.**

Public Higher Education

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Office of Postsecondary Comm.	\$ 41,727,399	\$ 46,468,206	\$ 48,390,029	\$ 45,580,104
University of Rhode Island	812,007,514	867,427,334	846,053,221	877,155,471
Rhode Island College	158,803,737	225,778,545	186,154,165	201,110,711
Community College of RI	155,502,593	231,742,795	190,986,996	184,306,724
Total	\$ 1,168,041,243	\$ 1,371,416,880	\$ 1,271,584,411	\$ 1,308,153,010
Expenditures by Category				
Salaries and Benefits	\$ 525,747,269	\$ 572,984,422	\$ 565,505,971	\$ 565,701,231
Contracted Services	31,934,696	31,480,709	34,512,068	34,512,068
Subtotal	\$ 557,681,965	\$ 604,465,131	\$ 600,018,039	\$ 600,213,299
Other State Operations	195,794,373	209,638,360	224,086,473	244,527,387
Aid to Local Units of Government	11,895,431	-	13,398,955	13,398,955
Assistance, Grants, and Benefits	312,722,871	448,884,593	322,505,892	352,151,999
Capital	18,260,039	35,389,526	6,242,644	26,297,112
Capital Debt Service	71,686,564	67,786,992	68,129,889	68,129,889
Operating Transfers	-	5,252,278	37,202,519	3,434,369
Total	\$ 1,168,041,243	\$ 1,371,416,880	\$ 1,271,584,411	\$ 1,308,153,010
Sources of Funds				
General Revenue	\$ 238,027,137	\$ 259,968,593	\$ 266,524,498	\$ 266,821,904
Federal Aid	51,073,955	140,433,569	13,822,533	13,807,962
Restricted Receipts	2,552,265	4,145,833	4,529,125	4,564,125
Other	876,387,886	966,868,885	986,708,255	1,022,959,019
Total	\$ 1,168,041,243	\$ 1,371,416,880	\$ 1,271,584,411	\$ 1,308,153,010
Uses of Funds				
Unrestricted Use Funds	\$ 713,843,529	\$ 774,835,611	\$ 771,728,574	\$ 821,990,426
Restricted Use Funds	454,197,714	596,581,269	499,855,837	486,162,584
Total	\$ 1,168,041,243	\$ 1,371,416,880	\$ 1,271,584,411	\$ 1,308,153,010
FTE Authorization	3,860.5	3,862.5	3,862.5	3,862.5
<i>Limited to Third Party Funds</i>	<i>523.8</i>	<i>523.8</i>	<i>523.8</i>	<i>523.8</i>
Total Authorized Positions	4,384.3	4,386.3	4,386.3	4,386.3
FTE Average	3,956.7			

FY 2022 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 was removed from the authority of the Commissioner of Postsecondary Education. It preserved all of the General Assembly's authority over the University. The budget is still presented with the other entities.

The governing bodies' revised request was \$64.4 million less than enacted, including \$0.3 million more from general revenues. It also includes \$10.5 million less from tuition and fee revenues, \$1.2 million more from other unrestricted sources, and \$55.4 million less from restricted sources.

The Governor recommended \$99.8 million less than enacted from all sources, which is \$35.4 million less than requested. General revenues are \$6.6 million more than enacted to account for the statewide adjustments, consistent with his recent labor agreements for classified positions only, with the state covering the entire cost. This includes an inadvertent reduction of \$0.2 million from general revenues for medical benefit savings.

*The Governor subsequently requested amendments to increase general revenues by \$0.2 million to correct that reduction, to restore \$50.0 million of Higher Education Emergency Relief funds that the University and College had requested but were inadvertently excluded from his recommended budget, reduce federal funds by \$14,571 for the Division of Higher Education Assistance to keep funding at the enacted level, and to add \$35,000 from restricted receipts to fund scholarships for the study of science, technology, engineering, or mathematics at an accredited educational institution. Pursuant to Section 18 of the authorized 8th amendment to its contract with the Lottery requires IGT to pay \$35,000 on or before June 30 of each year beginning with 2022 and ending with 2042. **The Assembly added \$0.1 million from general revenues for the Promise program based on the May Promise Report, shifted \$13.7 million from Rhode Island Capital Plan funds from FY 2022 to later years based on revised project schedules, and concurred with the Governor's amended 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 2022 unrestricted revised budget included spending of \$765.9 million. This is \$9.0 million less than enacted and includes \$0.3 million more from general revenues.

*The Governor recommended \$771.7 million from unrestricted sources, which is \$3.1 million less than enacted and \$5.9 million more than requested. He added \$6.6 million from general revenues, budgeted as operating expenses, to account for the statewide adjustments, consistent with his recent labor agreements for classified positions at the three institutions only, which represented the state covering the entire cost. This included an inadvertent reduction of \$0.2 million from general revenues for medical benefit savings. The Governor requested an amendment to increase general revenues by \$0.2 million to correct that inadvertent reduction. **The Assembly added \$0.1 million from general revenues for Promise scholarships based on the May update from the Community College and concurred with the amended recommendation.***

Salaries and Benefits. The Office requested \$0.3 million more from general revenues for 12.0 positions within the Commissioner's Office. The increase reflects restoring the turnover savings included in the enacted budget, which assumed some positions would remain vacant. As of the pay period ending January 1, 2022, all 12.0 positions are filled. *The Governor recommended funding at the enacted level and added \$0.1 million from general revenues to account for statewide personnel adjustments. **The Assembly concurred.***

Nursing Education Center Operations. 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 \$42,192 less for

staffing expenses for the Nursing Education Center to reflect additional turnover savings equivalent to 0.4 positions. As of the pay period ending January 1, 2022, 4.0 of its 10.0 authorized positions are filled. *The Governor recommended \$34,440 more than requested for staffing expenses to account for statewide personnel adjustments.* **The Assembly concurred.**

Rhode Island Promise. The 2017 Assembly established the 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 a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill. Other non-mandatory fees are not covered by this program. The original Rhode Island Promise Scholarship had the last cohort entering in the fall of 2021, but in 2021 the sunset clause was removed, making the scholarship permanent. Currently, the scholarship is supported by general revenues. The Office’s revised request is consistent with the enacted budget, but based upon the November Promise report, it is over funded by \$1.7 million. *The Governor recommended \$1.7 million less from general revenues, consistent with the November report.* **The Assembly provided \$0.1 million more than recommended based on the May Promise report provided by the Community College.**

Centralized Services. The Office requested the enacted level of \$100,906 for centralized services. Based on the internal service fund first quarter report, the Office is on track to spend \$71,412. *The Governor recommended \$39,314 more than requested from general revenues for facilities management to reflect the Budget Office’s estimate of charges in FY 2022.* **The Assembly concurred.**

University of Rhode Island. The University requested \$45,701 more from unrestricted sources than enacted. This includes \$2.8 million or 0.8 percent more than enacted from tuition and fees based on higher out-of-state enrollment, the enacted level from general revenues, and \$2.7 million less from other University sources such as earned interest, athletics, and revenue from University centers.

The enacted budget assumes enrollment of 14,573 with 7,267 in-state students and 7,306 out-of-state students. The revised request includes enrollment of 14,562 or 9 less than enacted with 114 fewer in-state and 104 more out-of-state. The change in mix of students explained the increased revenues because out-of-state students pay more.

The Governor recommended \$4.9 million more than requested from unrestricted sources, most of which is general revenues budgeted as operating expenses to account for the statewide adjustments, consistent with his recent labor agreements for classified positions only, with the state covering the entire cost. There are also adjustments for debt service reducing expenses by \$15,264. **The Assembly concurred.**

Rhode Island College. The College requested \$8.7 million or 6.1 percent less than enacted from unrestricted sources. This includes \$11.2 million or 15.4 percent less from tuition and fees, and \$3.1 million more from other unrestricted sources. The reduction includes the College adjusting for the overstatement of \$5.9 million included in the enacted budget, which assumes the College would generate more revenue than its projections or constrain spending in order to not exceed available resources. The revised request also reflects enrollment of 548 fewer students than assumed in the enacted budget from 5,693 students to 5,145 students. The revised allocation includes \$7.4 million less than enacted for salaries and benefits, \$0.2 million more for contracted security and training services, \$0.6 million more in student aid and \$2.2 million less for other operating expenses to reflect available revenues.

The Governor recommended \$1.4 million more than requested from unrestricted sources, most of which is general revenues budgeted as operating expenses to account for the statewide adjustments, consistent with his recent labor agreements for classified positions only, with the state covering the entire cost. There are also adjustments for debt service increasing expenses by \$0.1 million offset by an inadvertent reduction of

*\$0.2 million from general revenues. The Governor subsequently requested an amendment to correct the inadvertent reduction. **The Assembly concurred with the amended recommendation.***

Community College of Rhode Island. The Community College requested \$0.6 million or 0.5 percent less than enacted from unrestricted sources. This includes \$2.0 million or 3.5 percent less than enacted from tuition and fees, the enacted level from general revenues, \$1.1 million more from workforce development programs conducted through the Westerly Education Center, and \$0.5 million more from other unrestricted sources. The reduction represented adjusting for available revenue from tuition and fees. The enacted budget assumes 8,592 students and the revised request included 7,176 students, which is 1,416 less than enacted. The revised allocation includes \$0.4 million less than enacted for salaries and benefits, \$0.2 million more for contracted services, \$0.3 million more for capital improvements, \$0.3 million more for debt service, \$0.4 million less for refunds, \$0.3 million less for program supplies, \$0.3 million less for information technology charges, and \$69,628 less for other operating expenses.

*The Governor recommended \$1.4 million more than requested from unrestricted sources, most of which is general revenues budgeted as operating expenses to account for the statewide adjustments, consistent with his recent labor agreements for classified positions only, with the state covering the entire cost. There are also adjustments for debt service increasing expenses by \$27,838 offset by an inadvertent reduction of \$910 from general revenues. The Governor subsequently requested an amendment to correct the inadvertent reduction. **The Assembly concurred with the amended recommendation.***

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.

Higher Education Center Operations. The Westerly Higher Education and Industry Center is a collaborative job skills and educational center that is partnered with all three public higher education institutions, the Department of Labor and Training, and General Dynamics Electric Boat. The Center offers undergraduate and graduate courses as well as non-credit educational courses, and is structured to be financially self-sustaining as operating costs are supported by program fees and revenues from leasing space. It should be noted that the Community College does pay the salaries and benefits for its staff that teaches at the Center from its unrestricted budget. Modeled after the Westerly Higher Education and Industry Center, the Woonsocket Education Center is expected to open in spring 2022 to provide a collaborative job skills and educational center in the northern part of the state.

The Office requested \$74,327 more than enacted from restricted receipts for personnel and operational expenses. The increase reflects restoring turnover savings equivalent to 0.7 positions. *The Governor recommended \$62,649 more than requested from restricted receipts to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide benefit savings based on finalized rates. **The Assembly concurred.***

Governor's Emergency Education Relief. The CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act contained 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 is using funds to: improve access to higher education and education training opportunities, support innovation of ongoing operations of those institutions of higher education that have most been impacted by COVID-19, and to protect education related jobs and increase the quality of child care programming. The Community College will use these funds to: provide two different grants including the Promise High School Class of 2020 grant and the Finish What You Started Grant to provide financial assistance to students who graduated high school in 2020, attended the Community College, but disenrolled due to the pandemic and nontraditional students who have not completed the necessary coursework to earn an associate's degree. The request included \$3.1 million, consistent with the enacted budget and \$0.8 million was included in the FY 2021 budget, of which \$0.4 million was spent. Through the first half of the year, the Office has not recorded any expenses. *The Governor recommended \$0.4 million more than requested reflecting the inclusion of the unexpended amount from FY 2021.* **The Assembly concurred.**

Higher Education Emergency Relief. The Coronavirus Response and Relief Supplemental Appropriations Act included an additional \$21.2 billion for emergency higher education relief. Rhode Island institutions are receiving \$103.0 million; public institutions are receiving \$52.9 million, of which \$14.3 million must be used for student aid, and private institutions are receiving \$50.1 million.

The American Rescue Plan Act included an additional \$39.6 billion for higher education. In data published on June 29, 2021, *Federal Funds Information for States* indicates that Rhode Island institutions are receiving \$179.6 million. The information shows that public institutions are receiving \$90.8 million and private institutions are receiving \$77.2 million. At least half of the funding must be spent on emergency financial aid to students to help with tuition and basic needs like food, housing, and healthcare. The other half is for institutions to offset lost tuition revenue and increased costs from declining enrollment, transition to online learning, the closure of revenue-producing auxiliary enterprises, cleaning, and personal protective equipment. This brings the total from all acts to \$349.5 million.

The final FY 2021 budget included \$17.4 million for the University based on information that these funds had been spent. The FY 2022 enacted budget included the remaining \$128.0 million from the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. Over the two acts, the allocation by institution are \$48.5 million for the University of Rhode Island, \$34.6 million for Rhode Island College, and \$62.3 million for the Community College of Rhode Island.

The revised request includes \$31.1 million for the University, \$18.9 million for the College, and \$21.6 million for the Community College. Only the Community College projects an available balance after FY 2022, but intends on spending the balance during FY 2022 revised or FY 2023 request.

Higher Education Emergency Relief Funds					
	Total	FY 2021	FY 2022	FY 2023	
	Available*	Preliminary	Final	Enacted	Balance
CCRI	\$ 62,325,365	\$ 14,700,000	\$ 21,600,000	\$ 21,566,529	\$ 4,458,836
RIC	34,573,206	15,711,010	18,862,196	-	-
URI	48,542,655	17,440,405	31,102,250	-	-
Total	\$ 145,441,226	\$ 47,851,415	\$ 71,564,446	\$ 21,566,529	\$ 4,458,836

**All included in FY 2022 enacted budget except \$17.4 million in FY 2021 for URI*

The Governor recommended \$50.0 million less than requested, reflecting the exclusion of funding for the University and College, though this was noted to be inadvertent. The Governor subsequently requested an amendment to restore funding consistent with the institution's request. **The Assembly concurred with the amended recommendation.**

Capital Improvements. The revised budget includes a \$2.8 million increase, including \$3.2 million more from Rhode Island Capital Plan funds for restricted source capital expenditures. *The Governor*

*recommended \$0.9 million more than requested from Rhode Island Capital Plan funds. **The Assembly shifted \$13.7 million from FY 2022 to later years based on revised project schedules. A detailed description of the projects is included in the Capital Budget section of this publication.***

Back to Work RI. Back to Work RI 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 included \$9.5 million in the Department of Labor and Training.

*The Governor recommended \$2.8 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 included \$7.2 million in the Department of Labor and Training for a statewide total of \$10.0 million. As of February 8, 2022, the Office had spent \$5.7 million from Coronavirus Relief funds. **The Assembly concurred.***

Other Operations. The revised budget included a \$1.9 million decrease from restricted sources for all other operations. This included a \$3.7 million decrease for restricted source student aid based on revised enrollment estimates from both the College and Community College. It also included a \$0.8 million increase for sponsored research reflecting updated funding for federal, state, and private sponsored research. The remaining \$1.1 million increase largely reflected residence halls and dining facilities at the College, despite the revised request reflecting enrollment of 548 fewer students than assumed in the enacted budget from 5,693 students to 5,145 students. *The Governor recommended \$2.2 million more than enacted and \$4.1 million more than requested to account for statewide adjustments, consistent with his recent labor agreements for classified employees only.*

*The Governor requested two amendments to reduce federal funds by \$14,571 for the Division of Higher Education Assistance to keep funding at the enacted level and to add \$35,000 from restricted receipts to fund scholarships for the study of science, technology, engineering, or mathematics at an accredited educational institution. Pursuant to Section 18 of the authorized 8th amendment to its contract with the Lottery requires IGT to pay \$35,000 on or before June 30 of each year for twenty years beginning with 2022. **The Assembly concurred with the amended recommendation.***

Debt Service. The revised budget decreased restricted use debt service costs by \$44,388. This primarily reflects a \$0.4 million decrease for the University's Ryan Center, offset by a \$0.3 million increase for University Housing Loan Funds and the University's parking authority. *The Governor recommended funding as requested. **The Assembly concurred.***

Rhode Island State Council on the Arts

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 991,102	\$ 1,053,667	\$ 1,129,652	\$ 1,131,717
Contracted Services	93,399	-	-	-
Subtotal	\$ 1,084,501	\$ 1,053,667	\$ 1,129,652	\$ 1,131,717
Other State Operations	142,189	205,964	216,323	196,323
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,507,365	3,491,662	2,742,322	2,742,322
Capital	229,853	510,000	510,000	510,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,963,908	\$ 5,261,293	\$ 4,598,297	\$ 4,580,362
Sources of Funds				
General Revenue	\$ 2,002,290	\$ 2,048,651	\$ 2,112,307	\$ 2,112,307
Federal Aid	1,689,729	2,677,642	1,950,990	1,953,055
Restricted Receipts	284	40,000	40,000	20,000
Other	271,605	495,000	495,000	495,000
Total	\$ 3,963,908	\$ 5,261,293	\$ 4,598,297	\$ 4,580,362
FTE Authorization	8.6	9.6	9.6	9.6
FTE Average	8.2			

FY 2022 Revised Request. The Rhode Island State Council on the Arts requested \$0.7 million less than enacted from all sources, including \$0.1 million more from general revenues and \$0.8 million less from federal funds. *The Governor's recommendation is \$8,230 more than requested, including \$13,065 less from general revenues and \$21,295 more from federal funds. Subsequently, the Governor requested an amendment to add \$2,065 from federal funds for positon upgrades. The Assembly concurred with the requested amendment and provided \$20,000 less than recommended from restricted receipts.*

Staffing Upgrades. The Council requested \$31,206 more than enacted, of which \$29,813 is from general revenues, to upgrade four program directors from their current titles to the new title of Senior Arts Program Specialists at a higher salary based on comparable positions and responsibilities. This represents a 5.0 percent increase on average. The request assumes no additional funding will be needed to cover the proposed increase for the executive director position, as the current long-time director is retiring in December and the new director would start at a higher base salary but without longevity pay. The annualized cost in FY 2023 is \$62,115, including \$53,365 more from general revenues and \$8,750 more from federal funds. The upgrades were presented for approval at a public hearing on November 8, 2021. *The Governor did not include the requested funding, though it appears the intent was to fund it. Subsequently the Governor requested an amendment to add \$2,065 from federal funds for the upgrades. The Assembly concurred with the amended recommendation.*

Film Commission. The request includes \$46,908 more than enacted from general revenues to support 2.6 full-time equivalent positions which the Council indicated was requested erroneously. The Council made the same error in its FY 2021 revised request and it was corrected in the Governor's recommendation. *The*

*Governor recommended \$16,766 less than requested, which corrects for the error and adds \$27,296 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

National Endowment for the Humanities Grants. The request excludes \$0.7 million from federal American Rescue Plan Act funds included in the enacted budget for pass-through funding for the Rhode Island Council for the Humanities. The grant was awarded directly to the Council for the Humanities by the federal government and never passed through the agency's budget. *The Governor recommended funding as requested. **The Assembly concurred.***

