



OFFICE OF MANAGEMENT & BUDGET


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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Ryan W. Pearson, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer 

Date: May 20, 2022

Subject: Amendments to FY 2023 Appropriations Act (22-H-7123)

The Governor requests that several amendments be made to the FY 2023 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Section 1, Relating to Making Appropriations in Support of FY 2023 and FTE position authorizations in Section 11, FY 2023 FTE Position Authorizations. A description of each amendment requested is provided below.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

JC:22-Amend-16

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Brian Daniels, Director, Office of Management and Budget

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2023

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2023

Department of Administration

Increase Restricted Receipts in Information Technology, Page 3, Line 16, by \$460,000 from \$40,449,160 to \$40,909,160. This amendment corrects the Information Technology Investment Fund for the Rhode Island Children's Information System Project spending to reflect the State share rather than the federal share (23-DOA1).

Decrease Restricted Receipts in the Accounts and Control program, Page 2, Line 31, by \$3,449,268, from \$5,579,639 to \$2,130,371. This amendment reflects a shift of funds from restricted receipts associated with the Pandemic Recovery Office to federal funds (23-DOA2).

Decrease Federal Funds within the Accounts and Control program, Page 2, Line 28, by \$2,457,753 from \$2,807,250 to \$349,497 This amendment reflects a shift of federal funds associated with the Pandemic Recovery Office (23-DOA2).

Page 2, after Line 27 Insert the following: "Federal Funds – Pandemic Recovery Office \$4,948,839" within the Accounts and Control program. Taken together, these shifts (1) establish an accounting structure that will allow for better reporting of administrative expenses associated with federal awards, (2) allocate Pandemic Recovery Office and Grants Management Office expenses to separate accounts, and (3) reflect the most up-to-date staffing and financing plan for the Pandemic Recovery Office, including the salary and benefit costs associated with 2.0 FTE positions intended to support the administration of the federal Capital Projects Fund. Furthermore, a subsequent Governor's Budget Amendment will include a new section of Article 2 of 22-H-7123 necessary to implement this amendment (23-DOA2).

Public Utilities Commission

Increase Restricted Receipts, Page 14 Line 8 by \$150,000 from \$12,837,076 to \$12,987,076. This amendment is a technical adjustment to shift \$150,000 in restricted receipt financing from FY 2022 to FY 2023 for legal funds that will not be spent in FY 2022. (23-PUC1).

Executive Office of Health and Human Services

Increase General Revenues within the Central Management Program, Page 14, Line 12 by \$51,672 from \$42,221,694 to \$42,273,366. This amendment is being requested to accommodate a change in plans for a budget initiative within the Governor's Budget to convert current positions held by contractors to State FTE positions. EOHHS requests to change from converting contractors to an Interdepartmental Project Manager, Health Program Administrator and Interdepartmental Project Manager working within the Managed Care program to instead two Information Systems Group Coordinators and one Administrator Management Information System to work within the data unit. The amendment reflects updated cost estimates and results in a minimal general revenue increase due to the cost allocation of the positions changing from a fifty percent (50%) federal match to a ninety percent (90%) match (23-EOHHS1).

Increase Federal Funds within the Central Management Program, Page 14, Line 13 by \$25,439,540 from \$132,402,412 to \$157,841,952. This variance consists of two

amendments. The first is to accommodate a change in plans for a budget initiative within the Governor's Budget to convert current positions held by contractors to State FTE positions, a \$230,461 federal funds reduction. EOHHS requests to change from converting contractors to an Interdepartmental Project Manager, Health Program Administrator and Interdepartmental Project Manager working within the Managed Care program to instead two Information Systems Group Coordinators and one Administrator Management Information System to work within the data unit. The amendment reflects updated cost estimates and results in a minimal general revenue reduction due to the cost allocation of the positions changing from a fifty percent (50%) federal match to a ninety percent (90%) match (23-EOHHS1). The second amendment, an increase of \$25,670,000 in federal funds financing, properly accommodates the Department's spending plan, submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022, for the additional financial support for Medicaid Home and Community-Based Services (HCBS) provided in the American Rescue Plan Act of 2021 (23-EOHHS2) \$25,670,000.

