

Governor's FY 2024 Budget: Requested Budget Amendments

Staff Presentation to the House Finance
Committee
May 16, 2023

Summary

- Governor has requested 15 amendments
 - All posted on Assembly & OMB websites
 - Today's hearing focus
 - American Rescue Plan Act
 - Municipal Roads Grant Program
 - Reallocation of Funds
 - Municipal Zoning/Local Comprehensive Plan Requirement Exclusion
 - DCYF Female Youth Facility
 - Article 11 – State Leases
 - DD Rate Remodel

Introduction

Topic	Article #	GBA #	Date Req.
Municipal Roads Grant Program	1	5	3/8
State Fiscal Recovery and Capital Project Funds	1	11	4/17
BHDDH DD Rate Remodel	1	11	4/17
Municipal Zoning Exclusion	1	14	5/5
State Leases	11	15	5/5

State Fiscal Recovery Fund – *Municipal Roads Grant Prog.*

- 2013 Assembly established Municipal Road and Bridge Revolving Loan Fund
 - Provide municipalities access to capital
 - Administered by Infrastructure Bank
- Governor added \$20.0M from SFRF for new Municipal Roads Grant Program
 - Available to cities and towns
 - Construct & maintain roads, sidewalks & bridges
 - Funding included in DOA
 - Administered by Infrastructure Bank

State Fiscal Recovery Fund – *Municipal Roads Grant Prog.*

- Governor's requested amendment #5
 - Transfers funding and administration of program to Department of Transportation
 - Requires match from municipalities
 - Amount or percent not specified
 - DOT Subcommittee Hearing – March 29
 - Director testified all communities would receive a base amount
 - DOT retains unobligated funds as of June 30, 2024
 - Statewide paving projects

American Rescue Plan Act

- State & Local Fiscal Recovery Funds
 - \$1.8 billion over 2 years
 - \$1,131.1 million to the state
 - \$112.3 million for capital project expenses
 - \$536.8 million to locals
 - Use spans several state fiscal years
 - Must obligate by Dec. 31, 2024 - **FY 2025**
 - Funded projects must be completed by Dec. 31, 2026 - **FY 2027**
 - Governor advances future funding to FY 2024 to ensure timely obligation of funds

Pandemic Recovery Office

- 2022 Assembly established Pandemic Recovery Office in public law
 - Ensure compliance w/ rules, regulations & guidance & submission of all required reports
 - \$1.1 billion - State Fiscal Recovery Fund
 - \$112.3 million - Capital Projects Fund
- Empowered Budget Officer
 - Ensure distribution of these funds is contingent upon compliance
 - State and federal rules, regulations and guidance

American Rescue Plan Act

- Governor's requested amendment #11
 - Pandemic Recovery Office to notify Governor
 - Programs at risk of significant underspend
 - Noncompliance with federal/state requirements
 - Authorizes DOA director to reallocate funds to alternate program that can obligate and spend funds
 - With approval of Governor, Speaker of House and Senate President
 - Timing and conditions not identified

State & Local Fiscal Recovery Funds

A. Respond to the public health emergency (PHE) and its economic impacts

B. Respond to workers performing essential work during COVID-19 PHE by providing premium pay to eligible workers

**ARPA specifies
four eligible
uses**

C. Provision of government services to the extent of the reduction in revenue due to the COVID-19 PHE

D. To make necessary investments in water, sewer or broadband infrastructure

BHDDH – Rate Remodel

- State signed agreement with DOJ in 2014
 - To address day & employment activity services
- There have been recent court orders filed
 - To ensure the state is in compliance with the consent decree
 - Includes review of services and reimbursement rate
 - Plan to remodel how the state provides & pays for services to adults with developmental disabilities in the privately operated system
 - FY 2023 budget funded the plan

BHDDH – Rate Remodel

- Oct. 2021 court approved action plan to comply with DOJ consent decree
 - Included Rate Review & DSP wage increases

Court Order		Status
Rate Review	Completed by 12/2022 & recommended changes in the FY 2024 recommended budget	Review Done/ Not included in FY 2024 recommended budget
DSP Wages	FY 2023: \$18/hour FY 2024: \$20/hour Both years: Overnight & supervisor wages will increase proportionally	Included in FY 2024 recommended budget