Governor's Portrait. Consistent with the enacted budget, the Council requested \$25,000 from each general revenues and restricted receipts for the creation of Governor portraits. The Council contracts for a portrait to be painted of each governor after the Governor is inducted into office and of any former governor whose portrait is not hung in the state house. The 2021 Assembly authorized a restricted receipt account to collect donations for this purpose, and the Council indicated it received a \$50,000 donation in FY 2022. The Council reported the portrait for Governor Raimondo is expected to cost \$75,000 and is awaiting her selection of an artist. *The Governor concurred. **The Assembly shifted \$20,000 from restricted receipts from FY 2022 to FY 2023 based on an updated project timeline available with the recent selection of an artist.***

Other Operations. The Council requested funding consistent with the enacted budget for all other expenses and staffing costs for its remaining 7.0 full-time equivalent position. *The Governor recommended \$56,202 more than requested from all sources, including \$10,359 more from federal National Endowment for the Arts funds. The recommendation also adds \$45,842, including \$33,514 more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. **The Assembly concurred.***

Rhode Island Atomic Energy Commission

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,099,820	\$ 1,202,365	\$ 1,210,053	\$ 1,210,053
Contracted Services	-	-	-	-
Subtotal	\$ 1,099,820	\$ 1,202,365	\$ 1,210,053	\$ 1,210,053
Other State Operations	175,582	682,172	719,264	719,264
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	75,894	75,036	83,099	83,099
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,351,296	\$ 1,959,573	\$ 2,012,416	\$ 2,012,416
Sources of Funds				
General Revenue	\$ 1,004,580	\$ 1,076,170	\$ 1,139,351	\$ 1,139,351
Federal Aid	143	477,000	477,000	477,000
Restricted Receipts	-	25,036	25,036	25,036
Other	346,573	381,367	371,029	371,029
Total	\$ 1,351,296	\$ 1,959,573	\$ 2,012,416	\$ 2,012,416
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.2			

FY 2022 Revised Request. The Rhode Island Atomic Energy Commission requested \$42,360 less than enacted from all sources, including \$202,471 more from general revenues and \$244,831 less from University of Rhode Island Sponsored Research funds. This is inadvertent as the Commission intended to request funding at the enacted level. *The Governor recommended \$52,843 more than enacted from all sources, including \$63,181 more from general revenues.* **The Assembly concurred.**

Salaries and Benefits. The Commission's revised request includes \$41,221 less than enacted from all sources for staffing costs. The decrease included \$0.2 million more from general revenues and \$0.2 million less from University funds. The Commission indicated that the request inadvertently adjusted funding and that it intended to request funding at the enacted level of \$1.0 million from general revenues and \$0.2 million from University funds. The Commission had 0.6 vacancies as of the pay-period ending October 29, 2021. The enacted budget fully funds all staff.

The Governor recommended \$48,909 more than requested from all sources, including \$0.2 million less from general revenues to correct the overstatement in the request and \$42,295 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. **The Assembly concurred.**

Other Operations. The Commission's revised request includes \$1,139 less than enacted from University funds for all other expenses. The request shifts \$3,000, primarily from janitorial services, to replace computers that have become outdated, in accordance with the Commission's ongoing computer upgrade

plan. The request included general revenues at the enacted level but shifts \$7,311 from information technology charges to insurance, computer maintenance, office supplies, and postage. *The Governor recommended \$46,294 more than requested from all sources, including \$41,231 more from general revenues. This included \$33,920 to begin refurbishing the machine shop and electrical upgrades that were requested for FY 2023 and \$7,311 to keep information technology charges at the enacted level.* **The Assembly concurred.**

Historical Preservation and Heritage Commission

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final ¹
Expenditures by Category				
Salaries and Benefits	\$ 1,680,048	\$ 1,799,111	\$ 1,873,214	\$ 1,748,214
Contracted Services	8,598	-	-	-
Subtotal	\$ 1,688,646	\$ 1,799,111	\$ 1,873,214	\$ 1,748,214
Other State Operations	312,180	329,115	378,815	328,815
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	79,013	530,619	530,619	530,619
Capital	-	3,500	3,500	3,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,079,839	\$ 2,662,345	\$ 2,786,148	\$ 2,611,148
Sources of Funds				
General Revenue	\$ 1,382,361	\$ 1,390,704	\$ 1,462,059	\$ 1,287,059
Federal Aid	585,247	697,162	741,889	741,889
Restricted Receipts	19,983	424,100	424,588	424,588
Other	92,248	150,379	157,612	157,612
Total	\$ 2,079,839	\$ 2,662,345	\$ 2,786,148	\$ 2,611,148
FTE Authorization	15.6	15.6	15.6	15.6
FTE Average	14.9			

¹ Expenditures by category corrected from hard copy publication distributed in July 2022.

FY 2022 Revised Request. The Commission requested \$9,359 more from all sources, including \$2 less from general revenues and \$9,361 more from federal funds. *The Governor recommended \$0.1 million more than enacted and requested.* **The Assembly provided \$175,000 less from general revenues than recommended to reflect turnover savings based on the Budget Office's third quarter report.**

Department of Transportation Project Review. The request shifts \$50,000 from Department of Transportation reimbursements related to project review from personnel to operating expenditures. Reimbursements are used to fund one full-time equivalent position that conducts project reviews, costing approximately \$90,000. The Commission also uses approximately \$50,000 to pay for staff that occasionally help on these projects budgeted as an operating expense. The Governor submitted recommendations to both the 2020 and 2021 Assemblies to shift \$50,000 from personnel costs to operating expenditures; the Assemblies did not concur. As a result of project disruptions related to the COVID-19 pandemic, these funds have paid for only the position and no other staff. *The Governor recommended funding as requested and added \$7,233 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as medical benefit savings based on finalized rates.* **The Assembly included total funding as recommended but maintained the enacted allocation among categories.**

Centralized Services. The Commission requested funding consistent with the enacted budget for its share of centralized services provided by the Department of Administration. It should be noted that the first quarter internal service fund report projects \$18,496 more in information technology costs than included in

the enacted budget. The Commission indicated some expenses were delayed while the staff worked remotely and that there were pandemic related software changes that are expected to reoccur annually. *The Governor recommended \$302 less from general revenues based on updated expense projections.* **The Assembly concurred.**

Other Operations. The Commission requested \$9,359 more from all sources, including \$2 less from general revenues and \$9,361 more from federal funds, for salary and benefit adjustments. The enacted budget assumes \$154,065 in turnover savings. As of the pay period ending November 20, 2021, the Commission had filled 13.6 of its 15.6 full-time equivalent positions. If the positions remain vacant for the remainder of the year, the Commission will realize turnover savings of around \$250,000. It should be noted that the Commission's FY 2023 request adds \$8,000 from general revenues for heritage month celebration, consistent with FY 2021 expenses. The Commission indicated it intended to request these funds for FY 2022 as well but they were mistakenly excluded from its revised request.

The Governor recommended \$107,513 more than requested, including \$71,659 more from general revenues, nearly all to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. **The Assembly provided \$175,000 less from general revenues to reflect turnover savings based on the Budget Office's third quarter report. Only 11.0 positions were filled at the end of May and the Commission averaged 13.0 filled during FY 2022.**

Office of the Attorney General

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Criminal	\$ 19,845,048	\$ 21,361,053	\$ 22,716,563	\$ 22,716,563
Civil	6,157,891	7,070,246	7,964,612	7,964,612
Bureau of Criminal Identification	3,277,586	3,080,701	3,366,126	3,366,126
General	4,109,268	4,286,361	4,661,513	4,661,513
Total	\$ 33,389,793	\$ 35,798,361	\$ 38,708,814	\$ 38,708,814
Expenditures by Category				
Salaries and Benefits	\$ 27,771,898	\$ 29,326,439	\$ 31,515,916	\$ 31,515,916
Contracted Services	1,504,079	2,249,043	2,326,229	2,326,229
Subtotal	\$ 29,275,977	\$ 31,575,482	\$ 33,842,145	\$ 33,842,145
Other State Operations	3,299,078	3,108,463	3,639,294	3,639,294
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	166,667	-	107,243	107,243
Capital	648,071	1,114,416	1,120,132	1,120,132
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 33,389,793	\$ 35,798,361	\$ 38,708,814	\$ 38,708,814
Sources of Funds				
General Revenue	\$ 28,341,623	\$ 29,820,364	\$ 32,022,145	\$ 32,022,145
Federal Aid	2,622,868	3,444,560	3,639,889	3,639,889
Restricted Receipts	2,401,043	2,383,437	2,893,248	2,893,248
Other	24,259	150,000	153,532	153,532
Total	\$ 33,389,793	\$ 35,798,361	\$ 38,708,814	\$ 38,708,814
FTE Authorization	239.1	247.1	247.1	247.1
FTE Average	232.9			

FY 2022 Revised Request. The Office of the Attorney General requested \$1.3 million more than enacted from all sources, including \$0.7 million more from general revenues, \$85,148 more from federal funds, and \$0.5 million more from restricted receipts. The request inadvertently increased the staffing authorization by 0.6 positions. *The Governor recommended \$2.9 million more than enacted from all sources, including \$2.2 million more from general revenues. The recommendation is \$1.6 million more than requested, including \$1.5 million more from general revenues and maintained staffing at the enacted level. The Assembly concurred.*

Salaries and Benefits. The Office requested \$394,023 more from all sources for salaries and benefits, including \$359,440 more from general revenues, \$29,411 more from federal funds and \$5,172 more from restricted receipts. This primarily represents a reduction in turnover savings equivalent to three positions. The Office noted that the revised request includes the three Clifton Clerkship positions as 0.2 full-time equivalent positions causing an unintended 0.6 position increase.

The request increases the number of funded positions to 243.7. As of November 29, 2021, the Office had 13.0 vacancies and averaged 230.9 filled positions. *The Governor recommended \$1.8 million more than requested from all sources, including \$1.6 million more from general revenues. The Governor added \$2.0 million, including \$1.8 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to union staff. These are partially offset by \$0.1 million from additional general revenue turnover savings and statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Fingerprint Checks. The Office requested \$0.1 million more than enacted from restricted receipts for payments to be made to Gemalto to operate the automated fingerprint identification system based on updated expenditure estimates. *The Governor recommended funding as requested. The Assembly concurred.*

Multi-State Initiatives. The Office requested \$175,000 more than enacted from restricted receipts for operational and litigation costs for its multi-state initiatives, bringing the total to \$240,000. The 2021 Assembly amended Rhode Island General Law, Section 42-9-19, which allows the Attorney General to retain up to \$750,000 in any fiscal year from multi-state settlements that the Office of the Attorney General has been a party to.

As of November 30, 2021, the Office had collected the statutory limit of \$750,000 from the C.R. Bard multi-state consumer settlement and the Bosch multi-state settlement and had spent \$79,526 on travel reimbursement and cost share agreements with the states of New York, Alaska, and Washington. Based on that, the Office appeared to be on track to spend \$190,862, though such costs are inconsistent. *The Governor recommended funding as requested. The Assembly concurred.*

Complex Litigation. The Office requested \$140,000 more than enacted from general revenues for costs that might occur for complex cases that often require expert witnesses and additional legal services bringing the total to \$527,915. This is \$472,000 more than FY 2021 expenditures and is based on known costs for four current cases and estimates for several other pending cases. *The Governor recommended funding as requested. The Assembly concurred.*

Witness Protection. The Office requested \$17,000 more from general revenues for witness protection expenses. Witnesses only receive protective care if the Witness Protection Review Board decides it is necessary, pursuant to Rhode Island General Law, Section 12-30-3. The Office predicted a greater need for witness protection as the case volume from COVID-related court closures is processed. As of January 6, 2022, the Office had spent \$22,144 of the \$68,170 in the budget for witness protection. *The Governor recommended \$8,500 from general revenues or half the requested increase over the enacted budget. The Assembly concurred.*

Utilities. The Office requested \$61,000 more than enacted from general revenues for utility expenses based on projected utilization, consistent with FY 2021 expenditures. *The Governor recommended \$30,500 more than enacted, or half the requested increase. The Assembly concurred.*

Capital. The Office requested \$90,000 more than enacted from its share of Federal Equitable Sharing funds to support capital improvement projects that were extended into FY 2022. Since 2013, Federal Equitable Sharing 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 reflects an updated cost for the South Main Street renovations, which is \$60,000 less than the capital budget request that was submitted prior to the operating budget request. *The Governor recommended Federal Equitable Sharing funds as*

requested and added \$3,532 more from Rhode Island Capital funds. The Assembly concurred. A detailed analysis of the projects is included in the Capital Budget section of this publication.

Equitable Sharing - Forfeitures. The Office requested \$0.2 million less than enacted from its share of Federal Equitable Sharing funds for software maintenance agreements, motor vehicles, and building maintenance based on FY 2021 expenditures. *The Governor recommended funding as requested. The Assembly concurred.*

Computer System and Technology Upgrades. The Office requested \$337,074 more than enacted from all sources, including \$122,000 from general revenues, \$165,000 from federal Crime Victim Assistance funds, and \$80,074 from restricted receipts for technology expenses. Spending entails two parts; the first is replacing computers, storage, and services used to operate services across nine locations, which is projected to be completed during FY 2023. The second is for software and software support services, which both appear to be subscription based, being paid annually or monthly. The Office indicated that the increase reflects additional need for cybersecurity and remote capability, as well as price increases. *The Governor recommended an increase of \$255,074 from all sources, including \$40,000 more from general revenues, over the enacted budget. The Assembly concurred.*

Foreclosure Assistance. The Office requested \$0.1 million in new spending from restricted receipts for the Rhode Island Foreclosure Protection Program. This program works to prevent or reduce the number of initiated foreclosures in the state by providing mortgage and foreclosure prevention assistance for homeowners. The Assembly included this funding in the FY 2021 final budget, but the Office anticipated the payments being finalized during FY 2022. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Office requested \$57,530 more than enacted from all sources for all other expenses. This includes \$41,000 more from general revenues, \$11,478 more from federal funds, and \$5,052 more from restricted receipts. The increase includes snowplowing and sanding, temporary services, office supplies, and insurance. Some of the increase reflects the Office's projection that FY 2022 expenses will return to pre-pandemic spending levels as the courts and offices are open again. Additionally, the temporary services increase reflects current expenses. *The Governor recommended \$60,810 less than requested from general revenues which keeps expenditures at pandemic spending levels. The Assembly concurred.*

Department of Corrections

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 15,737,212	\$ 15,823,807	\$ 16,340,928	\$ 18,616,537
Parole Board	1,251,746	1,479,649	1,475,471	1,475,471
Custody and Security	147,060,386	139,724,692	146,476,951	147,205,971
Institutional Support	30,497,102	29,417,177	33,970,668	33,997,946
Institutional Based Rehab/Pop	11,825,338	12,609,646	12,691,270	12,647,487
Healthcare Services	24,459,972	28,175,754	30,391,565	29,289,137
Community Corrections	16,476,405	18,690,425	20,199,013	19,974,013
	\$ 247,308,161	\$ 245,921,150	\$ 261,545,866	\$ 263,206,562
Expenditures by Category				
Salaries and Benefits	\$ 195,252,600	\$ 190,333,488	\$ 202,119,421	\$ 200,658,452
Contracted Services	11,905,517	16,033,168	15,998,848	15,777,015
Subtotal	\$ 207,158,117	\$ 206,366,656	\$ 218,118,269	\$ 216,435,467
Other State Operations	31,991,564	32,009,989	32,556,737	34,257,626
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,881,926	2,149,637	2,149,637	2,149,637
Capital	6,276,554	5,394,868	8,721,223	8,421,223
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	1,942,609
Total	\$ 247,308,161	\$ 245,921,150	\$ 261,545,866	\$ 263,206,562
Sources of Funds				
General Revenue	\$ 108,846,160	\$ 236,349,944	\$ 248,193,611	\$ 250,262,684
Federal Aid	132,278,102	2,107,186	2,513,338	2,404,961
Restricted Receipts	147,826	2,339,020	2,350,763	2,350,763
Other	6,036,073	5,125,000	8,488,154	8,188,154
Total	\$ 247,308,161	\$ 245,921,150	\$ 261,545,866	\$ 263,206,562
FTE Authorization	1,411.0	1,424.0	1,424.0	1,424.0
FTE Average	1,330.0			
Prison Population	2,144	2,354	2,181	2,115

FY 2022 Revised Request. The Department requested \$10.9 million more than enacted from all sources of funds, including \$6.3 million from general revenues, \$0.4 million from federal funds, \$11,224 from restricted receipts, and \$4.3 million from Rhode Island Capital Plan funds. The Department's FY 2022 revised request is based on a population of 2,181, which is 173 less than assumed in the enacted budget. *The Governor recommended \$15.6 million more than enacted and \$4.7 million more than requested. General revenues are \$11.8 million more than enacted and \$5.6 million more than requested.*

The Governor subsequently requested an amendment to correct an error related to correctional industries loan repayment and to reduce Rhode Island Capital Plan funds by \$0.3 million for renovations at the Medium Security facility which reflected updated projections.

The Assembly provided \$1.7 million more than recommended, including \$2.1 million more from general revenues, partially offset by \$0.1 million less from federal funds and \$0.3 million less from Rhode Island Capital Plan funds.

Staffing. The Department requested \$5.2 million more than enacted for 1,424.0 full-time equivalent positions, consistent with the enacted budget. This includes 4.0 fewer positions for Central Management and 4.0 fewer positions for Custody and Security, offset by 4.0 more positions for the Department's internal service program, 3.0 more positions for Institutional Based Rehabilitation and Population Management, and 1.0 more position for Community Corrections. As of the pay period ending November 19, 2021, there were 1,337.0 filled positions and 87.0 vacancies. The Department's request assumes an average of 1,335.2 positions filled or 88.8 vacancies, but has averaged 1,339.5 positions filled per pay period or approximately 4.3 more than assumed in the request. By fund source, the request includes \$5.3 million more from general revenues, offset by \$0.1 million less from federal funds. It is worth noting that the request includes \$12.4 million more than enacted for overtime costs, most of which are for correctional officers, which are partially offset by additional turnover savings.

*The Governor recommended \$5.2 million more than requested, which largely reflects additional funding to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, but not to the Rhode Island Brotherhood of Correctional Officers, the Department's largest union, which is still negotiating. As of January 15, there were 88.0 vacant positions. By fund source, the recommendation includes \$5.3 million more from general revenues and \$0.1 million less from all other sources. **The Assembly provided \$1.5 million less for staff expenses to reflect the Department's third quarter projections.***

Population. The FY 2022 revised request is based on a population of 2,181, which is 173 less than assumed in the enacted budget. The Department contracts with a firm to prepare population estimates which revised the population downward to 2,181. The House Fiscal Staff uses a simple model using trend data and the population through the end of November suggested the Department is on track for a population of 2,122 or 59 less than assumed in the revised request.

Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase the allowed capacity at facilities from 4,085 to 4,265.

The table below depicts the recent history of budgeted and actual prison population from FY 2014 through the FY 2022 revised request. *The Governor assumed a population consistent with the request. Through January, the average population is 2,113 inmates which is 68 less than assumed in the recommendation. **The Assembly assumed a population of 2,115, consistent with the actual population through April.***

History	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Request	3,152	3,170	3,292	3,260	3,059	2,865	2,762	2,671	2,387
Governor	3,152	3,170	3,292	3,200	3,059	2,865	2,691	2,549	2,354
Enacted	3,152	3,170	3,292	3,200	3,000	2,849	2,671	2,267	2,354
Revised Request	3,192	3,239	3,206	3,058	2,853	2,760	2,671	2,267	2,181
Governor Revised	3,192	3,239	3,182	2,999	2,853	2,730	2,671	2,267	2,181
Final	3,192	3,239	3,183	2,999	2,837	2,730	2,633	2,155	2,115
Actual	3,214	3,183	3,068	2,958	2,784	2,665	2,544	2,144	-

Population: Per Diem Expenditures - Healthcare. The Department requested \$0.1 million more than enacted from general revenues 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. 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 \$3,607 in FY 2021 to increase in FY 2022 to \$4,237, or \$631 more per inmate. This is also an increase of 17.4 percent and \$357 to the enacted assumption of \$3,880. The Department bases per diem projections on the most recent population information, contract costs and prior year spending. The revised request includes \$0.3 million for two inmates who were hospitalized for over 100 days in FY 2022 which was not accounted for in the enacted budget. This is partially offset by savings from the lower population. *The Governor recommended \$28,007 more than requested for doctor and dental costs, consistent with the enacted budget, reflecting anticipated usage. The cost per inmate is \$4,250 or \$13 more than requested.* **The Assembly provided \$0.1 million less than recommended consistent with the Department's third quarter report.**

Population: Per Diem Expenditures - All Other Expenses. The Department requested \$0.4 million less than enacted 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 2022 request assumes an average cost of \$2,244 per inmate which is \$214 more than the FY 2021 average cost per inmate of \$2,030 for these expenses and \$14 more than the enacted assumption of \$2,231 per inmate. The largest increases are \$136 per inmate for food and \$11 per inmate for linens; these are partially offset by decreases of \$63 per inmate for clothing and \$66 per inmate for janitorial expenses. *The Governor recommended funding as requested.* **The Assembly provided \$0.5 million more than recommended consistent with the Department's third quarter report, reflecting higher per inmate food and clothing expenses despite the lower population.**

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. The Assembly provided \$0.1 million for cleaning services and personal protective equipment in the enacted budget, and the Department requested \$54,377 more from these funds based on updated projections. *The Governor recommended funding as requested.*

The Assembly provided \$0.6 million more from general revenues, offsetting \$0.1 million of expenses budgeted from federal funds, to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

New Vehicles. The Department requested \$320,000 from general revenues to purchase fifteen new vehicles to replace vehicles that reportedly no longer fulfill its needs. The request is \$221,000 less than the Department's fleet replacement plan indicates is scheduled in the current year for which no funds are budgeted. 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. The Department did not purchase vehicles in FY 2021. It is worth noting that the state typically purchases vehicles through the state fleet replacement revolving loan fund, which is paid back over a three year period by the agency that makes the purchase. *The Governor did not recommend funding.* **The Assembly concurred.**

State Criminal Alien Assistance Program. The Department requested \$33,797 more than enacted from federal funds, offsetting a like amount of general revenues, from the State Criminal Alien Assistance Program. The Department had intended for the enacted budget to reflect its most recent award amount, but inadvertently understated the award by \$33,797 which is corrected in the revised request. The Department submitted an application in August 2021, but had not received a notification of funding awarded at the time

of its request. 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 Governor recommended \$50,720 more than requested to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, but not correctional officers. These costs are partially offset by additional turnover savings and statewide medical benefit savings based on finalized rates. The Assembly concurred.

Absenteeism Initiative. The enacted budget includes \$1.0 million in general revenue savings from changes to the Department's absenteeism policies by implementing a new discipline policy. At the time of the recommendation, the Governor included the savings, as the Department implemented these new policies in September 2019, but they were put on hold due to the unfair labor practice charge filed by the Rhode Island Brotherhood of Correctional Officers, which was pending at the time of the Governor's budget recommendation and remains unresolved. The union prevailed in the hearing, but the Department is currently appealing the ruling. The Department's request restores these savings. *The Governor recommended funding as requested. The Assembly concurred.*

Reduced Offsite Care - Healthcare Staff (3.0 FTE). For FY 2022, the Governor recommended and the Assembly provided 4.0 additional healthcare staff positions to reduce the number of trips taken to external medical facilities. The enacted budget includes \$489,082 from general revenues for the new positions, offset by savings of \$633,970 in overtime costs and \$165,900 on hospital costs. The positions were assumed to be filled for all of FY 2022; however, through the final pay period of December the positions have not been filled. As overtime savings were reliant on filling the added positions, the \$633,970 in overtime savings will not be achieved. It is unclear what the budget request assumes on when the positions will be filled. *The Governor recommended funding as requested. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$3.4 million more than enacted from general revenues for other institutional corrections staffing expenses. The request includes \$7.9 million more turnover savings than assumed in the enacted budget, and \$27.5 million for overtime expenses which is \$11.3 million more than enacted. In FY 2021, the Department spent \$29.8 million on overtime expenses or \$2.3 million more than the current request. In total, the request funds an average of 1,110.4 positions of the 1,189.0 requested positions. Through the pay period ending November 20, the Department averaged 1,112.0 positions filled per pay period or 2.0 more than requested; the Department expected additional attrition to occur this year before replacements are hired.

Consistent with the enacted budget, the revised request includes funding for one correctional officer class. The revised request assumes correctional officer Class 85 will graduate and begin at the end of January 2022, three months later than the October 2021 start date assumed in the enacted budget, and assumes 53 correctional officer vacancies will be filled. The revised request assumes \$0.4 million in savings from these positions working for the final ten pay periods of FY 2022, which is eight pay periods later than assumed in the enacted budget. During FY 2021, Class 83 began work in November 2020 with 63 recruits and Class 84 began in July 2021 with 20 recruits.

The Governor recommended \$4.8 million more from general revenues than requested. The Governor added \$5.1 million from general revenues and \$10,640 from Rhode Island Capital Plan funds from the Department's asset protection project, to account for statewide adjustments, consistent with his recent labor agreements. This assumes the pay increases also apply to non-union staff, but not to the Rhode Island Brotherhood of Correctional Officers, the Department's largest union, which is still negotiating. These costs are partially offset by statewide medical benefit savings based on finalized rates. The Assembly provided \$1.2 million less from general revenues which reflects projections based on actual spending through the third quarter.

Discharge Planning. The Department's request is \$40,553 more than enacted from all funds, including inadvertently shifting \$155,458 from federal funds to general revenues, for discharge planning services. Discharge planning services seek to prevent recidivism including residence, employment or qualifying for entitlement programs. Services were provided by a single vendor beginning in FY 2019. The vendor experienced high levels of turnover resulting in service delivery issues. Consistent with a proposal included in the Governor's FY 2022 recommendation, the Assembly authorized 7.0 new positions to hire staff to deliver these services in-house. It is worth noting that while Department staff delivers standard discharge planning services, individuals with specialized needs, such as inmates with gang affiliations or mental health needs, still receive specialized services through a contracted provider. The request includes \$4,170 more from general revenues than enacted, reflecting contractual increases for specialized services.

At the time of the request, the Department had filled four of the new seven positions. The other three positions have been posted. As discharge services include enrolling inmates in Medicaid, the Department indicated these positions are eligible for Medicaid match, and it is drafting a proposal for a vendor to track eligible Medicaid expenses. The enacted budget assumes savings of \$0.2 million from the federal Medicaid match for these positions, which the request excludes and shifts to general revenues. The request assumes that the Department will average 2.2 vacancies for FY 2022; to achieve this, all positions would need to be filled by March. *The recommendation includes \$75,795 more than requested from general revenues. The Governor added \$80,055 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Medication Assisted Treatment. The Department requested \$0.4 million less than enacted, including \$0.6 million less from general revenues and \$0.1 million more from federal funds, for its medication-assisted treatment program for opioid users, reflecting a reduction in the provider contract from a lower number of inmates expected to participate in the program during FY 2022. In FY 2021, the Department spent \$1.2 million, or \$2.3 million less than the \$3.5 million provided in the final budget; the revised request is \$2.1 million more than spent in FY 2021. The Department indicated that prior year usage was affected by several factors, including the pandemic, the Courts diverting inmates to treatment services, and lesser charges leading to fewer inmates who would typically enroll in the program being placed in correctional facilities. *The Governor recommended funding as requested.* **The Assembly concurred.**

Mental Health Services. The Department requested \$0.4 million more than enacted from general revenues for mental health services for inmates. These services are largely delivered in the correctional facilities by vendors, the largest contract being with Lifespan, and are provided by therapists, clinicians and other mental health professionals. The enacted budget, which is consistent with the Governor's recommendation, excludes \$336,091 for the Department's substance abuse contract costs which are restored in the request. The request is \$0.1 million more than FY 2021 actual costs, reflecting greater anticipated utilization of these services as COVID restrictions are reduced. *The Governor recommended \$0.1 million less than enacted from general revenues which appears to reflect updated projections.* **The Assembly concurred.**

Transitional Care Unit. Consistent with the enacted budget, the Department requested \$750,000 from general revenues, for the design of a transitional care unit. 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. The Department hired a consultant during summer 2021 to design the transitional care unit. The Department's capital budget request includes \$8.8 million for this facility, including \$1.0 million for FY 2022 and \$7.8 million for FY 2023. *The Governor recommended funding as requested.* **The Assembly concurred.**

Correctional Officer Tuition Reimbursement. The Department requested \$47,768 more than enacted for correctional officer tuition reimbursement, consistent with the FY 2021 cost. The Department is

contractually obligated to provide tuition reimbursement up to \$100,000 annually for members of the Rhode Island Brotherhood of Correctional Officers' union. *The Governor recommended \$11,700 less than requested. The Assembly concurred.*

Temporary Staff. The Department requested \$0.2 million more from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled. The enacted budget did not include funding, consistent with the Department's FY 2022 constrained request and the Governor's recommendation. The Department requested these funds be restored in the current year, as it has not hired permanent staff replacements which are offset by additional turnover savings. The Department spent \$0.4 million on these services in FY 2021. *The Governor did not recommend funding. The Assembly provided \$0.3 million from general revenues, consistent with the Department's third quarter report.*

Nursing Pool Contract. The Department requested \$114,664 more 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 \$29,149 less than spent in FY 2021. For FY 2021, the Department spent \$282,749 on nursing pools, as the Department had to pay enhanced rates to nursing staff to compete with other organizations who required nurses in response to the COVID emergency, including the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and the Veterans' Home. While the Department did expect to pay similar rates in FY 2022 as it did in FY 2021, these pools are not expected to be needed at the same frequency. *The Governor recommended funding as requested. The Assembly concurred.*

Education and Development. The Department requested \$70,589 more from all sources, including \$5,000 more than enacted from general revenues, for education and development services for inmates. General revenues are for classes provided through the Community College of Rhode Island for inmates who demonstrate good behavior. The revised request is \$4,184 more than spent in FY 2021 and reflects updated contract costs. The request also includes \$65,589 more from federal and private education and development grants based on updated information on award amounts. 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 funding as requested. The Assembly concurred.*

Property Maintenance. The Department included \$0.2 million more than enacted from general revenues for building and grounds maintenance, reflecting expenses similar to FY 2021. Any building repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan funds and must be covered through the Department's operating budget. However, agencies are expected to make repairs, typically through their asset protection projects, to mitigate these costs. In FY 2020, the Department spent \$2.5 million from general revenues on these expenses, which decreased by \$0.4 million in FY 2021 to \$2.1 million. *The Governor recommended funding essentially consistent with the enacted budget. The Assembly concurred.*

Insurance. The Department requested \$107,738 more than enacted for insurance costs, most of which relates to property insurance and is essentially consistent with FY 2021 actual costs. Property insurance rates are set and adjusted by the Division of Capital Asset Management and Maintenance based on the value of buildings and the statewide insurance cost. The Department of Administration indicated these rates were updated in FY 2021 after the budget was submitted. *The Governor recommended funding as requested. The Assembly concurred.*

New Copiers. The Department requested \$57,476 from general revenues to purchase new copiers. The Department plans to purchase 18 new copiers over the span of the next four years for a total cost of \$352,000 and this is the first installment of those costs. These copiers will replace older models that no longer have security support updates. *The Governor did not recommend funding. The Assembly concurred.*

Other Institutional Corrections Operations. The Department requested \$114,684 less than enacted for all other institutional corrections expenses, including \$105,129 less from general revenues. The largest decrease is from excluding costs for paraprofessional services based on anticipated usage, maintenance and repairs of equipment, and consultant costs. These costs are partially offset by increased costs for the disposal of unused medication and a handheld narcotics analyzer. The increase in federal funds includes \$26,363 from the National Vest Partnership Act to buy puncture proof vests, the remaining balance of the grant, offset by a decrease in family reunification funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Programs

Training Unit. The Department requested \$65,204 less than enacted from general revenues for costs related to training correctional officer Class 85 with approximately 60 recruits which is expected to graduate and begin at the end of January 2022, three months later than the October 2021 start date assumed in the enacted budget. During FY 2021, Class 83 began work in November 2020 with 63 recruits and Class 84 began in July 2021 with 20 recruits. Most of the change relates to the Department excluding correctional officer recruitment expenses that are not anticipated to be needed for Class 85. *The Governor recommended \$217,455 less than enacted and \$152,251 less than requested from general revenues. The Governor added \$20,608 from general revenues to account for statewide personnel adjustments. The Governor recommended \$0.2 million less than requested to reflect training costs for a class of 40 recruits and adjusted related staffing costs and stipend payments for trainees accordingly.* **The Assembly concurred.**

Cognitive Behavioral Therapy. The Department requested \$13 more than enacted from general revenues for its cognitive behavioral therapy program. The Department indicated that the increase reflects insurance adjustments for the program. The Department underspent these funds in previous years. In FY 2021, the Department spent \$43,222 which was \$356,778 less than provided in the final budget and is \$302,981 less than requested for the current year. The Department's first quarter report is consistent with the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Domestic Abuse Grants. The Department requested \$0.3 million from a new federal grant from the Department of Justice to develop innovative ways to address domestic violence, including evaluating the criminal justice system's response to domestic violence. Of the \$655,628 total grant award, the Department requested use of \$319,375 each for FY 2022 and FY 2023. *The Governor recommended funding as requested.* **The Assembly concurred.**

Correctional Industries. The Department's Correctional Industries program employs approximately 80 inmates that manufacture various products or provide services to state agencies, cities, and towns and non-profit organizations. The intent of the program is to provide work experience to help inmates prepare for post-release employment. The program uses an internal service fund to account for its expenditures since it relies on revolving funds from the income generated by the sale of products and services produced through the program. Rhode Island General Laws, Section 13-7-15 contains the authority for the accounting for these operations and requires that all additional profits beyond those required to support operations revert to the general treasury. Services include moving, paint, general clean up, panel system installation, janitorial, quick print shop, carpentry, auto body, upholstery, license plates, and garments.

Since the end of FY 2016, the program has had expenses exceed revenues. Loans from the general fund have covered the difference and those now cover \$1.5 million. *The Governor's budget documents note the intent to add \$1.9 million from general revenues to pay back the general fund loans and to cover the current year projected shortfall. His budget inadvertently provides \$1.7 million for FY 2023 instead.*

The Governor subsequently requested an amendment to add \$1.9 million from general revenues for FY 2022 and exclude the erroneously recommended \$1.7 million for FY 2023. **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.3 million more than enacted, including \$0.2 million from general revenues and \$26,431 from federal funds, for all other staffing expenses primarily to restore turnover savings. The revised request adds funding for the central management program, as the Department filled positions assumed to be vacant in the enacted budget. The request funds all but ten of the 205.0 authorized positions. As of the November 6, 2021 pay period, the Department has averaged 200.4 positions filled. It is worth noting that the Department's first quarter report projects the need for additional general revenue funding of \$504,485, which is more than double the additional funding requested. *The Governor recommended \$2.1 million more than enacted, mostly from general revenues, which is \$1.8 million more than requested. The Governor added \$1.9 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, but not correctional officers. The Governor added \$173,935 to reflect updated spending, offset by statewide medical benefit savings based on finalized rates.* **The Assembly provided \$0.2 million less from general revenues which reflected spending through the third quarter.**

Temporary Staff. The Department requested \$0.1 million more from general revenues for temporary services to offset vacancies in institutional corrections until positions can be filled. The enacted budget did not include funding, consistent with the Department's FY 2022 constrained request and the Governor's recommendation. The Department requested these funds be restored in the current year, as the areas in which these temporary staff assist have not hired permanent staff replacements. These costs are not offset by turnover savings, unlike institutional corrections. The Department spent \$88,038 on these services in FY 2021. *The Governor did not recommend funding.* **The Assembly provided \$0.1 million from general revenues, consistent with the Department's third quarter report.**

Legal Services. The Department requested \$0.1 million more than enacted from general revenues for legal services, most of which is for expert witness 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. The increase is based on updated estimates and is consistent with the Department's first quarter report. *The Governor recommended \$7,552 less than requested and did not provide additional funding for expert witnesses. Supporting documents provided by the Budget Office suggest that \$250,000 from Rhode Island Capital Plan funds were provided for a feasibility study for a behavioral management unit in FY 2023, which should temporarily satisfy the lawsuit requirements.* **The Assembly provided \$0.2 million more from general revenues, consistent with the Department's third quarter report.**

Substance Abuse Tracking System Upgrade. The Department requested \$250,000 from general revenues to upgrade its Substance Abuse Tracking System. This system is for analysis of urine specimens for drug testing. The current system is 18 years old and is no longer supported or maintained. The funding would be used to hire a vendor to upgrade the system and is expected to take nine months to complete. It is worth noting that replacing the system is included in the capital request for a like amount in the current year with Information Technology Investment funds as the source. It is likely that even if funding were approved in the current year, the system upgrade would not be completed in that time frame, and no funding is requested for FY 2023. *The Governor did not recommend funding.* **The Assembly concurred.**

Technology Purchases and Maintenance. The Department requested \$46,159 less than enacted from general revenues for purchases based on updated scheduling for repairs and replacements and for its database maintenance for FY 2022. The Department has 897 computers and plans to replace approximately 50 annually. It spent \$0.4 million from general revenues in FY 2021, which is \$25,137 less than requested. The FY 2021 total does not include the \$0.6 million in purchases made using federal COVID funds for remote work and hearings, including laptops, smartboards, monitors, docking stations, and other computer equipment. *The Governor recommended funding as requested.* **The Assembly concurred.**