Increase Restricted Receipts within the Central Management Program, Page 14, Line 20 by \$25,670,000 from \$14,401,156 to \$40,071,156. This amendment properly accommodates the Department's spending plan, submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022, for the additional financial support for Medicaid Home and Community-Based Services (HCBS) provided in the American Rescue Plan Act of 2021 (23-EOHHS2).

Decrease Federal Funds Home and Community Based Services – Medical Assistance Program, Page 15, Line 4 by \$17,291,877 from \$53,068,203 to \$35,776,326. This amendment properly accommodates the Department's spending plan, submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022, for the additional financial support for Medicaid Home and Community-Based Services (HCBS) provided in the American Rescue Plan Act of 2021 (23-EOHHS2).

Decrease Restricted Receipts – Medical Assistance Program, Page 15, Line 9 by \$14,621,847 from \$39,576,847 to \$24,955,000. This amendment properly accommodates the Department's spending plan, submitted to the Centers for Medicare and Medicaid Services (CMS) in April 2022, for the additional financial support for Medicaid Home and Community-Based Services (HCBS) provided in the American Rescue Plan Act of 2021 (23-EOHHS2).

Department of Health

Decrease Federal Funds in the COVID-19 Program, Page 17 Line 30 by \$2,927,862 from \$162,225,635 to \$159,297,773. The remaining balance of the Health Disparities Grant (\$10.5M) was equally budgeted across available miscellaneous accounts due to limited information regarding planned spending. This amendment reflects current projections for the Health Disparities Grant based on the third quarter report. These adjustments produce a \$6,836,812 balance forward for FY2024 and possibly FY2025, depending on the agency's ability to obtain a program extension. The FY2023 Budget may change considerably in the revisal process due to changes in the extended grant work plan. A Governor's Budget Amendment for FY 2022 for similar adjustments is submitted under separate cover. This amendment is in addition to GBA 12 adjustments (23-DOH1).

Increase Federal Funds in the COVID-19 Program, Page 17 Line 30 by \$449,760 from \$162,225,635 to \$162,675,395. This amendment shifts the ELC Detection & Mitigation of COVID in Homeless Services grant (ARP Direct) to FY2023 from FY2022. This adjustment supersedes GBA 12. A Governor's Budget Amendment for FY 2022 for similar adjustments is submitted under separate cover. (22-DOH2)

Department of Human Services

Increase General Revenues in the Office of Veterans Services program, Page 18, Line 31 by \$770,140 from \$30,304,208 to \$31,074,348. This item requests an increase in appropriations to cover additional amounts to be paid to eligible Veterans or their estates dating further back than 2013 and to the Veteran's Home first receipt from the U.S. Department of Veteran's Affairs prevailing rates for eligible Veterans commencing October 1, 2010, through February 1, 2013. These additional payments would comply with a recently approved Corrective Action Plan as requested by the U.S. Department of Veteran's Affairs. The agency has and continues to comply with the reimbursements required for Veterans and their estates impacted as of 2013 (23-DHS1).

Increase Federal Funds in the Individual and Family Support program, Page 18, Line 20 by \$225,000 from \$119,508,574 to \$119,733,574. This amendment utilizes Preschool Development Grant funding for the system design of a child care licensing IT system. The child care Licensing functionality is currently incorporated into the Department of Children, Youth and Families RICHIST system which is in the planning stages of being upgraded. Since child care Licensing is now a DHS responsibility and associated ACF Regulations need to be met regarding the Child Care Assistance Program it is a logical progression to separate this system from the DCYF system of record and transition it to DHS. Current plans for the new RICHIST does not include a new child care licensing system. DHS grant funding is available to support the implementation and ongoing needs of its own child care licensing system (23-DHS2).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

General Revenues for Hospital and Community Rehabilitative Services, Page 21, Line 34 by \$0 from \$30,504,895 to \$30,504,895. This is a revenue neutral amendment reducing the recommended personnel budget due to anticipated higher turnover projections to finance a total of \$1,500,000 for the Department's contract with an out-of-state provider to deliver services for up to five patients currently residing at the State forensic hospital (23-BHDDH1).