BHDDH – Rate Remodel

- Health Management Associates completed review and proposal
 - Submitted to BHDDH on January 30, 2023
- Initial informal discussions suggested an increase between \$74 - \$92 million
 - Value appears to have included direct support professional reimbursement rate increase from \$18 to \$20/hour
 - Governor's FY 2024 budget - \$30.8M/\$13.9M GR
 - GBA adds \$44.2 million/\$20.0 million from GR
 - Support other rate changes, services and programs

BHDDH – Rate Remodel

- GBA #11 adds \$44.2 million for FY 2024
 - \$20.0 million from general revenues

Privately Operated System	FY 2023 and FY 2024	
	General Revenues	All Funds
FY 2023 - DSP to \$18/hour	\$15.2	\$34.3
FY 2024 Gov DSP to \$20/hour	13.9	30.8
FY 2024 GBA Rate Remodel	20.0	44.2
Total	\$49.1	\$109.3

\$ in millions

BHDDH – Rate Remodel

- Assembly authority required to seek federal approval to make any changes
 - EOHHS determined that a Medicaid resolution was not needed
- EOHHS submitted request to CMS for new rates on April 6, 2023
 - CMS could take weeks or a few months for approval
 - GBA assumes rates take effect July 1, 2023

Community Based Services

Tier	Authorization Packages			
	24-hour	Shared Living	Independent Living	With Family
A	\$80,784	\$51,232	\$48,469	\$28,057
B	\$81,573	\$57,803	\$68,956	\$38,695
C	\$119,107	\$81,255	\$100,393	\$70,133
D	\$201,295	\$120,757	\$148,765	\$118,504
E	\$233,924	\$135,542	\$163,550	\$133,289

Community Based Services

Tier	# of Persons by Setting				
	24–hour	Shared Living	Independent Living	With Family	Total
A	7	24	236	334	601
B	59	84	153	563	859
C	385	193	95	587	1,260
D	217	28	36	189	470
E	421	86	36	136	679
Total	1,089	415	556	1,809	3,869

Community Based Services

Tier	Total Expenses				
	24 – hour	Shared Living	Independent Living	With Family	Total
A	\$0.6	\$1.2	\$11.4	\$9.4	\$22.6
B	4.8	4.9	10.6	21.8	42.0
C	45.9	15.7	9.5	41.2	112.2
D	43.7	3.4	5.4	22.4	74.8
E	98.5	11.7	5.9	18.1	134.2
Total	\$193.4	\$36.8	\$42.8	\$112.8	\$385.8

\$ in millions

BHDDH – Rate Remodel

- Keeps the Tier Levels: A, B, C, D & E
 - Increases reimbursement rates
 - Consolidates some services and rates
 - Adds new services
 - Companion room & board
 - Remote supports
 - Vehicle modifications
 - Workplace assistance
 - Employment services treated as an add-on benefit to an individual's funding package
 - Only added if an individual requests it

BHDDH – Rate Remodel

Services - Example	Current	Remodel	Rate Change
Group Home	5 Rates – By tier		14% to 93% increase
Home Based Day	5 Rates by tier	Included in group home - No separate rate	N/A
Supportive Living		10 rates – 2 per tier level	14% average
Shared Living		10 rates – 5 new enhanced ones	48% -93% increase to current rates

PRTF/Female Youth Facility

- State does not have enough space to treat adolescent girls and young women who face severe and complex behavioral health challenges
 - Only St. Mary's has a PRTF program
 - Per Diem: \$1,089 per youth
 - Most are sent out-of-state or Bradley Hospital
 - March 1 - 36 of 63 out-of-state youth are female
 - Census fluctuates daily
 - March 1 – 8 at Bradley
 - 14 in Bradley congregate care system

PRTF/Female Youth Facility

- 2022 Assembly provided \$12.0 million from APRA funds to expand existing in-state housing and design a new facility
 - \$45.0 million in out-years for construction
- Governor provides funding as enacted
 - \$11.0 million for 12 more in-state placements at St. Mary's
 - \$1.0 million for new facility design
 - New facility will be constructed on state-owned land in Exeter
 - Still in planning stages

Article 1 – New Section

- GBA #14
 - Adds \$250,000 from RICAP in FY 2024 for land use planning for state-owned property in Exeter
 - Excludes the DCYF Residential Treatment Facility project from municipal zoning & local comprehensive plan requirements
 - RIGL 45-22.2 & 45-24

Article 11 – State Leases

- Joint Resolution requesting General Assembly approval for the state to enter into 5 long-term property leases for 4 Departments
 - Human Services
 - 2 Leases
 - Children, Youth and Families
 - Revenue
 - Elementary and Secondary Education