Victim Services Grants. The Department requested \$0.1 million less than enacted from federal funds to support existing victim services programs based on its most recent award information. The Department indicated there was a decrease in Victims of Crime Act funds at the federal level and a corresponding decrease in the state's allocation. These formula grants are awarded by the Department of Justice and given to states to provide direct services to crime victims. The Department spent \$96,959 from these grants in FY 2021 or \$32,876 less than requested. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Department requested \$4.3 million more than enacted from Rhode Island Capital Plan funds for its capital projects scheduled for FY 2022. This reflects updated project costs for its facilities renovations project, including \$3.3 million for the creation of a transitional care unit and \$1.0 million in additional costs for renovations at the Medium Security facility which was expected to be completed in FY 2022, but delayed because of the pandemic. The capital budget request overstates correctional facility renovation expenses by \$65,226, which is corrected in the revised request. *The Governor recommended \$8.5 million from Rhode Island Capital Plan funds for FY 2022, which is \$0.9 million less than requested.*

The Governor subsequently requested an amendment to exclude \$0.3 million to reflect updated project costs for Medium Security facility renovations. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department requested the enacted level of \$16.3 million for centralized services provided through the Department of Administration. This includes \$4.2 million for information technology services, \$10.1 million for facilities management, and \$2.1 million for human resources. In FY 2021, the Department spent \$16.0 million, which is \$0.3 million less than requested. *The Governor recommended \$0.9 million more than enacted from general revenues for facilities charges, reflecting updated estimates, including increased expenses for probation and parole facilities and one-time charges associated with the decommissioning of the Price facility.* **The Assembly concurred.**

Other Operations. The Department requested \$7,717 more than enacted from all sources for all other expenses. This includes \$11,480 more from general revenues and \$13 more from federal funds, partially offset by \$3,776 less from restricted receipts, reflecting available resources and increased maintenance costs at its probation and parole facilities. *The Governor recommended \$13,897 less than enacted, including \$10,134 less from general revenues. The recommendation is \$21,614 less than requested from general revenues, reflecting maintaining expenses at the enacted level for its probation and parole offices.* **The Assembly concurred.**

Judicial Department

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Supreme Court	\$ 33,787,744	\$ 38,937,799	\$ 41,940,353	\$ 41,965,353
Defense of Indigent Persons	3,657,648	5,075,432	5,075,485	5,075,485
Commission on Judicial Tenure & Discipline	129,361	155,863	170,628	170,628
Superior Court	22,657,794	25,541,140	26,685,326	26,685,326
Family Court	24,594,486	26,614,395	28,304,750	28,304,750
District Court	13,948,790	15,074,578	15,640,439	15,655,039
Traffic Tribunal	8,924,130	9,716,034	10,303,354	10,303,354
Workers' Compensation Court	8,218,991	9,310,113	9,726,170	9,726,170
Total	\$ 115,918,944	\$ 130,425,354	\$ 137,846,505	\$ 137,886,105
Expenditures by Category				
Salaries and Benefits	\$ 89,053,340	\$ 96,574,291	\$ 103,239,871	\$ 103,273,071
Contracted Services	1,607,520	2,838,591	2,497,441	2,497,441
Subtotal	\$ 90,660,860	\$ 99,412,882	\$ 105,737,312	\$ 105,770,512
Other State Operations	11,796,666	13,291,803	14,335,548	14,336,548
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,460,664	11,111,030	10,653,664	10,659,064
Capital	4,000,754	6,609,639	7,119,981	7,119,981
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 115,918,944	\$ 130,425,354	\$ 137,846,505	\$ 137,886,105
Sources of Funds				
General Revenue	\$ 99,677,787	\$ 107,908,680	\$ 114,094,038	\$ 114,094,038
Federal Aid	3,005,701	3,928,259	4,438,932	4,478,532
Restricted Receipts	11,137,429	13,638,415	14,178,193	14,178,193
Other	2,098,027	4,950,000	5,135,342	5,135,342
Total	\$ 115,918,944	\$ 130,425,354	\$ 137,846,505	\$ 137,886,105
FTE Authorization	726.3	726.3	726.3	726.3
FTE Average	685.3			

FY 2022 Revised Request. The Judiciary requested \$0.4 million more than enacted for FY 2022. This includes \$0.3 million more from federal funds and \$0.2 million more from Rhode Island Capital Plan funds, offset by \$0.1 million less from restricted receipts. The request excludes the reappropriation of \$2.8 million of unspent general revenues from FY 2021. *The Governor recommended \$7.4 million more than enacted and \$7.0 million more than requested. General revenues are \$6.2 million more than enacted and requested. The Governor recommended the authorized level of 726.3 full-time equivalent positions. The Assembly provided \$39,600 more from federal funds and concurred with the remainder of the recommendation.*

Data Analyst (1.0 FTE). The Judiciary requested \$48,057 from general revenues for one new Senior Monitoring and Evaluation Specialist position for a half year to conduct data analysis on information newly available from a recent upgrade of its case management system, which eases data quality validation and data entry auditing, but requires time and resources. The position is funded for a full year in its FY 2023 request. *The Governor recommended funding from general revenues essentially as requested and assumed use of an existing vacancy for FY 2022. For FY 2023, the Governor recommended funding as requested, but shifted the expenses from general revenues to State Fiscal Recovery funds.* **The Assembly concurred.** **For FY 2023, the Assembly provided general revenues in lieu of state fiscal recovery funds.**

Pay-Go Judges Pensions. The Judiciary requested \$0.3 million less than enacted from all sources, including \$0.2 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. The annual appropriation support pension costs on a pay-as-you-go basis rather than the retirement trust fund. There are currently five active judges whose pensions will be paid this way and they are all eligible to retire. *The Governor recommended funding as requested.* **The Assembly concurred.**

Technology Infrastructure and Improvement. The Judiciary requested \$547,045 more than enacted from all funds for court computer technology expenses, including its case management system, and wireless infrastructure improvements. This is \$382,045 more than enacted from federal funds and \$165,000 more from restricted receipts for technology provider expenses. The federal funds increase includes \$325,000 for a one-year project ending in FY 2023 to increase wireless bandwidth throughout all courthouses to improve service and network capacity, and \$57,045 of carryforward funding from FY 2021 to facilitate remote hearings in response to the pandemic. *The Governor recommended \$10,001 more than requested based on updated direct grant amounts.* **The Assembly concurred.**

Child Support Enforcement. The Judiciary requested \$0.4 million more from all funds to enforce the support obligations owed by absent parents to their children, locate absent parents, establish paternity, and obtain child, spousal and medical support. This includes \$0.1 million less for staffing expenses of which \$40,295 is from general revenues and \$78,220 is from federal funds to support 13.0 full-time equivalent positions. This is offset by \$0.5 million more from federal child support enforcement grants paid through the Department of Human Services. The Judiciary reported that the increase reflects an increased cost recovery rate charged to the grant, and a delayed payment for FY 2021, resulting in five quarterly payments for FY 2022.

The Governor recommended \$117,059 more than requested, including \$39,797 from general revenues and \$77,262 from federal funds. This reflects \$118,891 more from all funds to account for statewide adjustments, consistent with his recent labor agreements and assumes the pay increases also apply to non-union staff, offset by \$1,832 less for statewide medical benefit savings. **The Assembly concurred.**

Juvenile Justice. The Judiciary requested \$43,438 less than enacted from federal funds for the Juvenile Justice Program within the Family Court. This includes \$93,712 more for seasonal staff and \$4,850 for travel expenses, offset by \$142,000 less for mental health clinic expenses for FY 2022. The Department reported this had historically been supported by three grants; this year, it is one grant, and there is a new requirement for a grant manager. *The Governor recommended \$12,682 more than requested from federal funds to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by \$117 less for statewide medical benefit savings.* **The Assembly concurred.**

Veterans Treatment Court. The Judiciary requested \$0.2 million less from federal grant funds for the Veterans Treatment Court. The Governor originally recommended \$0.2 million for FY 2022 and subsequently requested an amendment to add \$0.4 million. The Judiciary reported the amended amount inadvertently reflected the total necessary for FY 2022 rather than the additional funding needed. The

revised request corrects for that overstatement. The grant is intended to allow the Court to serve 115 unduplicated clients annually with a total of 575 unduplicated clients served over the five-year grant period. As of the end of November 2021, the Court has 2.0 full-time equivalent positions and had incurred \$134,123 of expenses from its operations, of which \$76,596 is for staff. *The Governor recommended \$9,072 more than requested from federal funds to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by \$278 less for statewide medical benefit savings.* **The Assembly concurred.**

Other Staffing Expenses. The Judiciary requested \$0.5 million less from all sources of funds for the salaries and benefits of the remaining 711.7 full-time equivalent positions. This includes reductions of \$0.3 million from federal funds and \$0.2 million from restricted receipts, offset by \$12,897 more from general revenues. These changes reflect adjustments for its current staffing level. *The Governor recommended \$6.8 million more than requested, including \$6.1 million more from general revenues. This reflects \$7.1 million more from all funds including \$6.4 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by \$236,153 less for statewide medical benefit savings and benefit plan selection.*

Subsequently, the Governor requested an amendment to provide an additional \$25,000 from federal grant funds to cover additional overtime expenses. **The Assembly concurred with the amended recommendation.**

Law Library. The Judiciary requested \$130,000 more from general revenues for West Publishing subscription services to account for the provision of books to new judges and magistrates. The \$650,000 requested for subscriptions for both FY 2022 and FY 2023 is 7.2 percent higher than FY 2021, and 18.0 percent higher than the FY 2019 and FY 2020 average. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. Consistent with its capital request, the Department requested \$0.2 million more than enacted from Rhode Island Capital Plan funds for its eight current capital projects for FY 2022. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Facilities and Operations. The Judiciary requested \$79,200 more from general revenues for the facilities and operations division responsible for maintenance of the judicial complex facilities. This includes \$69,200 more for pandemic-related cleaning expenses of which essentially half each is for janitorial and waste disposal, and \$10,000 more for fleet expenses based on FY 2021 spending. *The Governor recommended funding as requested.* **The Assembly concurred.**

Domestic Violence Training and Monitoring Unit. The Judiciary requested \$35,000 from federal funds for a new Edward Byrne Memorial Justice Assistance Grant award for the Supreme Court's Domestic Violence Training and Monitoring Unit. The Unit is responsible for monitoring the response of the state's law enforcement agencies to crimes of domestic violence, sexual assault and child molestation. The Judiciary reported these grant funds were delayed at the federal level and this figure is a placeholder. These funds have historically been used to support expenses not covered by the Violence Against Women Act. The Judiciary includes the same amount in its FY 2023 request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Mental Health Court Clinic. The Judiciary requested \$30,000 from federal funds for a new Edward Byrne Memorial Justice Assistance Grant award for the Family Court. The funding represents a sub-grant to the Judiciary from the Department of Public Safety. The Department reported the funding was being delayed at the federal level and the uses of this year's funding are undecided. These funds are typically for juvenile pretrial diversion efforts.

Subsequent to the submission of the budget request, on December 8, 2021, the Judiciary reported the District Court had received a new three-year, \$0.5 million mental health pretrial diversion grant from Office of Justice Programs. The Judiciary anticipated spending from this source during FY 2022. *The Governor recommended funding as requested for the clinic. The Governor did not include funding from the new grant.*

Subsequently, the Governor requested an amendment to provide \$14,600 from the mental health pretrial diversion grant for expenses incurred during FY 2022. The Assembly concurred with the amended recommendation.

RI Foundation Court Innovation Grant. The Judiciary requested \$40,000 from restricted receipts for a one-year Rhode Island Foundation diversity, equity and inclusion initiative grant. The grant funding is intended to create a survey of the courts' staff to assess bias in the administration of the justice system, and identify solutions, strategies and recommendations to achieve more equitable outcomes through the justice system. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Judiciary requested \$12,876 more than enacted from all sources, including \$4,470 more from general revenues for other expenses. The request includes \$6,870 more for travel, including \$4,470 from general revenues for National Association of Drug Court Professionals seminar registration and \$2,400 from federal funds for travel expenses, offset by \$2,000 from federal funds for office supplies essentially consistent to the FY 2021 spending level. Restricted receipts are \$8,006 more for the Workers' Compensation Court, including \$506 more for janitorial and \$7,500 more for subscription expenses. The enacted budget includes \$6,420 less than FY 2021 actual spending for those expenses; though in the aggregate, spending for all related expenses is significantly less. *The Governor recommended funding as requested. The Assembly concurred.*

Military Staff

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 8,706,684	\$ 9,354,031	\$ 10,522,256	\$ 10,295,413
Contracted Services	3,051,313	2,367,221	2,761,950	2,761,950
Subtotal	\$ 11,757,997	\$ 11,721,252	\$ 13,284,206	\$ 13,057,363
Other State Operations	6,287,475	19,775,025	21,225,691	20,447,025
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	241,243	297,800	297,800	297,800
Capital	4,439,743	9,430,694	12,875,088	11,719,451
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 22,726,458	\$ 41,224,771	\$ 47,682,785	\$ 45,521,639
Sources of Funds				
General Revenue	\$ 2,730,654	\$ 2,723,714	\$ 2,965,991	\$ 3,057,281
Federal Aid	19,039,378	36,614,294	41,816,515	40,375,828
Restricted Receipts	-	55,000	55,000	55,000
Other	956,426	1,831,763	2,845,279	2,033,530
Total	\$ 22,726,458	\$ 41,224,771	\$ 47,682,785	\$ 45,521,639
FTE Authorization	92.0	92.0	92.0	92.0
FTE Average	85.2			

FY 2022 Revised Request. The Military Staff requested \$4.5 million more from all sources than enacted for FY 2022. The request includes \$7,689 more from general revenues and \$4.5 million more from federal funds. *The Governor recommended \$6.5 million more than enacted and \$1.9 million more than requested, including \$0.2 million more from general revenues than enacted and requested. The Assembly provided \$2.1 million less than recommended, including \$0.1 million more from general revenues.*

Firefighters. The Military Staff requested \$44,610 more than enacted, including \$42,362 less from general revenues and \$86,972 more from federal funds, for the 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. The Military Staff indicates it intended to request \$86,538 more from general revenues, consistent with its first quarter report, to fund one position currently on long term injured on duty status. As of December, there are three firefighters with an injured on duty status. The request assumes all 30.0 firefighter positions are filled throughout FY 2022, though as of December 15, 2021, only 29.0 are filled.

The Governor recommended \$0.5 million more than requested, including \$212,139 more from general revenues, to cover 3.0 full-time equivalent positions on injured on duty status as of January 2021. He also added \$0.3 million, including \$12,746 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. He subsequently requested an amendment to shift \$0.2 million from federal funds to general revenues to cover an average of 3.0 full-time equivalent positions on injured on duty status over the course of FY 2022. The Assembly concurred with the requested amendment.

Airport Agreement. The Military Staff requested \$32,082 less from general revenues and \$96,248 less from federal funds, for its agreement with the Airport Corporation for use of the Quonset State Airport for training and parking of military planes. The agreement that expired in September 2017 was replaced in August 2019. The decrease reflects the actual cost of the contract for FY 2022, which were understated in the enacted budget. *The Governor maintained the enacted level of general revenues and reduced federal funds as requested.* **The Assembly reduced general revenues as requested.**

Other Salaries and Benefits. The Military Staff requested \$22,352 less from general revenues and \$158,496 more from federal funds for staffing expenses. As of the pay period ending December 18, there were 7.0 vacant positions, only one of which is funded from general revenues. The enacted budget fully funds all 62.0 full-time equivalent positions and the Military Staff indicated its request for additional funding was in error. *The Governor recommended \$0.5 million more than requested, including \$82,106 more from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred and included \$0.2 million less from general revenues to reflect turnover savings consistent with the Military Staff's third quarter report.**

Military Funeral Honors. The Military Staff requested \$13,500 more than enacted from general revenues for military funeral honors based on updated projections. Retired military members are paid a \$50 stipend to perform military honors. *The Governor recommended funding as requested.* **The Assembly concurred.**

Utilities. The Military Staff requested \$0.8 million more than enacted from all sources, including \$0.1 million less from general revenues and \$0.9 million more from federal funds, for electricity, fuel, water and sewer payments, which are shared expenses with the federal National Guard. The Military Staff intended to request \$413,580 less from federal funds than enacted, based on projected usage and rates for FY 2022 and updated estimates for the new Quonset simulator and Joint Force Headquarters buildings. Cost sharing depends on actual usage which varies from 100 percent federally funded, to 75 percent, or 50 percent. *The Governor's recommendation maintains the enacted level of general revenues and includes federal funds as requested.* **The Assembly concurred with the general revenues recommendation and included the enacted level of federal funds based on the third quarter report.**

Counterdrug Asset Forfeiture. The Military Staff requested \$2.4 million more than enacted from federal funds available through the state's Google settlement to construct a 15,000 square foot counter drug training facility at Camp Fogarty in East Greenwich. The project experienced delays in FY 2021 because of the COVID-19 emergency. The Military Staff indicated it intended to request funding consistent with its capital budget request, and that this request is overstated by \$343,888. *The Governor recommended funding as requested, retaining the error, which is inconsistent with his capital budget.* **The Assembly included \$343,888 less than recommended to be consistent with the capital budget recommendation.**

Capital Projects. The Military Staff requested \$25,396 less from federal funds for other capital projects. It intended to request funding consistent with its capital budget request. That request is \$1.3 million more than enacted, including \$0.3 million more from federal funds and \$1.0 million more from Rhode Island Capital Plan funds. *The Governor recommended federal funds as requested and \$1.0 million more from Rhode Island Capital Plan funds.* **The Assembly included \$1.2 million less than recommended. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Military Staff requested \$1.3 million more than enacted for all other expenses, including \$0.2 million more from general revenues. The Military Staff indicates its request for increased funds was submitted in error. FY 2021 expenditures were \$0.4 million less than enacted. *The Governor recommended general revenues as enacted and federal funds as requested.* **The Assembly included \$0.2 million more than recommended from general revenues to reflect unexpected repairs and capital expenses consistent with the Military Staff's third quarter report.**

Rhode Island Emergency Management Agency

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 4,045,374	\$ 4,046,778	\$ 4,285,774	\$ 4,359,399
Contracted Services	418,046	1,016,693	3,049,804	2,524,304
Subtotal	\$ 4,463,420	\$ 5,063,471	\$ 7,335,578	\$ 6,883,703
Other State Operations	29,488,335	4,441,527	6,617,517	10,612,938
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,151,847	10,810,612	20,271,460	19,778,544
Capital	3,177,666	2,219,076	2,794,490	2,418,003
Capital Debt Service	1,994,414	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 41,275,682	\$ 22,534,686	\$ 37,019,045	\$ 39,693,188
Sources of Funds				
General Revenue	\$ 12,648,865	\$ 2,710,290	\$ 2,798,313	\$ 7,926,431
Federal Aid	26,958,661	17,552,433	32,016,877	29,562,902
Restricted Receipts	173,742	527,563	459,455	459,455
Other	1,494,414	1,744,400	1,744,400	1,744,400
Total	\$ 41,275,682	\$ 22,534,686	\$ 37,019,045	\$ 39,693,188
FTE Authorization	32.0	33.0	33.0	33.0
FTE Average	31.6			

FY 2022 Revised Request. The Rhode Island Emergency Management Agency requested \$21.1 million more than enacted, including \$7.4 million from general revenues, \$13.9 million from federal funds, and \$0.2 million less from restricted receipts. The Agency requested 39.0 positions, 6.0 more than the enacted authorization. *The Governor recommended \$14.5 million more than enacted from all sources, including \$0.1 million more from general revenues. The recommendation is \$6.6 million less than requested, including \$7.3 million less from general revenues.*

The Governor subsequently requested an amendment to add \$4.1 million more from federal funds provided for COVID related expenses based on updated estimates.