General Revenues for Hospital and Community Rehabilitative Services, Page 21, Line 23 by \$0 from \$80,422,430 to \$80,422,430. This is a revenue neutral amendment reducing the recommended personnel budget due to anticipated higher turnover projections to finance a total of \$284,500 general revenue for a support contract for CMS compliance issues at Eleanor Slater Hospital estimated to cost \$569,000 all funds. This contract may receive more than an administrative match rate, but a conservative match rate was utilized for this estimate (23-BHDDH2).

Increase General Revenues for Hospital and Community Rehabilitative Services, Page 21, Line 23 by \$1,114,016 from \$80,422,430 to \$81,536,446. This increase reflects a shift of FY 2022 projected surplus to from FY 2022 to FY 2023 to finance facilities work at hospital buildings to maintain accreditation (23-BHDDH3).

Federal Funds for Hospital and Community Rehabilitative Services, Page 21, Line 24 by \$0 from \$31,993,975 to \$31,993,975. This is a revenue neutral amendment reducing the recommended personnel budget due to anticipated higher turnover projections to finance a total of \$284,500 federal funds for a support contract for CMS compliance issues at Eleanor Slater Hospital estimated to cost \$569,000 all funds. This contract may receive more than an administrative match rate, but a conservative match rate was utilized for this estimate (23-BHDDH2).

Elementary and Secondary Education

Increase Restricted Receipts in the Administration of the Comprehensive Education Strategy program, Page 23, Line 13 by \$19,500 from \$2,271,670 to \$2,291,170. This amendment reflects the anticipated expenditures from a charitable grant from United Way, as authorized in § RIGL 16-1-15. (23-RIDE1)

Department of Corrections

Increase General Revenues for Central Management program, Page 29, Line 11, by \$163,387 from \$18,618,789 to \$18,782,176. This amendment adds \$120,000 for seasonal/special salaries/wages and \$43,387 for IT system support to reflect the correct projected expenditures and which also results in aligning the FY 2023 Governor Recommendation with the FY 2022 Governor Revised Recommendation (23-DOC1).

Department of Environmental Management

Increase General Revenues in the Office of the Director program, Page 33, Line 22, by \$850,000 from \$8,007,872 to \$8,857,872. This amendment would fund expenditures related to the 2023 Ocean Race stop at Fort Adams in Newport, including funding that would be allocated to Sail Newport to cover most event costs and funding for state employee overtime (23-DEM1)

SECTION 11, FY 2023 FTE POSITION AUTHORIZATION

Page 38, Line 30, strike ~~660.7~~ and replace with 662.7. This amendment would add two FTE positions to the Department of Administration: a Chief of Strategic Planning, Monitoring and Evaluation, and a Senior Economic and Policy Analyst. These positions are necessary to provide administrative support for and oversight of the \$112.3 million federal Capital Projects Fund.