State Leases



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graph LR; A[State Properties approves request from agency] --> B[Agency goes through RFP process]; B --> C[Assembly approval (if required)]; C --> D[State Properties executes lease];
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State Properties approves request from agency

Agency goes through RFP process

Assembly approval
(if required)

State Properties executes lease

Article 11 – State Leases

Entity	Location	Square Ft.	Years	Total Cost
DHS	31 John Clarke Rd, Middletown	4,400	5	\$0.5
DHS	125 Holden St, Providence	17,000	10	5.4
DCYF	530 Wood St, Bristol	15,693	5	1.7
DOR	2000 Diamond Hill Rd, Woonsocket	4,877	5	0.4
ELSEC	TBD, Providence	25,000 – 30,000	5	N/A
Total				\$8.0

\$ in millions

Article 11 – Section 6

- Department of Elementary and Secondary Education
 - Currently located at the Shepard Building
 - Must relocate – state plans to sell the building
 - Article would authorize a five year lease
 - 25,000 – 30,000 square foot facility in Providence
 - Currently occupies 61,044 square feet in Shepard Building
 - Cost & exact location currently unknown
 - Funding is not provided
 - GBA 15 eliminates this section – not expected to move forward

Article 11 – New Section

- GBA adds 3rd lease for DHS
 - One Reservoir Ave, Providence – Field Office
 - Staff moved to this location in 2021
 - Co-locating with DLT in 25,000 square feet of space
 - DHS uses approximately 4,000 square feet now
 - 10-year lease renewal effective July 1, 2023
 - Current lease expires June 30, 2023
 - Includes a 10-year renewal option
 - DLT plans to vacate in June and DHS would take over whole space
 - Extra ~21,000 square feet

Article 11 – New Section

- Current year cost \$579,250
 - Unclear what current split is between DHS/DLT
 - First two years base rent would be same and grow to \$623,789
 - Not to exceed aggregate total of \$6,012,995
- DHS footprint expands six fold with this
 - Holden street space adds 35,000 ft
 - Occupancy questions remain

Years	Base Rent Not to exceed
1-2	\$579,250
3-5	\$593,731
6-8	\$608,574
9-10	\$623,789
Total	\$6,012,995

Article 11 – Section 3 (2/9/2023)

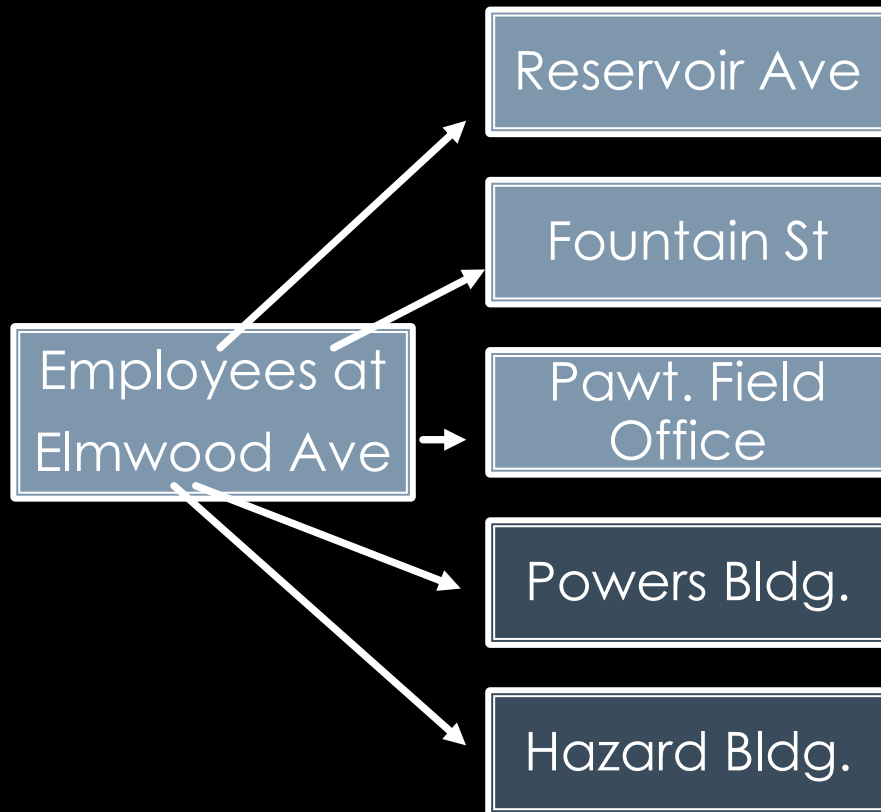
- Department of Human Services
 - 125 Holden St, Providence – Field Office
 - Signed 1 year lease for occupancy by July 1, 2023
 - Seeks to extend into a 10-year lease
 - First year base rent of \$476,000
 - Annual cost increase based on greater of percent growth reported in CPI or 3.0%
 - Multiple unsuccessful attempts for new space
 - Covered in last budget proposal but not enough progress to resolve
 - Sufficient funding for short term solution added