The Assembly concurred with the amendment. It provided \$2.7 million than the original recommendation, including \$5.1 million more from general revenues and \$2.5 million less from federal funds. This largely reflects Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

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 capability 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.

The request includes \$0.3 million more than enacted from these funds, reflecting an updated projection for necessary supplies to respond to the emergency. *The Governor recommended \$0.8 million more than enacted from federal funds based on more updated information and projections.*

The Governor subsequently requested an amendment to add \$4.1 million more from federal funds based on updated estimates.

The Assembly concurred with the amended recommendation. It also provided \$5.1 million more from general revenues, offsetting \$4.7 million of expenses budgeted from federal funds, to reflect Budget Office refinement of estimated expenses subject to Federal Emergency Management Agency reimbursements. Accounting rules for when these reimbursements can be recognized have forced unbudgeted state expenses in prior years which are then shown as fund balance adjustments anticipated to be available for use in FY 2023.

Local COVID Mitigation. The Agency requested \$7.0 million more from Federal Emergency Management Agency Hazard Mitigation funds to provide project funds to local emergency management agencies to mitigate the effects of the pandemic. Localities must apply for use of these funds, conduct the project, and submit for reimbursement to the Agency. These projects must reduce the vulnerability of communities to disasters, promote individual and community safety and their ability to withstand and rapidly recover from disruption, promote vitality after a disaster, lessen response and recovery resource requirements after a disaster, and result in a safer community that is less reliant on external financial assistance. Of the requested funds, \$1.0 million would be used by the Agency to hire contractors for expense tracking, project oversight, and to assist local agencies with project development and the remaining \$6.0 million would be used for project reimbursement. *The Governor recommended funding as requested. The Assembly concurred.*

Funding to Localities. The Agency requested \$1.8 million more from general revenues to replace federal funds included in the enacted budget for staffing and operating expenses, including \$892,500 provided for staffing costs, \$450,000 provided for operating costs at the State Emergency Operations Center, and \$500,000 provided for operating costs of the Rhode Island Statewide Communications Network. The freed up federal funds would be provided to local emergency management agencies and first responders for staffing costs, training, and equipment. Rhode Island currently retains 86 percent of Emergency Management Performance Grant funding with 14 percent being passed through to local entities. This is tied for second lowest pass-through rate in the country with New Hampshire. This proposal would increase the pass-through rate to 50 percent. *The Governor did not recommend funding. The Assembly concurred.*

Response Personnel (6.0 FTE). The Agency requested \$0.6 million from general revenues for 6.0 new positions and provides a full year of funding for FY 2022. The Agency indicated that additional positions would help alleviate issues identified during the pandemic in current and future emergencies. The positions were also requested in the FY 2022 budget cycle and were not recommended by the Governor, nor approved by the General Assembly.

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. A supervising geographic information system specialist would work in its operations center and would conduct geographic information system mapping. The remaining position, a warehouse worker position, 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. *The Governor did not recommend funding or authorization for new positions. The Assembly concurred, but provided authorization for 2.0 additional positions for FY 2023.*

Other Salaries and Benefits. The Agency requested \$0.1 million more than enacted for salaries and benefits for its 33.0 positions. Changes include \$1.0 million more from general revenues, offset by \$0.8 million less from federal funds and \$0.1 million less from restricted receipts. The request includes funding for nearly all positions for FY 2022; through the pay period ending October 22, 2021, the Department had averaged 29.0 positions filled or 4.0 vacancies. The Agency also inadvertently overstated general revenue staffing expenses by \$869,147 for position costs and understated federal funds and restricted receipts collectively by \$884,351, with the difference of \$15,204 being turnover savings.

The Governor recommended \$0.2 million more than enacted, including \$0.1 million more from general revenues. The Governor corrected the errors in the request and added \$0.3 million, including \$0.1 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. These are partially offset by \$0.1 million from turnover savings and statewide medical benefit savings based on finalized rates. The Assembly concurred.

Statewide Communications Network. The Agency requested \$0.1 million more than enacted from general revenues for operating expenses such as mobile service, utilities, and equipment repairs for the Rhode Island Statewide Communications Network. The Agency indicated that \$62,500 will be for system component parts that need to be replaced while the remaining \$60,233 reflects an increase in the maintenance contract. The request is \$21,276 more than FY 2021 actual costs. *The Governor recommended \$226 less than enacted, reflecting an updated projection of necessary system maintenance. The Assembly concurred.*

Emergency Training Exercises. The Department requested \$75,000 less from restricted receipts for emergency training exercises. The enacted budget includes funding to conduct an Ingestion Pathways Training Exercise, which was conducted in spring FY 2021 and the request excludes the funding. Remaining requested funding is for tabletop exercises for continuity of operation plans for each state agency in case of emergency such as a hurricane preparedness exercise. Funding was requested and provided for both FY 2021 and FY 2022, which was pending a decision on which year staffing capacity issues would allow for it to take place. *The Governor recommended funding as requested. The Assembly concurred.*

Centralized Services. The Agency requested \$212,287 more from all sources, including \$1,992 from general revenues, for centralized services provided through the Department of Administration. The request includes \$206,871 for information technology, \$1,992 for human resources, and \$3,424 for facilities management, and in total, is \$152,968 more than spent in FY 2021. The Agency indicated 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 resulting in higher costs. The Department of Administration's first quarter internal service fund report indicated first quarter costs of \$86,141, all from general revenues. *The Governor recommended general revenues consistent with the enacted level, but includes federal funding as requested. The Assembly concurred.*

Prior Natural Disaster Relief. The Agency requested \$2.0 million less than enacted from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. The request is \$4.9 million more than FY 2021 spending. The change reflected actual reimbursements to be made in FY 2021 to entities affected by Hurricane Sandy, Tropical Storm Irene, the 2010 floods, the blizzards of 2012, 2013 and 2015, among other disasters. 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 funding as requested. The Assembly concurred.*

Emergency Operations and Performance Grants - State Match. The Agency requested \$6.6 million from all sources, including \$3.8 million from general revenues and \$2.8 million from federal funds, for two emergency operations and performance grants and the 50.0 percent required state match. The Department

requested additional federal funding of approximately \$940,000 per grant, totaling \$1.9 million; however, the enacted budget already includes \$940,000 from one of the two grants, meaning the request inadvertently double counts funding from one of the grants. The request also inadvertently overstates requested general revenues by \$1.9 million which is intended to be an exact match of federal funds. The revised request includes funding equivalent to two years of required matching funds, and the FY 2023 request inadvertently excluded the state match. This suggests that funding intended for use in FY 2023 was inadvertently included in the revised request. 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 Governor includes the additional \$1.9 million in requested federal funds; however, this was inadvertent. The Assembly corrected the error and excludes the \$1.9 million.*

Emergency Operations and Performance Grants. The Agency requested \$1.4 million more than enacted from federal emergency operations and performance grants provided by the Federal Emergency Management Agency to reflect updated award estimates. 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 funding as requested. The Assembly concurred.*

Homeland Security Grants. The Agency requested \$5.9 million more than enacted from federal funds for homeland security related upgrades throughout the state. The request is \$4.9 million more than FY 2021 spending. The increase reflects the actual awards by the Federal Emergency Management Agency. The enacted budget was an estimate, based on previous experience. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Agency requested \$0.1 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 with the largest change being for a federal grant for contractor costs for individuals who are performing duties directly related to the distribution of federal awards. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Agency requested \$28,399 more from general revenues for all other expenditures. This includes \$11,071 for the restoration of savings included in the enacted budget for reductions in miscellaneous office expenses and \$10,000 of new expenses for workspace equipment for contractors providing oversight of new federal grants. Additional funding is also included for staff uniforms, safety equipment, and fire protection supplies. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

Department of Public Safety

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 10,604,203	\$ 27,009,314	\$ 29,868,894	\$ 14,685,824
E-911	7,197,039	7,469,769	8,663,087	8,663,087
Capitol Police	5,297,178	5,066,327	5,572,372	5,487,895
Sheriffs	20,263,244	22,252,926	22,913,715	21,413,715
Municipal Police Training Academy	644,687	713,870	823,830	823,830
State Police	82,308,946	91,350,131	99,151,638	101,340,258
Total	\$ 126,315,297	\$ 153,862,337	\$ 166,993,536	\$ 152,414,609
Expenditures by Category				
Salaries and Benefits	\$ 101,574,101	\$ 106,068,421	\$ 109,068,108	\$ 110,735,561
Contracted Services	1,359,143	1,692,895	2,303,572	2,268,572
Subtotal	\$ 102,933,244	\$ 107,761,316	\$ 111,371,680	\$ 113,004,133
Other State Operations	12,747,826	15,798,246	17,667,903	17,667,903
Aid to Local Units of Government	164,614	-	-	-
Assistance, Grants, and Benefits	8,457,882	24,938,045	26,722,590	11,722,590
Capital	2,011,731	5,364,730	11,231,363	10,019,983
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 126,315,297	\$ 153,862,337	\$ 166,993,536	\$ 152,414,609
Sources of Funds				
General Revenue	\$ 43,129,422	\$ 120,604,312	\$ 123,920,921	\$ 110,262,794
Federal Aid	73,469,562	17,464,330	23,423,530	23,535,969
Restricted Receipts	5,669,122	8,515,325	9,794,498	9,865,292
Other	4,047,191	7,278,370	9,854,587	8,750,554
Total	\$ 126,315,297	\$ 153,862,337	\$ 166,993,536	\$ 152,414,609
FTE Authorization	593.6	622.6	631.2	628.6
FTE Average	564.0			

FY 2022 Revised Request. The Department's revised request includes \$8.8 million more than enacted from all sources, including \$5.9 million more from federal funds, \$0.8 million more from restricted receipts, and \$2.1 million more from other funds. The request includes 634.2 full-time equivalent positions which is 11.6 positions more than authorized. As of December 2, 2021, the Department had 531.6 filled full-time equivalent positions. *The Governor recommended \$13.1 million more than enacted from all sources, including \$3.3 million more from general revenues.* **The Assembly provided \$14.6 million less than recommended from all sources, including \$13.7 million less from general revenues, primarily reflecting shifting \$15.0 million from general revenues to FY 2023 for the statewide body-worn camera program.**

Staffing. The Department requested 634.2 positions, 11.6 more than the enacted authorization of 622.6 full-time equivalent positions. The allocation of the additionally requested 11.6 full-time equivalent employees is as follows: Central Management 2.6 full-time equivalent positions, E-911 6.0 full-time

equivalent positions, and Capitol Police 3.0 full-time equivalent positions. The new 11.6 full-time equivalent positions would start on January 1, 2022 and cost \$812,409 from all sources, but this is offset by other turnover within the Department. As of December 2, 2021, the Department had 531.6 filled positions, or 91.0 vacant positions.

Department of Public Safety Staffing				
Program	Enacted FTE	Filled as of 12/08/21	FY 2022 Gov. Rev.	Difference to Enacted
Central Management	12.0	12.0	14.6	2.6
E-911	50.6	42.6	56.6	6.0
Sheriffs	181.0	155.0	181.0	0.0
Capitol Police	53.0	48.0	53.0	0.0
Municipal Police Training Academy	2.0	2.0	2.0	0.0
State Police	324.0	272.0	324.0	0.0
Total	622.6	531.6	631.2	8.6

The revised request includes \$106.5 million from all sources for salaries and benefits, including \$91.4 million from general revenues, \$4.1 million from federal funds, \$6.4 million from restricted receipts, and \$4.6 million from other funds. This is \$1.3 million less than enacted, including \$2.0 million less from general revenues, \$0.6 million more from federal funds, \$0.2 million more from restricted receipts, and \$0.1 million less from other funds. The revised request includes staff upgrades, new positions, E-911 Staff Reclassification, and sheriff work week upgrades.

The Governor recommended \$4.2 million more than requested, which largely reflects additional funding to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, but not to the Rhode Island State Troopers Association, which is still negotiating. By fund source, the recommendation includes \$3.3 million more from general revenues and \$0.9 million more from all other sources. He also recommended revised FY 2022 staffing of 631.2 positions, 8.6 more than enacted and 3.0 fewer than requested. The recommended new positions are allocated as follows: 2.6 for Central Management for the implementation of the body-worn camera program and 6.0 positions for E-911 for the implementation of the Emergency Medical Dispatch System.

The Assembly provided \$1.7 million more than recommended, including \$1.4 million more from general revenues. This reflects adding \$3.4 million from all sources, including \$3.2 million from general revenues, \$0.1 million from federal funds, \$18,993 from restricted receipts, and \$0.1 million from other funds to account for the Rhode Island State Troopers Association's finalized contract offset by \$1.5 million of turnover within the Sheriffs Division and \$0.2 million for the 2.6 new positions the Assembly did not authorize for the statewide body-worn camera program as the Department's third quarter report indicated the positions will not be filled during FY 2022. The Assembly concurred with the 6.0 new positions for E-911 to implement the emergency medical dispatch system.

Staffing Upgrades. The Department requested \$235,312 more from all sources including \$223,652 from general revenues and \$11,660 from federal motor carrier safety funds to upgrade position classifications of 47 civilian staff members, including one each from Central Management and the Municipal Police Training Academy with the rest in State Police. The Department recently assessed job duties currently assigned to all civilian staff members, noting civilian classifications have not been reviewed in many years. Based on that assessment, the Department proposed upgrading the classification commensurate with their assigned duties and responsibilities, and to improve staff retention. The Department is awaiting Department of Administration feedback regarding requested public hearings. *The Governor did not recommend funding for this initiative. The Assembly concurred.*

Centralized Services. The Department requested \$79,627 more than enacted from general revenues for information technology expenses provided through the Department of Administration. The request is \$0.3 million more than FY 2021 spending and \$0.4 million more than projected for FY 2022, based upon the Internal Service Fund Quarter one report. *The Governor recommended \$18,559 less from general revenues than requested for facilities management based on projected spending.* **The Assembly concurred.**

Records Management System. The Department requested \$2.7 million in new spending from federal funds for implementation of the statewide records management system, pursuant to Rhode Island General Law, Section 42-28.10-1. The request includes \$750,000 from the Department's allotment of Coronavirus Emergency Supplemental Funding provided by the Department of Justice and \$2.0 million from a grant through the United States Department of Transportation, Office of Highway Safety.

Beginning in July 2021, the Department is authorized and empowered to implement, operate, and maintain a new statewide records management system. The statewide records management system will allow for the storage, retrieval, and viewing of incident and accident reports, arrests, citations, warrants, case management, field contacts, and other law enforcement records. State and local law enforcement agencies would be allowed to utilize, at their own expenses, the new system. Fees collected from the transactions would be deposited into a restricted receipts account to cover costs associated with the system. *The Governor recommended funding as requested.* **The Assembly concurred.**

Central Management

Body-Worn Camera Statewide Project. The enacted budget provided \$15.0 million from general revenues to purchase body cameras for the State Police and municipalities, but prevents any funding being spent prior to rules and regulations being promulgated and states that any unspent balances as of June 30, 2022 will be reappropriated to FY 2023. The Department's FY 2022 revised request included the funding. *The Governor recommended funding as requested.* **The Assembly shifted the \$15.0 million to FY 2023 as the Department indicated that rules and regulations will not be promulgated by the end of FY 2022.**

Body-Worn Camera Staff (2.6 FTE). The Department requested \$183,070 from general revenues for staff support to implement the body-worn camera program. This includes \$35,000 for a new contracted position within the Public Safety Grants Administration Office to create the grant application process, begin outreach, and evaluate applications submitted from cities and towns. It also included \$148,070 for 2.6 new full-time equivalent employees in the central management program to assist in addressing legal and community requests for the release of body-worn camera data and helping to maintain records and the system responsible for housing the body-worn camera footage. The positions are a full-time management information systems program manager, a full-time legal assistant, and a part-time staff attorney. This request reflected a hire date of January 1, 2022, and the FY 2023 full cost for the positions is \$323,806.

The Department indicated in its request that it is currently seeking federal funding or an allocation from the pool of funding provided by the Assembly in the enacted budget for body-cameras. The Department acknowledged that the funding provided by the Assembly is for equipment purchases and not operational costs. Additionally, the 2021 Assembly passed 2021-H 6438, which established statewide policies for the body-worn camera program, stated that no money appropriated in the state budget shall be distributed for Rhode Island police department body-worn camera expenses before rules and regulations are promulgated, pursuant to Rhode Island General Law, Section 42-161-4. On December 3, 2021, the Department of Public Safety, the Office of the Attorney General, and the Rhode Island Police Chiefs' Association issued an advance notice of proposed rulemaking and held one public forum. On December 23, 2021, the Office of the Attorney General, the Department of Public Safety, and the Rhode Island Police Chiefs' Association announced a \$1.5 million award from the Department of Justice to purchases body-worn cameras for 11 police departments. This award was not included in the Department's request as the announcement was

subsequent to the request being submitted. *The Governor recommended funding and positions as requested. The Assembly excluded the funding and positions based on indications in the Department's third quarter report that the positions would not be filled during FY 2022.*

Other Salaries and Benefits. The Department requested \$48,684 more than enacted from all sources, including \$4,916 more from general revenues for the remaining 12.0 full-time equivalent positions of its Central Management Division. The increase reflects upgrading the director of finance position to chief financial officer, upgrading the two fiscal clerks to senior administrative aides, and step increases that are not accounted for in the enacted budget. The Division has remained fully staffed throughout the fiscal year. *The Governor recommended funding as requested and added \$0.1 million, including \$59,215 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

COVID Related Expenses. The Department requested \$2.2 million in unexpended funds from federal Coronavirus Emergency Supplemental Funding Program funds from the Department of Justice to grant awards to government agencies and local law enforcement agencies to support a broad range of activities to prevent, prepare for, and respond to the coronavirus. Identified entities that the Department is proposing to issue awards to include the Office of the Public Defender for its case management system, Judicial Department, Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Office of the Attorney General, and the Municipal Police Training Academy. These funds would typically appear in the receiving state agency. *The Governor recommended \$0.1 million less than requested to reflect updated available funding. The Assembly concurred.*

Opioid Abuse Program. The Department excluded the \$200,000 included in the enacted budget for the Opioid Abuse Program. The Department did not receive the federal grant that it had anticipated. *The Governor excluded funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$112,089 less than enacted from all sources for other expenses, including \$117,617 less from federal funds and \$5,528 more from restricted receipts. Federal fund changes include \$193,309 less from the Department awarding fewer grants to local organizations and police departments than it had originally projected, primarily from the Residential Substance Abuse Treatment and the National Criminal Histories Improvement grants. The Department indicated that it removed funding from the Residential Substance Abuse Treatment and the National Criminal Histories Improvement grants as it anticipated the funding appearing in the receiving agency's budget. This is offset by \$50,000 more than enacted from the Comprehensive Addiction and Recovery Act to account for updated funding. Restricted receipt expenditures reflect adjustments for software maintenance and other services funded from indirect cost recovery. *The Governor recommended funding as requested. The Assembly concurred.*

E-911

Staffing Emergency Medical Dispatch (6.0 FTE). The Department requested \$0.5 million from restricted receipts assessed to all wired, wireless, and prepaid phone lines for 6.0 new full-time equivalent telecommunicators to help ensure proper staffing during the implementation of the new emergency medical dispatch system by the statutory deadline of September 1, 2022, mandated by Rhode Island General Law, Section 39-21.1-8. The Department requested funding to fill the positions on January 1, 2022, to account for the five month process from recruitment to certifying candidates as telecommunicators. This is for two months of recruiting and three months of training.

