

# Governor's FY 2025 Budget: Articles

Staff Presentation to the House Finance  
Committee  
February 8, 2024

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# Introduction

Topics		
2024-H 7224		Article 2 – Director of the Department of Health
2024-H 7225	Article 2 Sections 1-8	State Funds
	Article 3	Government Reform
	Article 6 Section 7	Vital Records

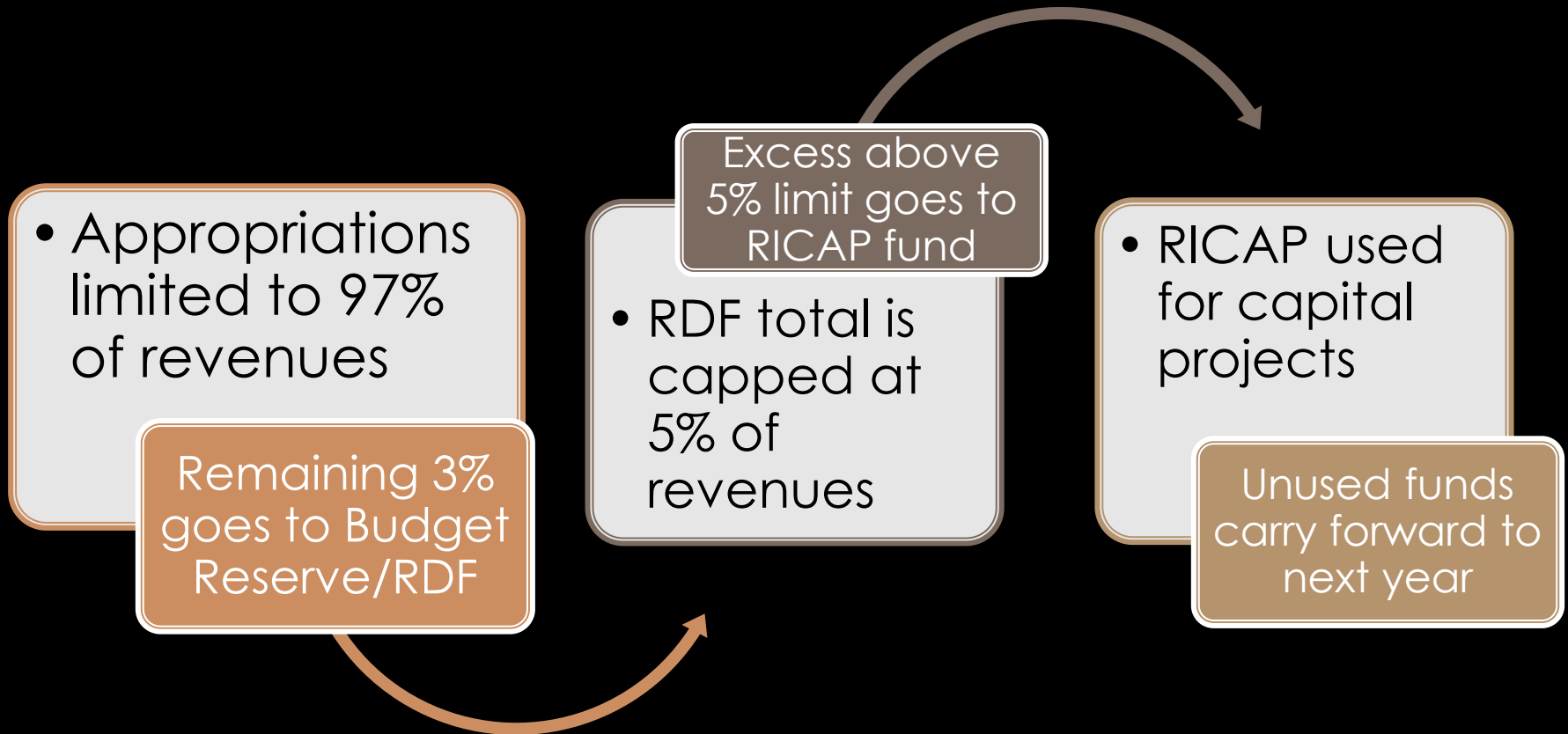
# Article 2 – State Funds

Topics	
Sections 1 and 3	Supplemental Budget Reserve
Section 2	Indirect Cost Recovery
Sections 4, 5 and 7	Group Homes
Section 6	Executive Climate Change Coordinating Council
Section 8	Commodity Supplemental Food Program Claims