SECTION 16, APPROPRIATIONS IN SUPPORT OF 2023

Page 46, Insert after Line 19 the following: "DOA – Pandemic Recovery Office", and increase funding for FY Ending 6/30/2024 totaling \$1,621,728, insert funding for FY Ending 6/30/2025 totaling \$1,621,728, insert funding for FY Ending 6/30/2026 totaling \$1,621,728, and insert funding for FY Ending 6/30/2027 \$125,449. (23-DOA2)

Page 48, Insert After Line 8 the following: "DOA – Pandemic Recovery Office. These funds shall be allocated to finance the Pandemic Recovery Office established within the Department of Administration pursuant to section 18 below." (23-DOA2)

Summary of Governor's Article 1 Amendments to FY 2023 Appropriations Act (22-H-7123)

| | General Revenue | Federal Funds | Restricted Receipts | Other Funds | Total | Amendment Code (23-AGENCY#) |
|---|----------------------|----------------------|------------------------|----------------------|-----------------------|--------------------------------|
| FY 2023 Expenditures (Original Governor's Recommend) | 4,731,312,148 | 5,311,039,436 | 432,230,976 | 2,350,432,468 | 12,825,015,028 | |
| March 3, 2022 Amendments | (1,215,113) | 4,324,634 | (27,219,536) | 228,000 | (23,882,015) | |
| April 22, 2022 Amendments | 2,391,317 | 3,588,866 | 736,767 | 2,895,000 | 9,611,950 | |
| April 29, 2022 Opioid Amendments | - | - | 20,288,596 | - | 20,288,596 | |
| May 4, 2022 COVID Budget Amendments | - | 33,417,510 | 15,422,857 | - | 48,840,367 | |
| May 20, 2022 CEC 2022 Budget Amendments | (24,621,601) | 182,682,872 | (205,000) | | 157,856,271 | |
| May 2022 End of Session Amendments | | | | | | |
| Department of Administration | | | | | | |
| <i>Correction to ITIF for RICHIST</i> | | | 460,000 | | 460,000 | 23-DOA1 |
| <i>Pandemic Recovery Office Adjustment</i> | | 2,491,086 | (3,449,268) | | (958,182) | 23-DOA2 |
| Public Utilities Commission | | | | | | |
| <i>Shift of Legal Funds from FY22 to FY23</i> | | | 150,000 | | 150,000 | 23-PUC1 |
| Executive Office of Health and Human Services | | | | | | |
| <i>Contractor to FTE Conversion</i> | 51,672 | (230,461) | - | - | (178,789) | 23-EOHHS1 |
| <i>HCBS eFMAP</i> | - | 8,378,123 | 11,048,153 | - | 19,426,276 | 23-EOHHS2 |
| Department of Health | | | | | | |
| <i>Health Disparities Grant</i> | | (2,927,862) | | | (2,927,862) | 23-DOH1 |
| <i>ELC Homeless Services Grant</i> | | 449,760 | | | 449,760 | 23-DOH2 |
| Department of Human Services | | | | | | |
| <i>Vet's Home Service-Connected Refund</i> | 770,140 | | | | 770,140 | 23-DHS1 |
| <i>Child Care Licensing IT System</i> | | 225,000 | | | 225,000 | 23-DHS2 |
| Behavioral Healthcare, Developmental Disabilities, and Hospitals | | | | | | |
| <i>Out-of-state Provider Contract (Revenue Neutral)</i> | [\$1,500,000] | | | | - | 23-BHDDH1 |
| <i>CMS Compliance Issues Contract Support (Revenue Neutral)</i> | [\$284,500] | [\$284,500] | | | - | 23-BHDDH2 |
| <i>Hospital Compliance Projects</i> | 1,114,016 | | | | 1,114,016 | 23-BHDDH3 |
| Elementary and Secondary Education | | | | | | |
| <i>United Way Grant</i> | | | 19,500 | | 19,500 | 23-RIDE1 |
| Department of Corrections | | | | | | |
| <i>Special Salaries and IT System Support Correction</i> | 163,387 | | | | 163,387 | 23-DOC1 |
| Department of Environmental Management | | | | | | |
| <i>Ocean Race</i> | 850,000 | | | | 850,000 | 23-DEM1 |
| Total | 2,949,215 | 8,385,646 | 8,228,385 | - | 19,563,246 | |
| Grand Total | 4,710,815,966 | 5,543,438,964 | 449,483,045 | 2,353,555,468 | 13,057,293,443 | |