The Department indicated that after the vendor implemented the emergency medical dispatch software in the spring of 2021, the vendor strongly discouraged running the software at the current level of staffing; therefore, the emergency medical dispatch system is currently not operational.

The new emergency medical dispatch system is more complex than the current system and will require additional call time, thereby extending calls in queue. Additionally, the Department indicated that successful emergency medical dispatch programs require a peer-to-peer quality assurance/quality improvement system to assist telecommunicators to become and remain proficient in medical calls. The Department anticipated that the new 6.0 telecommunicators will help limit the time that a call is waiting in the queue and will allow for 3.0 existing telecommunicators to be reassigned as peer-to-peer quality assurance and 3.0 quality improvement reviewers. *The Governor recommended funding and new positions as requested. The Assembly concurred.*

Staff Reclassification. The Department requested \$0.3 million from restricted receipts to provide a two-pay grade increase to 44 E-911 shift supervisors and telecommunicators. The Department noted that the new emergency medical dispatch system, pursuant to Rhode Island General Law, Section 39-21.1-8, is a more complex software and requires increased staff responsibilities, warranting the upgrades. Previous upgrades were approved by the 2019 Assembly, which increased the starting salary of telecommunicators by two grades. The Department also believes that increasing pay for its shift supervisors and telecommunicators will help retain employees, which will allow for the Department to have the necessary staff needed to safely implement the new emergency medical dispatch system. The Department is awaiting Department of Administration approval to schedule the requested public hearing, expected to occur in February or March. *The Governor recommended funding as requested. The Assembly concurred. The Department of Administration approval to schedule the requested public hearing is still pending.*

Salaries and Benefits. The Department requested \$0.7 million less than enacted from restricted receipts for salaries and benefits for 50.6 authorized full-time equivalent positions. This reflects turnover savings equivalent to 6.2 full-time employees offset by increased overtime costs. As of the pay-period ending on November 22, 2021, the Department had 8.0 vacancies. The Department noted its continued difficulty keeping positions filled. *The Governor recommended funding as requested and added \$0.5 million, including \$51,801 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.*

The Governor subsequently requested an amendment to add \$51,801 from restricted receipts in lieu of general revenues and indicated that general revenue funding was inadvertently included. The Assembly concurred with Governor's amended recommendation.

Technology Upgrades. The Department requested \$0.5 million more than enacted from restricted receipts to upgrade E-911's inbound and outbound networks from end-of-life copper facilities to INdigital's Next-Gen i3 optical fiber network. Currently, Rhode Island is the only New England state that operates both inbound and outbound networks on copper facilities. Verizon, who maintains the copper facilities E-911 uses, has notified the Department that all copper facilities in the state will be decommissioned. Funding for this upgrade was included in the FY 2021 budget, but the Department indicated that critical information technology issues arose that delayed the implementation of INdigital's Next-Gen i3 optical fiber network. The revised request covers the one-time set up fees associated with the upgrade. The Department indicated that there will be a five-year contract, payable in monthly fees of \$25,713, for an annual cost of \$308,559. This will be offset by eliminating its existing copper network, some servers, and the corresponding maintenance contracts, bringing the annual cost to \$108,000, which is reflected in the Department's request for FY 2023. *The Governor recommended funding as requested. The Assembly concurred.*

Sheriffs

Sheriff Work Week. The Department requested \$0.4 million more from general revenues to transition the remaining 35-hour work week sheriffs to a 37.5-hour work week. The Department had 64 sworn sheriffs on the 35-hour work week and requested to transition these staff members to a 37.5-hour work week. The request is consistent with the labor contract between the Sheriffs and the state signed May 14, 2014. This obligated the state to make all reasonable efforts to propose and offer an additional twelve 37.5-hour assignments per fiscal year funding permitting, subject to final approval of the budget by the General Assembly, until all current 35-hour assignments have been upgraded to 37.5 hour assignments, or until all remaining employees have successfully bid to 40 hour assignments, whichever comes first. *The Governor recommended \$0.1 million from general revenues, reflecting his recommendation to transition only 12 sheriffs to the 37.5-hour work week during FY 2022.*

The Governor subsequently requested an amendment to remove this funding as it appeared there were sufficient resources available from unbudgeted turnover savings to fund the transition of 12 sheriffs. The Assembly concurred with the original recommendation but separately reduced funds to reflect the turnover savings.

Salaries and Benefits. The Department requested \$1.2 million less than enacted from general revenues for 181.0 authorized full-time equivalent positions to reflect additional turnover savings. The enacted budget fully funds the Division of Sheriffs, and the revised request includes turnover savings equal to 11.5 positions. The Division had averaged 24.7 vacancies through January 9, 2022, and as of the pay period ending January 1, 2022, there were 28.0 vacancies. *The Governor recommended \$1.6 million more than requested from general revenues. This reflects the Governor restoring \$0.4 million of the requested turnover savings and adding \$1.2 million from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly provided \$1.5 million less to reflect additional turnover savings based on the Department's third quarter report.*

New Vehicles. The enacted budget includes \$117,183 to fund the first-year of the three-year repayment period for the purchase of nine vehicles. The request excludes this funding as the Department purchased these vehicles outright for \$342,125 from general revenues although no funds were specifically budgeted for that purpose. *The Governor recommended funding as requested. The Assembly concurred.*

Equipment Purchases. The Department requested \$105,900 more from general revenues for safety and tactical equipment. The increase reflects purchases that were made during FY 2021, but not received until FY 2022, and the purchases of new equipment for graduates of the new Sheriffs' Academy. *The Governor recommended funding as requested. The Assembly concurred.*

Uniforms. The Department requested \$95,000 more than enacted from general revenues to purchase additional uniforms for the sheriffs. The Department's request reflects the purchase of future contractually obligated uniforms in the current year, utilizing turnover savings. The Department noted that it struggled to locate a vendor that was capable of supplying the uniforms, which impacted its ability to purchase uniforms during FY 2020 and into FY 2021 when it entered into a contract with Galls. The increase includes \$65,000 more for last year's uniform allocation and \$30,000 more for uniforms for the 25 sheriffs that are projected to graduate from the Sheriff's Academy in June 2022. As of December 6, 2021, the Department already exceeded its appropriation and has spent \$110,000 on uniforms. *The Governor recommended funding as requested. The Assembly concurred.*

State Fleet. The Department requested \$25,000 more than enacted from general revenues for vehicle maintenance and repairs bringing the total to \$300,000. The request appears to be overstated as the Department's five-year average for vehicle maintenance and repair is \$255,656. Additionally, current

spending suggests projected FY 2022 expenditures of \$219,174, which is approximately \$55,000 less than enacted and \$27,000 more than spent in FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$33,062 more than enacted from general revenues for all other expenses. This includes \$27,287 more for computers and software maintenance agreements, \$6,800 more for medical supplies, and \$20,000 less for office equipment. The increase primarily reflects the Department having moved Office 365 from the Division of Information Technology servers to hosting it independently during FY 2021 and requesting software maintenance agreements, medical supplies, and office equipment at FY 2021 expenditure levels. *The Governor recommended funding as requested. The Assembly concurred.*

Capitol Police

Screeners - Department of Administration (3.0 FTE). The Department requested \$122,152 from internal service funds for 3.0 new full-time equivalent screeners. The Department reported that the Department of Administration is proceeding with a security project to limit and direct public access at choke points for full security screening at the Powers Building and requested 3.0 new full-time equivalent screeners to accomplish this. Expenditures would be billed to the Department of Administration as part of the internal service fund for Capitol Police and will not impact the Department's budget. The Department of Administration's budget request did not include funding for these positions. *The Governor did not recommend funding or positions. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$0.2 million less than enacted from general revenues for 38.0 full-time equivalent positions for capitol police staff not allocated to internal service funds. This equates to turnover savings of 1.6 full-time equivalent positions. The enacted budget fully funds all capitol police positions and as of the pay-period ending on January 1, 2022, the Department had 4.0 vacancies suggesting turnover savings may be understated.

The Governor recommended \$0.6 million more than requested from general revenues. This includes \$0.2 million to convert two positions from internal service funds to direct billing based on the closure of a Department of Human Services' office that was previously billed for services for an entire year. It also added \$335,478 to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, offset by medical benefit savings based on finalized rates and turnover savings equal to 0.1 full-time equivalent positions.

The Governor requested an amendment to reduce general revenues by \$88,477 to reflect converting the 2.0 positions to direct billing on December 1, 2021. The Assembly concurred with the amended recommendation.

Other Operations. The Department requested \$17,000 more than enacted from general revenues for all other expenses. The increase reflects \$8,000 more for vehicle maintenance, repairs, and gas to reflect spending during FY 2021 and \$9,000 more for equipment purchases, including tasers, ammunition, body armor, and other equipment. The request for equipment purchases appeared to be overstated compared with the five-year average. The request appears to reflect use of turnover savings. *The Governor recommended funding as requested. The Assembly concurred.*

Municipal Police Training Academy

Other Personnel and Operating. The Department requested \$94,771 more than enacted from all sources, including \$760 more from general revenues and \$94,011 more from federal funds for all other costs associated with the Municipal Police Training Academy. The increase reflects an updated Highway Safety

Grant award for drug recognition experts and standardized field sobriety testing training. *The Governor recommended funding as requested and added \$15,189 from general revenues to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based finalized rates. The Assembly concurred.*

State Police

Network Switches and Data Storage. The Department requested \$1.8 million from all sources for computer supplies, equipment, repairs, and upgrades, which is \$0.9 million more than enacted. This includes \$1.0 million more from general revenues, \$0.2 million less from federal funds, adjusting for updated awards, \$7,000 more from restricted receipts, and \$0.1 million more from reimbursements for the enforcement and inspection of oversized vehicles. The increase reflects the Department's desire to replace its network switches and upgrade its data storage system.

The Department requested \$0.9 million from general revenues for network switch replacement and data storage upgrades. The Department indicated that the current network switches that service the National Crime Information Center, Management Information System, Forensic Services, and Detective Services are end-of-life and end-of-software support as CISCO, the manufacturer, will no longer be performing repairs on the switches. The Department indicated that network switches have a useful life of seven to ten years and that the current network switches are 11 years old. The request also upgraded its 120 terabyte data storage system with a 1 petabyte data storage system, which is a 733 percent increase in storage space. According to the Department, the data storage system is 90 percent full, is at end-of-life and is not supported by the vendor anymore. Additionally, the Department noted that the increased storage space will be necessary to store the body-cam footage from state troopers. *The Governor recommended funding as requested. The Assembly concurred.*

Salaries and Benefits. The Department requested \$1,957 more than enacted from all sources for salaries and benefits for the authorized 325.0 full-time equivalent positions. This includes \$0.6 million less from general revenues, \$0.6 million more from federal funds, and \$3,936 less from reimbursements for the enforcement and inspection of oversized vehicles. The request shifted \$0.6 million from general revenues to available federal Highway Safety Task Force and Internet Crimes Against Children grant funds. Highway Safety Task Force grant funds were budgeted for advertising, but the request shifted it to salaries and benefits for the DWI Task Force and reflected an updated award. Use of Internet Crimes Against Children grant funds reflects updated available funding. The Department had 18.5 vacant positions as of the pay-period ending on November 22, 2021. Turnover savings could be expected as the Department averaged 45.5 vacant positions as of December 7, 2021, but some costs are likely being offset by increased overtime.

The Governor recommended funding as requested and added \$1.0 million from all sources, including \$0.6 million from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, but not to the Rhode Island State Troopers Association, which is still negotiating. These costs are partially offset by statewide medical benefit savings based on finalized rates. The Assembly concurred and added \$3.4 million, including \$3.2 million from general revenues to account for the Rhode Island State Troopers Association's finalized contract.

SORNA Database and Operations. The Department requested \$148,806 more than enacted from the federal Sex Offender Registry Grant to maintain the Sex Offender Registry Database. The increase reflects the Department's desire to have all available funds be included in the budget as the Department received an increased award. The level of contacted services have remained the same. *The Governor recommended funding as requested. The Assembly concurred.*

Equipment Purchases. The Department requested \$0.4 million more than enacted from all sources for tasers and ammunition. This includes \$0.5 million more from general revenues, \$0.2 million less from federal funds, and \$9,650 more from restricted receipts. The increased request for general revenues includes \$0.3 million more to complete the remaining contractual obligation of its three-year taser replacement and \$0.2 million to shift ammunition costs from federal forfeitures to general revenues. The shift preserves federal forfeiture funds projected to have a balance of \$1.0 million after FY 2022. *The Governor recommended funding as requested.* **The Assembly concurred.**

58th Training Academy. The Department requested \$0.6 million less than enacted from all sources for the 58th Training Academy, which includes \$0.9 million less from general revenues and \$0.3 million more from federal asset forfeiture funds. The request includes \$0.9 million less from the new troopers not being hired, which is offset by \$0.2 million more for safety equipment and uniforms. The Department indicated that it delayed the start of the 58th Training Academy with the goal of graduating a class of 50 new troopers as it approaches 50 vacant positions. The academy is now planned to graduate the new troopers in August of 2022, which is FY 2023. *The Governor recommended funding as requested.* **The Assembly concurred.**

Federal Forfeitures (Google). The Department requested \$40,627 more than enacted from federal forfeiture funds for furniture, equipment, and vehicle accessories bringing the total to \$0.3 million, based on an updated spending plan. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Department requested \$1.4 million more from Rhode Island Capital Plan funds than enacted for its capital projects and is consistent with the capital request. This reflects \$0.7 million for a new State Police Body-Worn Cameras and Vehicle Cameras project and \$0.8 million more for the Headquarters Roof Replacement project, to reflect arbitration being complete and the final cost. *The Governor recommended \$0.2 million more than requested.* **The Assembly provided \$1.2 million less than recommended, reflecting \$0.3 million less for asset protection based upon projected spending and shifting \$0.9 million to FY 2023 for the State Police Training Academy Upgrades project. A detailed description of the projects is included in the Capital Budget section of this publication.**

Communication System Maintenance and Repairs. The Department requested \$0.5 million more than enacted, including \$0.1 million more from general revenues and \$0.4 million more from federal National Criminal History Improvement Program grant funds for maintenance and repairs to the Department's communication systems. The increase reflects maintenance contracts for telecommunications systems increasing and the inclusion of more federal funds for the new Uniform Crime Reporting system. *The Governor recommended funding as requested.* **The Assembly concurred.**

Motor Vehicles. The Department requested \$0.6 million more than enacted from all sources, including \$10,000 more from general revenues, \$48,451 more from federal funds, and \$528,115 more from other funds, primarily from road construction reimbursements, for 36 motor vehicles. The request reflects funding for the eight vehicles the Department was approved to purchase during FY 2021. The Department indicated that these vehicles were supposed to be purchased during FY 2021, but were delayed because of the automotive-grade computer chip shortage. The request includes funding at the enacted level for state fleet expenditures and state fleet revolving loan repayment expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

HOPE Initiative. The Department requested \$0.3 million from Heroin Opioid Prevention Effort (HOPE) Initiative funds, which launched in 2018 to prevent opioid addiction and overdose and ended in FY 2021. The request includes unexpended balances from previous federal awards for contracted lectures and training consultants and other miscellaneous operating expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Staff Training. The Department requested \$106,211 more than enacted from all sources, including \$108,961 more from federal funds and \$2,750 less from restricted receipts for staff training. The increase in federal funds reflects increased funding from State Homeland Security grants. Staff training expenses can include specialized law enforcement training seminars, conferences, and courses, and tuition, fees, and books for higher education courses, pursuant to the Rhode Island State Troopers Association contract. *The Governor recommended funding as requested.* **The Assembly concurred.**

Forensic Equipment. The Department requested \$60,000 in new spending from general revenues for equipment for the Division's Forensic Services Unit. The Department previously utilized federal Paul Coverdell Forensic Science Grant funds, but is no longer eligible. This funding will provide resources for the Department to acquire the tools for a Forensic Scientist to join the Division, which is included in the FY 2023 request. Doing so will allow the unit to regain its International Organization for Standardization accreditation status, which allows the Department to qualify for federal grant funding, for the Forensic Scientist to provide expert testimony, and to assist with crime scenes, similar to the practices of the Massachusetts State Police. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Department requested \$241,735 less than enacted from all sources for other operating expenses. This includes \$13,039 more from general revenues, \$333,659 less from federal funds, \$4,650 less from restricted receipts, and \$83,535 more from road construction reimbursements. The request reflects updated construction details, additional grounds maintenance expenses, and internet charges. The decrease in federal funds mostly reflects the shifting of Highway Safety Task Force funds from advertising to salaries and benefits. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of the Public Defender

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 10,988,522	\$ 11,940,298	\$ 12,715,006	\$ 12,715,006
Contracted Services	53,076	225,508	248,640	248,640
Subtotal	\$ 11,041,598	\$ 12,165,806	\$ 12,963,646	\$ 12,963,646
Other State Operations	1,107,238	1,236,958	1,225,169	1,225,169
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	10,827	45,000	64,387	64,387
Capital	141,757	59,500	59,500	59,500
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 12,301,420	\$ 13,507,264	\$ 14,312,702	\$ 14,312,702
Sources of Funds				
General Revenue	\$ 12,163,523	\$ 13,431,599	\$ 14,217,650	\$ 14,217,650
Federal Aid	137,897	75,665	95,052	95,052
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 12,301,420	\$ 13,507,264	\$ 14,312,702	\$ 14,312,702
FTE Authorization	96.0	99.0	99.0	99.0
FTE Average	92.5			

FY 2022 Revised Request. The Office of the Public Defender included \$18,741 more than enacted, which is \$19,387 more from federal funds and \$646 less from general revenues. *The Governor recommended \$0.8 million more than requested from general revenues for personnel cost adjustments.* **The Assembly concurred.**

Staffing. The Office requested \$33,509 less from general revenues for staffing expenses including \$53,509 less for salaries and benefits and \$20,000 more for a contracted part-time paralegal. The enacted budget funds 97.0 of the 99.0 authorized full-time positions in the Office. As of the November 12, 2021 pay period, there were 92.0 filled positions and the Office planned to use additional contracted services while it filled the vacancies. *The Governor recommended \$0.8 million more than requested to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Case Management System Licensing. The Office requested \$32,231 from general revenues for maintenance costs for a new case management system. In its capital request, the Office included \$0.8 million from restricted information technology investment funds for a new project to purchase a case management system that will be integrated with the Judiciary's system. It should be noted that the capital plan assumes the system will be purchased in FY 2023. Subsequent to its budget submission, and as part of an interagency agreement, the Office received federal funds through the Department of Public Safety for the new system.

