



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: Jonathan Womer
Director, Office of Management & Budget

Date: April 19, 2021

Subject: Amendments to FY 2022 Appropriations Act (21-H-6122)

The Governor requests that several amendments be made to the FY 2022 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2022, as well as changes to various other sections of Article 1. A description of the amendments requested is provided below.

If you have any questions regarding these amendments, please feel free to call me or my staff at 574-8430.

In addition to the changes in requested appropriations described in this memo, the Budget Office would like to recognize the following updates which are not reflected in the Appropriations Act and not discussed elsewhere in this memo:

- Following the submission of the Governor's Budget, the Department of Revenue informed the Budget Office of a calculation error related to the budget initiative dedicating \$0.16 of the Real Estate Conveyance Tax to the newly recommended Housing Production Fund. This results in a general revenue loss of \$431,284 in FY 2022 relative to the original estimate. The Governor's Recommended budget originally assumed a general revenue loss of \$862,513 which should have been correctly calculated as \$1,293,797. There is a corresponding increase in restricted receipts appropriations within the Housing Production Fund reflected in this amendment (see 22-EOC2 below).
- In consultation with the Department of Environmental Management, the Budget Office has downwardly revised the FY 2022 general revenue impact of the proposal to increase daily parking fees at Misquamicut Beach by \$26,262 from \$621,634 to \$595,372.

JW:21-Amend-5

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
James E. Thorsen, Director of Administration

Stephen Whitney, Senate Fiscal Advisor
Joseph Codega Jr., Deputy Budget Officer

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2022

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2022

Executive Office of Commerce

Increase Rhode Island Capital Plan Funds in Quasi-Public Appropriations for Quonset Point Infrastructure, Page 8, Line 6, by \$2,900,000 from \$3,100,000 to \$6,000,000. This amendment restores funding to the Quonset Point Infrastructure project that was inadvertently omitted from the Governor's FY 2022 budget as submitted. The newly recommended value is consistent with the FY 2021 enacted budget (22-EOC1).

Increase Restricted Receipts in the Housing and Community Development Program, Page 7, Line 16, by \$359,327 from \$7,659,565 to \$8,018,892. This amendment addresses two recommended changes: (1) an increase of \$431,284 to correct for a calculation error which the Department of Revenue brought to the attention of the Budget Office following budget submission (22-EOC2); and (2) a decrease of \$71,957 resulting from an amendment to Section 6 of Article 12 proposed under separate cover which would create a tax exemption to eliminate double-taxation under the real estate conveyance tax of property development projects that utilize federal Low-Income Housing Tax Credits. (22-EOC3).

Department of Labor and Training

Increase General Revenues in the Workforce Development Services program, Page 8, Line 27, by \$100,381 from \$804,517 to \$904,898. This amendment addresses two components of the Workforce Development Services program: (1) A decrease of \$100,000 for the elimination of a grant for the Opportunities Industrialization Center, as the center has ceased operations (22-DLT1); and (2) An increase totaling \$200,381 to support two partnerships between the Department of Corrections and the Department of Labor and Training in FY 2022. The first of these is focused on providing resources to help vendors and incarcerated people better navigate programs and systems at the Adult Correctional Institutions (ACI) in order to increase access to employment post-release, while the second is focused on standing up an apprenticeship pilot program at the ACI. Required funding for the Department of Corrections, totaling \$321,691 for both initiatives, was included in the Governor's recommended budget; however, corresponding funding to support required DLT staff and resources was excluded from the Governor's recommendation. This amendment will provide funding for 1.5 FTE positions at DLT to support these initiatives, including 1.0 Chief of Employment and Training Programs at pay grade 134A and 0.5 Principal Employment & Training Interview at pay grade 323A. The Department will not require additional FTE authorizations to facilitate this work; instead, existing FTE positions will be redirected from grant-funded projects to these collaborative initiatives (22-DLT2).