# Rainy Day Fund

- Appropriations limited to 97% of the estimated general revenues
  - From all sources including prior year surplus
- Remaining 3% goes into a ***budget reserve and cash stabilization account*** or “Rainy Day Fund”
  - Can only be used under specific conditions
    - ***Current Year Revenue drop in May***
  - Amounts used must be replaced next year
    - Use has implications for RICAP funds

# Rhode Island Capital Plan Funds



# Art. 2, Sec. 1 & 3 -Supplemental Budget Reserve Account

- 2023 Assembly created Supplemental Reserve Account
  - Transferred \$55.0 million
    - Essentially increased total reserves to 6%
  - Required State Controller to transfer half of any unexpected excess revenues at fiscal close to account
    - Draft FY 2023 data shows \$6.5 million
- Article repeals excess transfer and recapture funds in FY 2024

# Art. 2, Sec. 2 – Indirect Cost Recovery

- All revenues = general revenue, unless otherwise noted – RIGL 35-3-14 (a)
- 10% indirect charge on receipts unless:
  - Prohibited (federal or other)
  - Charitable
  - Specifically listed as exempt
- Represents overhead charges
  - Similar to those allowed on federal grants
- Section 2 exempts 3 newly created accounts from indirect charges

# Information Technology Fund

- Created by 2011 Assembly for acquiring information technology improvements
  - Designed to create pool of resources for projects instead of borrowing
  - Acquiring information technology improvements
  - Originally supported by land sale revenue
    - Other one-time and ongoing sources added
    - Some project specific surcharges



# Information Technology Fund

	Assembly	Amounts/Descriptions
Transfers	2012	\$9.0 million; gen. rev.
	2014	\$26.3 million; tobacco settlement
	2021	\$67.0 million; gen. rev.
	2022	\$75.0 million; gen. rev.
Surcharges	2014	10% on wire & land lines receipts
	2017	\$1.50 DMV transactions for Reverted to DMV in FY 2023
	2018	Vital records = for certified records <\$5 mail-in, \$3 duplicate, \$2 walk-in municipal halls or DOH

# Information Technology Fund

- Governor proposes changes to sources deposited into account
  - Article 2, Sections 4, 5 and 7
    - Group homes sale proceeds
  - Article 6, Section 7
    - Vital records surcharges

# Art. 2, Sec. 4, 5 & 7 – Group Homes

- Creates Group Home Facility Improvement Fund with proceeds from:
  - Sale of state-owned group homes or rents collected from provider agencies
    - Homes licensed by Dept. of BHDDH
    - Upkeep & maintenance of state-owned facilities
      - Use of funds will be at the Department's discretion
    - Exempt from 10% percent indirect cost recovery
    - These “land sales” would not longer be deposited into IT restricted receipt account

# Art. 2, Sec. 4, 5 & 7 – Group Homes

- State-owned homes
  - Division of Developmental Disabilities
    - 107 operated by providers in private system
    - 20 in state-run RICLAS system
  - Division of Behavioral Health Care
    - 27 operated by Mental Health Services Providers
    - 8 operated by Substance Use Services Providers

# RIDOH: Office of Vital Records

- Responsible for statewide vital records system involving
  - Births
  - Marriages
  - Deaths and fetal deaths
  - Provides services to the public
    - Certified copies of vital records, corrections/authorization to a vital record
    - Hospital voluntary affidavit of paternity

# Article 6, Sec. 7 – Vital Records

- 2018 Assembly authorized chief of Office of Vital Records to assess surcharges for certified records
  - Pay for new Vital Records System modules
    - Deposited into IT restricted receipt account
      - \$0.4 million annually
  - Project entering maintenance phase
  - Article 6 Sec. 7 – shifts those receipts to general revenues
    - Budgets \$400k in DOH operating budget