The Governor recommended \$0.3 million in both FY 2022 and FY 2023 in the Department of Public Safety's budget for the new system. He added \$32,231 from general revenues for FY 2023 for licensing expenses. Subsequent to his recommendation, the Office was notified that the planned project with the Judiciary would not proceed and it will purchase a separate system potentially requiring similar licensing expenses. The Assembly concurred.

Federal Grants. The Office's revised request includes \$19,387 more than enacted from federal John J. Justice Incentive Grant funds for the student loan repayment assistance program. The program is funded through the United States Department of Justice's Office of Justice Programs; annual funding is contingent upon federal appropriations and assists public defenders and prosecution attorneys in repaying certain direct federal student loans. A borrower's requirement to repay a loan was suspended during the pandemic so the Office did not use its available grant funds to make payments on behalf of its staff. Since the suspension was to be lifted in January 2022, repayments covering two fiscal years will be made and the revised request reflects this. The Office spent \$28,680 in FY 2019, \$9,279 in FY 2020, and \$10,827 in FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Office requested \$632 more from general revenues for all other operations. *The Governor reduced requested general revenue expenses by \$9,289 to be more in line with historical spending. The Assembly concurred.*

Department of Environmental Management

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditure by Program				
Office of the Director	\$ 10,693,342	\$ 11,741,050	\$ 34,603,303	\$ 34,603,303
Bureau of Natural Resources	47,889,190	64,544,162	74,889,991	74,889,991
Bureau of Environmental Protection	26,086,488	31,635,160	33,109,182	32,991,668
Subtotal	\$ 84,669,020	\$ 107,920,372	\$ 142,602,476	\$ 142,484,962
Expenditures by Category				
Salaries and Benefits	\$ 51,659,473	\$ 54,381,332	\$ 57,606,598	\$ 57,606,598
Contracted Services	6,318,085	8,267,654	11,667,652	11,667,652
Subtotal	\$ 57,977,558	\$ 62,648,986	\$ 69,274,250	\$ 69,274,250
Other State Operations	15,858,691	18,555,733	19,041,862	19,174,348
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,358,447	6,539,095	6,803,458	6,553,458
Capital	7,474,324	20,156,558	25,567,786	25,567,786
Capital Debt Service	-	-	-	-
Operating Transfers	-	20,000	21,915,120	21,915,120
Total	\$ 84,669,020	\$ 107,920,372	\$ 142,602,476	\$ 142,484,962
Sources of Funds				
General Revenue	\$ 42,594,254	\$ 46,183,840	\$ 70,791,943	\$ 70,924,429
Federal Aid	26,345,299	32,388,890	35,539,294	35,539,294
Restricted Receipts	11,663,086	17,101,791	18,579,240	18,329,240
Other	4,066,381	12,245,851	17,691,999	17,691,999
Total	\$ 84,669,020	\$ 107,920,372	\$ 142,602,476	\$ 142,484,962
FTE Authorization	394.0	401.0	401.0	401.0
FTE Average	385.8			

FY 2022 Revised Request. The Department's revised request is \$7.1 million more than enacted from all sources. General revenues are at the enacted level. *The Governor recommended \$34.7 million more than enacted including \$24.6 million from general revenues. This is \$27.6 million more than requested and includes \$21.9 million from one-time general revenues for the Infrastructure Bank to be used as match for clean and drinking water projects.*

The Governor subsequently requested an amendment to add \$132,486 from general revenues to dispose of municipal fire departments' firefighting foam that contains perfluorinated and polyfluorinated substances. The Assembly concurred and also removed \$250,000 that was mistakenly requested from environmental trust and water and air protection restricted receipts for the payment of claims.

Staffing. The Department requested \$1.0 million less than enacted from all sources, including \$0.6 million less from general revenues, for 401.0 full-time equivalent positions. The enacted budget includes \$0.9 million of turnover savings which is equivalent to approximately 10 vacant positions; the revised request would leave another 10 positions vacant. As of the pay period ending November 20, the Department had 15 vacant positions. *The Governor recommended \$4.3 million more than requested, including \$2.7 million*

more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. **The Assembly concurred.**

One Outdoor Licensing System. The Department requested \$0.8 million in new expenditures from all sources, including \$0.2 million from general revenues, for a new One Outdoor licensing system. This new system will replace the commercial fishing, recreational hunting and fishing, and boating registration computer systems. The Department reported that the commercial fishing and boating registration systems are no longer supported and the new system will provide for the ability to have online transactions. The Department also indicated that in order to make the updates authorized in the enacted budget related to commercial fishing modernization, the commercial fishing system needs to be updated. Once implemented, ongoing annual maintenance costs are \$40,000. *The Governor recommended funding as requested.* **The Assembly concurred.**

Centralized Services. The Department requested \$0.2 million more from all sources for centralized facilities management services and \$10,830 less for information technology services provided through the Department of Administration. This is \$44,354 more than spent in FY 2021. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of the Director

Salaries and Benefits. The Department requested \$0.7 million less than enacted from all sources for salaries and benefits in the Office of the Director, including \$0.2 million less from general revenues. The enacted budget includes \$0.1 million of turnover savings. The revised request is consistent with FY 2021 spending. *The Governor recommended \$0.4 million more than requested, including \$0.2 million more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates.* **The Assembly concurred.**

Bays, Rivers, and Watersheds Fund. The Department requested \$750 more than enacted from the Bays, Rivers, and Watershed Fund restricted receipts for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change. 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 \$285,324 in FY 2021; the FY 2022 revised request is \$325,750. *The Governor recommended funding as requested.* **The Assembly concurred.**

Regional Greenhouse Gas Initiative. The Department requested \$53,325 more than enacted from restricted receipts to administer the Regional Greenhouse Gas Initiative funds. Expenses steadily increased from FY 2018 when the Department spent \$0.2 million to \$0.6 million in FY 2020. Expenses for FY 2021 were \$0.1 million. The revised request totals \$0.6 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Abandoned Vessel Removal. The Department requested an additional \$400,000 from restricted receipts for abandoned vessel removal. The requested increase intends to cover the costs of a newly planned removal for a large vessel. Funding comes from a derelict and abandoned vessel and obstruction removal fee that is assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the overall vessel length. *The Governor recommended funding as requested.* **The Assembly concurred.**

Foundry Lease. The Department requested an additional \$0.2 million from general revenues for scheduled increases in its lease costs for the Foundry building. The Department has been renting space at the Foundry building since FY 1996. The FY 2016 enacted budget authorized a new lease agreement between the state and Foundry Parcel 15 Associates, LLC beginning July 1, 2016 for a term not to exceed 10 years at a total

cost not to exceed \$25.2 million. The lease was scheduled to increase at the halfway point, which is FY 2022, but the Department did not request the funding for it in the last budget cycle. There are no other planned increases for the remaining five years. *The Governor recommended funding as requested. The Assembly concurred.*

Clean and Drinking Water State Match. Among the Department's missions are to improve water quality, including drinking water quality, and to protect public health from the adverse impacts of water pollution. The Rhode Island Infrastructure Bank and the Department co-manage a clean water state revolving fund through which municipalities and quasi-public agencies are able to access below-market rate interest rate loans for projects that mitigate water pollution. To be eligible for funds, a project must be on the Department's project priority list. The Infrastructure Bank also operates a drinking water state revolving loan fund that provides similar loans to community and nonprofit public systems, privately organized water supplies and local governments for water infrastructure projects. To be eligible for these funds, a project must be on the Department of Health's project priority list. *The Governor recommended \$21.9 million from general revenues for the Rhode Island Infrastructure Bank to provide the 20.0 percent state match for federal clean and drinking water programs. The Assembly concurred.*

Other Operations. The Department requested \$0.1 million more from all sources than enacted for all other expenditures. This includes \$62,931 less from general revenues, \$65,100 more from federal funds, and \$108,500 more from restricted receipts. General revenues were reduced for utilities based on FY 2021 spending. The increased indirect cost recovery restricted receipts reflect higher spending for maintenance and repairs. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Natural Resources

Salaries and Benefits. The Department requested \$0.2 million more than enacted from all sources for salaries and benefits of the Bureau of Natural Resources, including \$0.1 million more from general revenues. This is \$1.3 million more than spent in FY 2021. The FY 2022 enacted budget includes \$0.4 million in turnover savings and \$0.4 million in savings from the voluntary retirement incentive. The revised request restores about \$0.1 million of that. *The Governor recommended \$2.2 million more than requested, including \$1.5 million more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Parks and Recreation Operations. The Department requested \$60,582 more from all sources than enacted, including \$45,582 more from general revenues. The revised request is \$37,992 less than the \$4.9 million spent in FY 2021 from all sources. General revenues are \$0.3 million less than the \$4.0 million spent in FY 2021; however, FY 2021 spending was \$0.2 million more than the final appropriation of \$3.8 million. *The Governor recommended funding as requested. The Assembly concurred.*

Security. The Department requested \$44,582 more than enacted for security; all but \$100 is from general revenues. This represents increased municipal police details to cover law enforcement at Department properties necessitated by its own vacancies and increased crowds at facilities. *The Governor recommended funding as requested. The Assembly concurred.*

Host Beach Payments to Communities. The Department requested the enacted level of \$0.7 million 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 2021 Assembly authorized the Department to

increase beach, park, and recreational fees at state facilities located in Westerly and included \$0.6 million of associated revenues. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Department requested \$1.8 million more than the \$15.8 million included in the enacted budget to reflect revisions to current and new federal awards. It should be noted, the Department typically requests most of its available funding only to significantly underspend. In FY 2021, the Department spent \$9.8 million from all of its federal grants, which is \$6.8 million less than budgeted. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department requested \$4.1 million more than enacted from Rhode Island Capital Plan funds for seven capital projects. This is consistent with the Department's capital budget request. *The Governor recommended \$1.4 million more than requested from Rhode Island Capital Plan funds. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Department requested \$0.2 million more than enacted from all sources for all other expenditures, including \$0.1 million more from general revenues. General revenues are \$0.2 million less than spent in FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Environmental Protection

Salaries and Benefits. The Department requested \$0.6 million less than enacted from all sources for salaries and benefits of the Bureau of Environmental Protection, including \$0.5 million less from general revenues. The revised request would fund approximately 167 positions and is \$0.4 million more than spent in FY 2021. *The Governor recommended \$1.7 million more than requested, including \$1.0 million more from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The Assembly concurred.*

Rose Hill Landfill. The Department requested \$5,500 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. The Department noted the unpredictable nature of landfill gases makes it difficult to predict annual maintenance costs. Spending for FY 2021 was \$184,118 which is \$19,118 more than the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Oil Spill Prevention, Administration and Response Fund. The Department requested \$18,925 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. FY 2021 spending was \$0.4 million. *The Governor recommended funding as requested. The Assembly concurred.*

Volkswagen Settlement. The Department requested \$0.2 million more from Volkswagen Settlement funds than enacted based on delays in spending in FY 2021. FY 2020 spending was \$0.2 million; FY 2021 spending was \$1,352. 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 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 Governor recommended funding as requested. The Assembly concurred.*

Underground Storage Tank. The Department requested \$0.6 million less than enacted from restricted receipts assessed to environmental protection regulatory fees collected on every one cent per gallon of motor fuels sold to owners of underground storage tanks. Pursuant to Rhode Island General Law, Section 46-12.9-5, "the fund shall provide reimbursement to responsible parties for the eligible costs incurred by them as a result of releases of certain petroleum from underground storage tanks or underground storage tank systems." The reduction was made to more closely align the budget with project expenditures. While leaks from these tanks are unpredictable, expenditures from the fund have declined from \$1.3 million in FY 2018 to \$0.9 million in FY 2019 and FY 2020, and \$0.7 million in FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Federal Grants. The Department requested \$45,284 more than enacted from its remaining federal funds to reflect current and new awards. The Department typically requests most of its available funding only to significantly underspend. The FY 2021 final budget included \$5.1 million and the Department spent \$2.1 million. The enacted budget contains \$5.3 million for these programs. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$0.5 million more than enacted from all sources for all other expenditures, including \$3,169 less from general revenues. This includes \$0.2 million more in the payment of claims from environmental response fund and water and air protection restricted receipts. The environmental response fund derives revenues from fees associated with permits for violations of vehicles which transport hazardous materials. Applicable uses of the fund include a number of activities related to responding to hazardous material spills. Water and air protection restricted receipts are appropriated for and collected through water and air pollution control and waste-monitoring programs. The revised request also includes an additional \$250,000 that was mistakenly requested from environmental trust and water and air protection restricted receipts. *The Governor recommended funding as requested, retaining the error.*

The Governor subsequently requested an amendment to add \$132,486 from general revenues to dispose of municipal fire departments' firefighting foam that contains perfluorinated and polyfluorinated substances. These substances do not break down and can move through soils, contaminate drinking water sources, and bioaccumulate in fish wildlife. The Assembly concurred with the amended recommendation and provided reappropriation language should the expense not be completed in time. It also removed the \$250,000 mistakenly requested from restricted receipts.

Coastal Resources Management Council

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Category				
Salaries and Benefits	\$ 3,418,662	\$ 3,816,804	\$ 4,027,340	\$ 4,027,340
Contracted Services	233,150	388,770	450,770	450,770
Subtotal	\$ 3,651,812	\$ 4,205,574	\$ 4,478,110	\$ 4,478,110
Other State Operations	173,529	257,929	415,824	415,824
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	505,638	378,658	566,840	566,840
Capital	23,951	618,115	694,424	694,424
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,354,930	\$ 5,460,276	\$ 6,155,198	\$ 6,155,198
Sources of Funds				
General Revenue	\$ 2,456,606	\$ 2,809,533	\$ 2,988,872	\$ 2,988,872
Federal Aid	1,657,083	1,850,628	2,296,902	2,296,902
Restricted Receipts	220,000	250,000	250,000	250,000
Other	21,241	550,115	619,424	619,424
Total	\$ 4,354,930	\$ 5,460,276	\$ 6,155,198	\$ 6,155,198
FTE Authorization	30.0	30.0	30.0	30.0
FTE Average	26.9			

FY 2022 Revised Request. The Coastal Resources Management Council requested \$0.5 million more than the enacted budget from all sources, including \$0.2 million more from general revenues, \$0.2 million more from federal funds, and \$0.1 million more from Rhode Island Capital Plan funds. *The Governor recommended \$0.7 million more than enacted from all sources, including \$0.2 million more from general revenues. The recommendation is \$0.2 million more than requested, including \$41,973 less from general revenues. The Assembly concurred.*

Salaries and Benefits. The Council requested \$36,810 more than enacted from all sources to fund its 30.0 authorized full-time equivalent positions. By source, this is \$0.2 million more from general revenues and \$0.2 million less from federal funds. It appears the request inadvertently shifted federal funds to general revenues, understating costs attributable to federal funds by \$129,826. The request funds all positions for FY 2022; through the pay period ending November 20, the Council had 26.0 positions filled and averaged 26.7 positions filled per pay period or 3.3 positions fewer than assumed in the revised request.

The Governor recommended \$210,536 more than enacted from all sources, including \$150,414 more from general revenues and corrected the inadvertent shift to federal funds in the request. The recommendation adds \$284,305, including \$190,638 from general revenues, to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff, as well as statewide medical benefit savings based on finalized rates. The recommendation assumes no turnover savings; through the pay period ending January 1, the Council averaged 26.6 positions filled or 4.4 fewer than funded in the recommendation, overstating costs by \$0.3 million from general revenues. The Assembly concurred.

Legal Services. The Council requested \$36,000 more than enacted from federal funds for legal services for a total of \$194,000. The Council indicated that the increase is for legal research on the Council's Right-of-Way program which is used to determine if the public has the right to pass on foot, or if appropriate, by vehicle on a piece of land on the coast. At the time of the request, the Council has ten outstanding requests from four municipalities. The Council reported that these funds will be used to perform research on requirements for right of way designations for requested areas. There is also other ongoing legal work being done with Champlin's Marina on Block Island. Through December 31, 2021, the Council has spent \$104,780 on legal services, which is \$89,220 less than requested. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Federal Grants. The Council requested \$0.4 million more than enacted from federal funds for other grant funded expenditures. This includes \$80,580 more for Block Island Wind Farm monitoring for which funding supports a 28-month research project examining the engineering of the Farm's jacket support structure. The increase also includes \$107,602 to determine potential coastal resilience project costs. The funding comes from the National Oceanic and Atmospheric Administration's coastal resilience grant program, which supports projects designed to help coastal communities prepare for extreme weather and climate-related hazards like sea level rise. The Council will work in partnership with Save The Bay, University of Rhode Island, Roger Williams University and the state's 21 coastal municipalities to identify, inventory, design and permit projects that improve shoreline resilience using nature-based methods and biodegradable materials.