2022-H 7123 Article 14

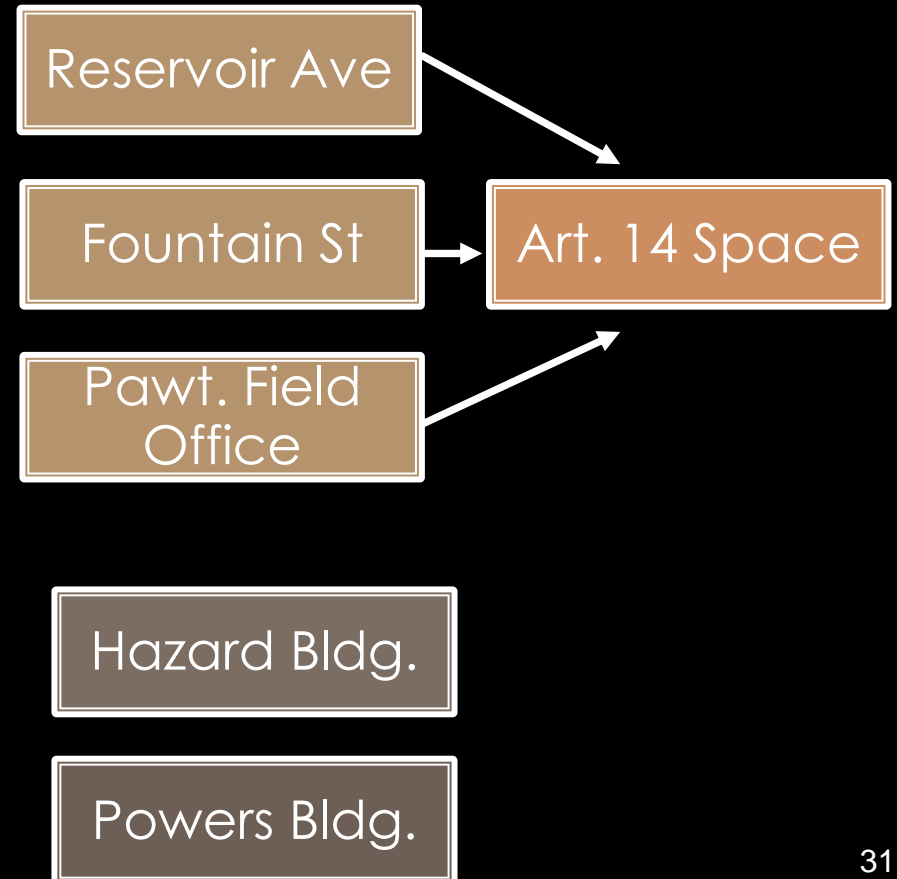
- Department of Human Services
 - Providence Field Office
 - Previously 206 Elmwood Ave. Providence
 - Closed Dec 1, staff moved to 5 other state owned/leased locations
 - Customer-facing staff at Reservoir Ave, Fountain St & Pawtucket Field Office
 - Back-office staff at Powers and future space on Pastore
 - Lease for new space
 - 10 year term for 7,500 square feet
 - Total amount not to exceed \$1.7 million
 - Annual cost \$165,000 does not appear to be funded

2022-H 7123 Article 14

FY 2022 Enacted



FY 2023 Governor



Article 11 – GBA

- Issues to consider
 - What is the expected total footprint for DHS?
 - What services and staff are in each location?
 - Is 10-year the right length for lease?
 - Redetermination wave is short term
 - What are the long-term expectations for in-person services
 - Multiple pending IT enhancements to customer service

Article 11 – State Leases

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DHS	1 Reservoir Ave Providence	25,000	10	6.0
Total				\$14.0

\$ in millions

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