# Art. 2, Sec. 8 – Commodity Supplemental Food Prog. Claims

- Creates a restricted receipt account in the Office of Healthy Aging
  - To address a potential federal audit finding for funds received through loss claims
- OHA receives federal Commodity Supplemental Food Program funds
  - Awarded to RI Community Food Bank
  - For food loss, funds from a claim paid to OHA
    - Need to be deposited into a restricted receipt account & used for specific purposes

# Art. 2, Sec. 6 – Executive Climate Change Coordinating Council

- 2023 Assembly provided Council with \$4.5 million from Regional Greenhouse Gas Initiative funds
  - Sale of carbon emission credits
    - \$3.0 million one-time transfer from proceeds
    - Up to \$1.5 million annually
  - Requires annual report
    - How funds are used to meet objectives of 2021 Act on Climate



# Art. 2, Sec. 6 – Executive Climate Change Coordinating Council

- Authorizes State Budget Officer to create restricted receipt accounts for state agencies that receive funding from Council

	<b>FY 2024 Revised</b>	<b>FY 2025 Governor</b>	<b>Total</b>
Administration	\$1,550,000	\$450,000	\$2,000,000
Environmental Mgmt.	110,000	110,000	220,000
Labor & Training	75,000	75,000	150,000
Health	40,000	40,000	80,000
Public Utilities Commission	75,000	75,000	150,000
<b>Total</b>	<b>\$1,850,000</b>	<b>\$750,000</b>	<b>\$2,600,000</b>

# Article 2 – Director of Department of Health

- Authorizes Governor to determine salary for Department of Health director position for 2024 only
- Would exempt that position from current law limitations
  - Annual public hearing process
  - Assembly option for disapproval

# Salaries of Directors

- RIGL 36-4-16.4
  - In March of each year, DOA to hold public hearing to determine salaries for department directors
  - Referred to General Assembly by last day of April to go into effect 30 days after, unless amended
    - Some exemptions have been enacted
      - Notably for filling the DCYF position

# Article 2 – Director of Department of Health

- Current law requires appointment of a 5-year term
  - Eligible for reappointment
  - Not engaged in other occupation
- Department has been without appointed director since January 2022

# Healthcare Professionals

- Center for Professional Boards and Licensing in Department of Health
  - Licenses, certifies and disciplines healthcare professionals
  - Investigates complaints
  - Identifies professional standards to ensure highest quality health care and protection of the public

# Art. 3, Sec. 15 – Healthcare Workforce Data

- Section 15 authorizes RIDOH to collect workforce and other data from licensed healthcare professionals
  - Upon licensing/renewal process
    - Data provided on voluntary basis
  - Data would be used for healthcare planning and workforce analysis
    - Prohibits making individual information public

# Healthcare Professionals

- Article defines healthcare professionals

Profession	Licenses	%of total
Nursing	37,995	26.1%
Nursing Assistant	17,632	12.1%
Physician	13,532	9.3%
Social Workers/Marriage & Family Therapist	5,728	3.9%
Dentist	3,489	2.4%
Physician Assistant	1,655	1.1%
All Other Professionals	73,053	45.1%
<b>Total</b>	<b>145,832</b>	<b>100%</b>

# Annual Reporting Requirements

Category	# of Reports
Financial/Cost	3
Incident/Event	6
Performance Measurement	10
Program Activities	11
Services	3
Other	3
<b>Total</b>	<b>36</b>



# Art. 3, Sec. 1-6, 9 & 12- RIDOH

## Reporting Changes

Sec.	Reports	Proposed Date Change
1	Status of Private Well Water Contamination	January 15 to July 1
5	Breast Cancer Act Free Mammography Screening	Quarterly to May 15 annually
6	Home Visiting	October 1 to March 1

# Art. 3, Sec. 1-6, 9 & 12- RIDOH Reporting Changes

Sec.	Repeals	
2	Recommendations Regarding Sanitary Laws	Obsolete
3	Division of Occupational Health	Division is obsolete
4	Epinephrine Incident Reporting	No incident
9	Standards for Cigarette Fire Safety	Obsolete
12	Women's Cardiovascular Screening	Obsolete

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