Other changes include \$63,700 more from the National Oceanic and Atmospheric Administration for operating costs and contractual agreements, which reflects a carry forward of unspent FY 2021 funds and updated grant award information. The remaining increase of \$93,805 reflects updated award information and includes funding to purchase a geospatial map printer to provide topographical charts for right of way zones and other coastal areas. The technology includes a map that identifies the location of each Right of Way area with an icon, which upon clicking, opens the Right-of-Way zone name, a photo of the zone, designation number, type of access provided, coastal features present, and other relevant information. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Council requested \$0.1 million more than enacted from Rhode Island Capital Plan funds for capital projects, including \$69,309 more for its Narragansett Bay Special Area Management Plan project. This is consistent with its capital request. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Council requested \$7,903 more from general revenues for all other expenses. General revenue changes include \$1,000 more for temporary staff to provide stenographic services and \$6,903 more to become a member of the Coastal States Organization. *The Governor recommended \$28,925 more than enacted, \$21,022 more than requested for all other expenses, apparently to maintain the enacted level of funding for some items.* **The Assembly concurred.**

Department of Transportation

	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
Expenditures by Program				
Central Management	\$ 15,790,082	\$ 24,984,702	\$ 26,339,679	\$ 26,339,679
Management and Budget	3,375,092	5,380,580	5,434,067	5,434,067
Infrastructure Program	569,522,514	737,515,716	779,314,024	778,982,849
Total	\$ 588,687,688	\$ 767,880,998	\$ 811,087,770	\$ 810,756,595
Expenditures by Category				
Salaries and Benefits	\$ 71,378,793	\$ 93,703,904	\$ 98,070,319	\$ 93,070,319
Contracted Services	58,233,577	68,061,002	67,529,086	67,529,086
Subtotal	\$ 129,612,370	\$ 161,764,906	\$ 165,599,405	\$ 160,599,405
Other State Operations	(21,897,011)	67,270,336	64,673,587	67,894,558
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	10,892,035	16,855,471	18,967,389	18,967,389
Capital	319,244,267	306,804,561	341,343,670	341,956,377
Capital Debt Service	317,384	315,050	315,050	315,050
Operating Transfers	150,518,643	214,870,674	220,188,669	221,023,816
Total	\$ 588,687,688	\$ 767,880,998	\$ 811,087,770	\$ 810,756,595
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	326,902,146	451,046,525	470,275,459	470,075,459
Restricted Receipts	1,293,531	2,589,202	4,692,654	4,692,654
Other	260,492,011	314,245,271	336,119,657	335,988,482
Total	\$ 588,687,688	\$ 767,880,998	\$ 811,087,770	\$ 810,756,595
FTE Authorization	755.0	755.0	755.0	755.0
	711.0			

FY 2022 Revised Request. The revised request includes \$52.5 million more from all sources than enacted, including increases of \$15.3 million from federal funds, \$2.1 million from restricted receipts and \$35.1 million from other funds, of which \$10.9 million is from gasoline tax proceeds and \$23.4 million is from highway maintenance funds. The request assumes the authorized level of staffing. As of the first pay period in November, there were 86 vacancies.

The Governor recommended \$43.2 million more from all sources than enacted and \$9.3 million less than requested. The recommendation includes \$6.6 million to account for statewide adjustments, consistent with the Governor's recent labor agreements and assuming the pay increases also apply to non-union staff. These expenses are offset by \$17.9 million less for capital projects, based on updated construction schedules. The Governor included staffing consistent with the authorized level. The Governor subsequently requested an amendment to include \$3.3 million from federal funds for insurance expenses. The Assembly concurred with the amended recommendation and included an additional \$5.0 million in turnover savings. It also added \$1.4 million in expenditures, reflecting an upward revision to the gasoline tax yield estimate and highway maintenance funds.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2022 budget. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2021 Reported	FY 2022 Enacted	FY 2022 Revised	FY 2022 Final
<i>Gas Tax Yield per Cent</i>	<i>4.074</i>	<i>4.270</i>	<i>4.419</i>	<i>4.453</i>
<i>RIDOT Cents</i>	<i>20.25</i>	<i>20.25</i>	<i>20.25</i>	<i>20.25</i>
<i>RIPTA Cents</i>	<i>9.75</i>	<i>9.75</i>	<i>9.75</i>	<i>9.75</i>
<i>Turnpike and Bridge Authority Cents</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>
Transportation Revenues				
Balance Forward	\$ 67,468,421	\$ 31,355,765	\$ 47,213,436	\$ 47,213,436
Gas Tax	136,393,691	143,043,995	147,951,392	149,169,939
Motor Vehicles Fees, Surcharges & Transfer	103,522,636	95,039,572	98,961,390	99,206,232
Toll Revenue	34,761,828	45,000,000	43,000,000	43,000,000
Surplus Property & Outdoor Advertising	209,767	226,000	226,000	226,000
Restricted Receipts	1,757,488	7,794,044	6,908,894	6,908,894
Interstate 195 Land Sales	-	1,500,000	-	-
Land Sales	1,772,168	2,500,000	3,725,000	3,725,000
Rhode Island Capital Plan Funds	981,902	71,540,808	71,993,392	71,993,392
Total Revenues	\$ 346,867,901	\$ 398,000,184	\$ 419,979,504	\$ 421,442,893
Transportation Expenses				
Winter Maintenance	\$ 11,749,335	\$ 14,407,425	\$ 16,414,555	\$ 16,414,555
Vehicles & Maintenance	8,290,023	5,249,937	9,082,722	9,082,722
General Maintenance	35,070,508	38,031,685	41,012,422	40,125,129
Pay-Go/Capital & Other	133,491,891	168,778,062	175,796,582	176,029,795
GARVEE Bond Debt Service	8,150,904	8,539,940	8,838,522	8,905,668
G.O. Debt Service*	36,353,581	37,843,127	38,095,401	38,095,401
State Match - Gas Tax	276,829	2,594,354	388,312	388,312
Internal Service Funds Transparency*	1,515,342	1,542,242	1,919,347	1,919,347
Restricted Receipts	1,293,531	2,589,202	4,692,654	4,692,654
Interstate 195 Land Sales	-	1,500,000	1,500,000	1,500,000
Land Sales	2,436,790	4,479,719	9,782,473	9,782,473
Surplus Property & Outdoor Advertising	-	50,000	-	-
Equipment Replacement	-	1,499,462	1,499,462	1,499,462
Facilities	981,902	6,590,000	7,042,584	7,042,584
RIPTA - Gas Tax	39,635,332	41,702,687	42,993,943	43,320,567
RIPTA - Highway Maintenance Account	6,149,370	5,877,105	6,300,666	6,312,296
Turnpike and Bridge Authority	14,259,127	14,944,895	15,467,414	15,584,919
Total Expenditures	\$ 299,654,465	\$ 356,219,842	\$ 380,827,059	\$ 380,695,884
Surplus/Deficit	\$ 47,213,436	\$ 41,780,342	\$ 39,152,445	\$ 40,747,009

**Shown in the Department of Administration's budget*

The request assumes a per penny yield of \$4.270 million, which was projected in May 2021 by the Office of Revenue Analysis. The per penny yield was updated to \$4.419 million in November 2021. *The Governor's recommended budget uses the November 2021 per penny yield of \$4.419 million. The Assembly used the May 2022 per penny yield of \$4.453 million.*

Centralized Services. Consistent with the enacted budget, the request includes \$6.3 million from all sources for the Department's share of centralized services provided by the Department of Administration. The request is \$0.9 million more than FY 2021 expenses; however, expenditures through the first four months of FY 2022 total \$2.3 million and are projected to be \$7.2 million. This is \$0.9 million more than enacted and appears to include \$0.2 million less for human resources support, reflective of filled positions, \$0.7 million more for information technology services, and \$0.3 million more for facilities management. *The Governor recommended \$31,449 more for facilities management based on anticipated expenses. The Assembly concurred.*

Turnover Savings. The enacted budget includes turnover savings equivalent to approximately 13 positions. The revised request includes additional turnover savings of \$1.5 million from all sources for 14.0 full-time equivalent positions, for a total of 27.0 positions. At the time of the budget submission, the Department had 81 vacancies and as of the first pay period in November, there were 86 vacancies.

The Governor concurred and recommended an additional \$6.6 million from all sources, including \$3.5 million from gas tax proceeds to account for statewide adjustments, consistent with his recent labor agreements and assuming the pay increases also apply to non-union staff. It also includes statewide medical benefit savings, based on finalized rates. The Assembly included \$5.0 million in additional turnover savings, including \$1.5 million from gas tax funds and \$3.5 million from federal funds.

Student Internship Program. The revised request includes \$0.7 million less from federal funds for the student internship program, for which the enacted budget includes \$1.3 million. Expenditures were \$0.9 million in FY 2019 and \$0.7 million in FY 2020. The Department did not offer the program in FY 2021. For FY 2022, the Department did not anticipate having as many internships as it did prior to the pandemic. Traditionally, the Department welcomes approximately 100 students to its internship program each summer and students generally work from May through the end of August. Interns are required to work between 35 and 40 hours per week on weekdays, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of: policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. *The Governor recommended \$30,408 more than requested. The Assembly concurred.*

GARVEE Debt Adjustments. The revised request includes the enacted amount of \$74.4 million from all sources, including \$65.8 million from federal funds and \$8.8 million from gasoline tax proceeds for debt issued through the GARVEE Program. The 2019 Assembly adopted legislation in Article 6 of 2019-H 5151, Substitute A, as amended, authorizing \$200.0 million to fund construction costs for the Interstate 95 Northbound Providence Viaduct project; other debt was authorized in 2003 and were refinanced in FY 2016. *The Governor recommended \$0.3 million more than requested, based on an upward revision to the gasoline tax yield. The Assembly provided \$74.7 million from all sources, \$0.1 million more than the revised budget, to reflect an upward revision of the gasoline tax yield estimate.*

Pawtucket/Central Falls Train Station. The revised request includes \$14.9 million from federal funds, or \$3.5 million more than enacted for the Pawtucket/Central Falls Train Station project. The project's infrastructure will include three platforms, a pedestrian overpass, bus drop-off access, pedestrian access and parking. Expenditures for parking are funded with general obligation bond proceeds as part of the Mass Transit Hub project. 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 request includes \$6.0 million or \$5.4 million less than enacted from a federal discretionary grant based on FY 2021 expenses, which were higher than budgeted. The Department indicated that Amtrak started separation of tracks sooner than it had anticipated and it was able to move ahead with the project. This reduction was offset by \$8.9 million from federal transit funds. The total project cost is estimated at \$45 million and is scheduled to be completed in the summer of 2022. *The Governor recommended funding as requested. The Assembly concurred.*

Federal Discretionary Projects. The revised request includes \$73.0 million or \$0.5 million more from federal funds for six ongoing projects funded with discretionary grants, which are awarded on a competitive basis and for which a state match is required for their uses. Expenditures were revised to reflect the Department's updated schedule and includes \$10.0 million less for the Route 37 Corridor, offset by increases of \$3.5 million for Newport Pell Ramps Realignment, \$5.0 million for Route 146 Reconstruction and \$2.0 million to begin a study for the Route 4 project. The request includes the enacted amount of \$15.0

million for the Interstate 95 Northbound Providence Viaduct and \$10.0 million for the Washington Bridge Repairs projects. *The Governor concurred. The Assembly concurred.*

Capital - Highway Improvement Projects. The revised request includes \$36.8 million more than enacted from all sources for highway improvement projects included in the Department's ten-year plan for FY 2023. This includes increases of \$13.3 million from federal funds and \$22.8 million from FY 2021 unspent highway maintenance funds. The request includes the enacted amount of \$63.5 million from Rhode Island Capital Plan funds.

In June 2021, the Department proposed the federal FY 2022 through FY 2031 plan; it went through the planning process and was adopted in September 2021. It contains \$8,244.7 million for transportation and transit projects and operations. Of this amount, \$3,575.9 million is included in the first four years of the plan, and \$4,668.9 million for the second half of the ten-year period. Funding for the plan in federal FY 2022 includes \$505.5 million from federal funds, \$345.1 million from state sources, including approved general obligation bonds, Rhode Island Capital Plan funds, gasoline tax proceeds, and highway maintenance funds. *The Governor concurred, with the exception of including \$18.8 million less from all sources, of which \$11.5 million less is from highway maintenance funds based on updated construction schedules. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Transit Projects. The Department requested \$1.0 million more from federal funds than enacted for transit related projects. This includes \$0.3 million for the Commuter Rail Project, for total expenses of \$4.8 million and is consistent with the capital request. It includes expenditures of \$365,000 from a federal State of Good Repair Discretionary Grant for improvements to the Providence Train Station. Renovations will include restrooms, consolidation of ticketing and baggage operations, and upgrading the public address system. Subsequently, the Department indicated that it had intended to include \$3.7 million, consistent with its capital budget request. The request also includes \$0.4 million more from CARES Act funds, of which \$0.3 million is for operations of the ferry program. Operating costs have increased to \$1.0 million, based on additional cleaning requirements from the Federal Transit Administration. The request also includes \$0.1 million for cleaning and repairs to the Wickford Train Station. *The Governor recommended funding as requested. The Assembly concurred.*

RI Public Transit Authority. The revised request includes \$94,466 less from gasoline tax proceeds to reflect the actual amount to be transferred to the Authority based on the enacted yield per penny. The revised request also includes the total enacted amount of \$9.5 million for the Authority's share of highway maintenance funds; however, this assumes \$0.2 million less from federal funds, based on the Federal Transit Administration's approved expenses for the free fare program for low income seniors and persons with disabilities. This is offset by a like amount from highway maintenance funds. The Assembly adopted legislation allowing "federal coronavirus relief funds" to be counted toward the fixed \$5.0 million minimum allocation of highway maintenance funds dedicated to the Authority to help support the free fare program for low income seniors and persons with disabilities.

The Governor recommended \$1.6 million more than requested, including \$0.2 million more from highway maintenance funds, reflecting an updated estimate and \$1.4 million more based on an upward revision to the gasoline tax yield. The Assembly included a transfer of \$53.0 million to the Authority. This is \$338,254 more than the revised budget, reflecting an upward revision to the gasoline tax yield and updated estimates of highway maintenance funds.

RI Turnpike and Bridge Authority. Consistent with the enacted budget, the revised request includes \$14.9 million 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 Governor recommended \$15.5 million, \$0.5 million more than requested, based on an upward revision to the gasoline tax yield. The Assembly provided \$0.1 million more than the revised budget to reflect an upward revision of the gasoline tax yield estimate.*

Rail Infrastructure and Safety Improvements. In 2019, the Department received a \$2.8 million grant from the Federal Railroad Administration for preliminary engineering and environmental assessment for an Amtrak stop at the T.F. Green Airport. Since then, it has been in contract negotiations with Amtrak. Based on projected expenditures, the revised request includes \$2.4 million for engineering services, \$0.9 million more than enacted; the remaining \$0.4 million is requested in FY 2023. A consultant has been hired to conduct the study. *The Governor recommended funding as requested. The Assembly concurred.*

Winter Maintenance Operations. Excluding salaries and benefits, the Department requested \$14.3 million from gasoline tax proceeds for operating expenses related to the winter maintenance program for FY 2022. Funding is used to pay for vendor contracts, as well as to purchase salt, sand and liquid de-icers. The request is \$1.9 million more than enacted and \$2.6 million more than FY 2021 expenditures; however, it is \$0.6 million less than the average annual cost for winter maintenance operations from FY 2017 through FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Vehicles/Equipment and Maintenance. The revised request includes \$4.3 million more than enacted from all sources to purchase heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing fleet. This primarily reflects unspent funds from FY 2021 due to a delay in procurement. *The Governor recommended funding as requested, with the exception of including \$538 from unspent Rhode Island Capital Plan funds. The Assembly concurred.*

Other Maintenance Division Expenses. The Department included \$0.8 million more than enacted from all sources, of which \$0.5 million is 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. Based on recent experience, the request includes \$0.2 million less for electricity for costs associated with lighting masts and traffic signals along state-owned highways and roads. It adds \$0.5 million for supplies, such as bricks, streetlight fixtures and signage. It also includes a carry forward of \$0.3 million from FY 2021 unspent highway maintenance funds for drainage projects. *The Governor concurred. The Assembly concurred and based on an upward revision to the gas tax yield and updated estimates to highway maintenance funds, it increased expenditures in the Maintenance Division by \$0.8 million.*

Congestion Mitigation and Air Quality Projects. The Department requested \$2.4 million less from federal congestion mitigation air quality grant funds than enacted. These grant funds are used to pay insurance premiums, and 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. The request excludes the enacted amount of \$3.0 million for insurance and adds \$0.5 million to Amtrak for right-of-way access fees, based on FY 2021 expenses. The Department indicated that the request was in error. *The Governor's recommendation includes funding as requested and retains the error. He requested an amendment to correct this and included \$3.3 million, reflecting anticipated expenditures. The Assembly concurred with the amended recommendation.*

Third Party Projects Reimbursement. 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 includes additional expenditures of \$2.2 million from these restricted sources. At the end of FY 2021, the Department had \$0.9 million in available receipts. It should be noted that expenditures through November 2021 are \$1.0 million more than available receipts. The Department

indicated that it paid \$1.8 million for the Pawtucket/Central Falls Train Station Project and the Rhode Island Public Transit Authority has not reimbursed the Department for the project cost. The Authority indicated there is a compliance issue that needs to be resolved with the Federal Transit Administration before it can receive the funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Real Estate Funded Projects. Excluding salaries and benefits, the revised request includes \$5.2 million more than enacted for projects and expenses supported by land sales and rental of certain properties. These receipts can be used to purchase land and equipment, or to offset operating costs throughout the Department, including personnel expenses. At the end of FY 2021, the Department had \$17.4 million of available resources and its FY 2022 revised budget assumes new revenues of \$3.7 million for a total of \$21.1 million. The revised request assumes use of these funds for certain expenditures that would have normally been funded with gasoline tax proceeds; however, due to the available balance, it includes \$1.5 million for statewide crack sealing projects, \$1.0 million for software costs associated with the project management system and \$1.5 million, or \$0.5 million more than enacted for the Broad Street Regeneration Project, which will reconstruct the full length of Broad Street, from Pawtucket to Central Falls, to include pavement, stormwater drainage, and sidewalks. It also includes \$0.6 million for a bridge repair project and \$0.4 million to the University of Rhode Island for improvements to Upper College Road. This project was awarded as part of the transportation planning process. It should be noted that the Department used a total of \$3.8 million from these receipts in FY 2020 and FY 2021 to make renovations to its materials testing laboratory in Providence to provide consistent temperature, environmental and air quality, vibration and noise control. *The Governor concurred.* **The Assembly concurred.**

National Highway Safety Grant Adjustments. Excluding salaries and benefits, the revised request includes \$0.6 million more than enacted from the National Highway Transportation Safety Administration for FY 2022. Expenditures were revised to include \$1.7 million less for media buys for various campaigns and increases of \$2.1 million for grants to municipalities and other entities, and \$0.2 million for program expenses. Grant funds are used to encourage safety on highways and provide funding for programs to lower instances of impaired driving, risk reduction and to increase seatbelt use. Historically, the Department overestimates its ability to spend these funds. The request is \$8.3 million more than FY 2021 expenses of \$8.4 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital - Facility Projects. Consistent with its capital budget request, the revised request includes \$0.4 million less from Rhode Island Capital Plan funds for facility renovation projects. This includes \$0.2 million more for maintenance facilities, offset by decreases of \$0.5 million for Salt Storage and \$0.1 million for the Train Station Maintenance and Repairs. *The Governor recommended \$7.0 million, \$0.9 million more than requested to include the automatic reappropriation for three projects.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Expenses. The revised request includes \$0.1 million more from all sources than enacted for all other expenses. This includes \$0.4 million less from federal funds for the Local Technical Assistance Program, which provides training and technical assistance to local city, county, and municipal road agencies throughout the state. The program was previously managed by the University of Rhode Island and will now be administered by the Department. The request also adds \$0.5 million from gasoline tax proceeds, of which \$0.4 million is for furniture and cubicles for current staff. *The Governor concurred, with the exception of delaying expenditures for furniture and cubicles to FY 2023.* **The Assembly concurred.**