Department of Children, Youth, and Families

Increase Federal Funds in the Central Management program, Page 13 Line 14, by \$1,300,000 from \$3,596,426 to \$4,896,426. This increase adds the federal matching funds inadvertently excluded from the FY 2022 Appropriations Act relating to the COPS recommendation for the RICHIST system replacement (Article 4 "Relating to Debt Management Act Joint Resolutions") (22-DCYF1).

Increase Federal Funds in the Child Welfare program, Page 13, Line 29, by \$613,142 from \$68,770,417 to \$69,383,559. The Governor recommended a Child Care Assistance Program rate increase as part of the FY 2022 Appropriations Act. This amendment reflects the impact of the increased rates on the childcare population paid for by the Department of Children, Youth, and Families (22-DCYF2).

Department of Human Services

Decrease General Revenues in the Office of Veterans Services program, Page 16, Line 10, by \$179,553 from \$29,371,663 to \$29,192,110. This amendment is to properly account for the expected general revenue savings from the influx of federal FEMA funding related to the COVID-19 pandemic, and the decrease in costs related to the lower census at the Veterans Home (22-DHS2).

Decrease Federal Funds in the Office of Veterans Services program, Page 16, Line 12, by \$1,169,656 from \$11,625,281 to \$10,455,625. This amendment is to properly account for the expected FEMA reimbursements at the Veterans Home (22-DHS1).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase Restricted Receipts in the Hospital and Community System Support program, Page 17 Line 23 by \$580,409 from (\$280,409) to \$300,000. This increase is comprised of two components: (1) A technical adjustment to correct a negative expenditure and (2) Increasing the account back to its expected cash receipts based on historical trends (22-BHDDH1).

Increase General Revenues in the Hospital and Community Rehabilitative Services program, Page 19 Line 4 by \$596,363 from \$77,704,398 to \$78,300,761. This amendment increases the appropriation for the hospital licensing fee payment due to a prior year adjustment in FY 2020 that increases net patient revenue to the Eleanor Slater Hospital (ESH). Additional federal Medicaid funds are now anticipated due to approval of a Medicaid State Plan Amendment (SPA) which allows for billing (22-BHDDH2). The Budget Office expects no net fiscal impact when considered in conjunction with a corresponding increase in FY 2022 Hospital Licensing Fee general revenue.

Attorney General

Increase General Revenues in the Criminal program, Page 25, Line 12, by \$34,129 from \$17,785,954 to \$17,820,083. This amendment restores funding for standard annual information technology charges that was erroneously excluded from the Governor's recommended budget (21-AG3).

Increase Federal Funds in the Criminal Program, Page 25, Line 13, by \$315,000 from \$2,524,560 to \$2,839,560. This amendment is comprised of two changes: (1) An increase of \$150,000 for a new federal grant entitled "Federal Victim's Liaison". The purpose of the grant is to hire a liaison to act as a bridge between the Office of the Attorney General and other state agencies to improve and increase access for crime victims to resources within the targeted area (22-AG1); and (2) An increase of \$165,000 for a newly received federal grant in support of the "Innovative Prosecution Solutions for Combating Violent Crime" project administered by the U.S. Department of Justice (22-AG2).

Judiciary

Increase Federal Funds in the District Court Program, Page 28, Line 14 by \$385,620 from \$185,875 to \$571,495. This amendment is comprised of changes for the Rhode Island Veterans Treatment Court (RIVTC) as the Court proposes a five-year project aimed at expanding Rhode Island's statewide pre-plea, pre-sentence treatment court program to meet the growing needs of justice-involved veterans presenting with substance abuse, mental health disorder, or co-occurring disorders. Successful completion of the RIVTC program results in jail diversion, reduction of charges, or alternate sentencing, including dismissal of all charges related to the offense. The RIVTC intends to serve 115 unduplicated clients annually with a total of 575 unduplicated clients served throughout the grant. Proposed services will begin within four months of contract start date (22-JUD1).

Department of Transportation

Decrease Federal Funds in the Infrastructure - Engineering program, Page 31, Line 23, by \$1,728,800 from \$417,135,144 to \$415,406,344. This amendment is comprised of a correction to the CARES Act Transit operations grant to accurately reflect the total available award amount of \$13.3 million for FY 2020 through FY 2022 (22-DOT1).

Reallocate Federal Funds in the Infrastructure - Engineering program, Page 31, Line 23, for no net change. This amendment is comprised of a \$1,288 zero-sum correction to reflect full personnel expense allocations to other federal fund accounts which pass through the Highway Payroll Clearing Account (22-DOT2).

SECTION 12, RHODE ISLAND CAPITAL PLAN FUND APPROPRIATIONS THROUGH JUNE 30, 2026

Insert new line on Page 38, before Line 31, "EOC – Quonset Piers" with \$3,100,000 for FY Ending 06/30/2023, \$0 for FY Ending 06/30/2024, \$0 for FY Ending 06/30/2025, \$0 for FY Ending 06/30/2026. This addition of \$3,100,000 will allow for the completion of the planned work at the Davisville Road Pier and was inadvertently omitted from the Governor's budget recommendations in March.

Summary of Governor's Article 1 Amendments to FY 2022 Appropriations Act (21-H-6122)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (22-AGENCY#)
FY 2022 Expenditures (Original Governor's Recommendation)	4,371,272,821	4,129,495,745	341,871,722	2,327,828,073	11,170,468,361	
April 12 Amendments	1,099,774	14,350,980	25,000		15,475,754	
April 19 Amendments						
Executive Office of Commerce						
<i>Correction to Quonset Point Infrastructure</i>				2,900,000	2,900,000	22-EOC1
<i>Correction to \$0.16 of Real Estate Conveyance Tax to Housing Production Fund Initiative</i>			431,284		431,284	22-EOC2
<i>Real Estate Conveyance Tax Transfers Involving Affordable Housing Exemption</i>			(71,957)		(71,957)	22-EOC3
Department of Labor and Training						
<i>Removal of Grant for OIC</i>	(100,000)				(100,000)	22-DL.T1
<i>Fund Partnership with Department of Corrections on Post-Release Employment</i>	200,381				200,381	22-DL.T2
Department of Children, Youth, and Families						
<i>RICHIST Replacement Federal Funds</i>		1,300,000			1,300,000	22-DCYF1
<i>Child Care Rate Increase</i>		613,142			613,142	22-DCYF2
Department of Human Services						
<i>RIVH FEMA Adjustment</i>	(179,553)				(1,169,656)	22-DHS1
<i>RUVH Additional General Revenue Savings</i>					(179,553)	22-DHS2
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
<i>Restore Restricted Receipt Balance</i>	596,363				580,409	22-BHDDH1
<i>Adjust Hospital Licensing Fee for FY 20 ESH Retroactive Billing</i>					596,363	22-BHDDH2
Attorney General						
<i>Federal Victim's Liaison - New Grant Award Amount</i>		150,000			150,000	22-AG1
<i>Federal USDOJ Innovative Prosecution Solutions - New Grant Award Amount</i>		165,000			165,000	22-AG2
<i>Restore Information Technology Charges Funding</i>	34,129				34,129	22-AG3
Judiciary						
<i>R.I. Veterans Treatment Court - Five Year Project</i>		385,620			385,620	22-JUD1
Department of Transportation						
<i>CARES Act: Transit Operations Correction</i>		(1,728,800)			(1,728,800)	22-DOT1
<i>Highway Payroll Account - Zero Sum Correction</i>		[1,288]			[1,288]	22-DOT2
Total	551,320	(284,694)	939,736	2,900,000	4,106,362	
Grand Total	4,372,923,915	4,143,562,031	342,836,458	2,330,728,073	11,190,050,477	