State Government Personnel and Staffing

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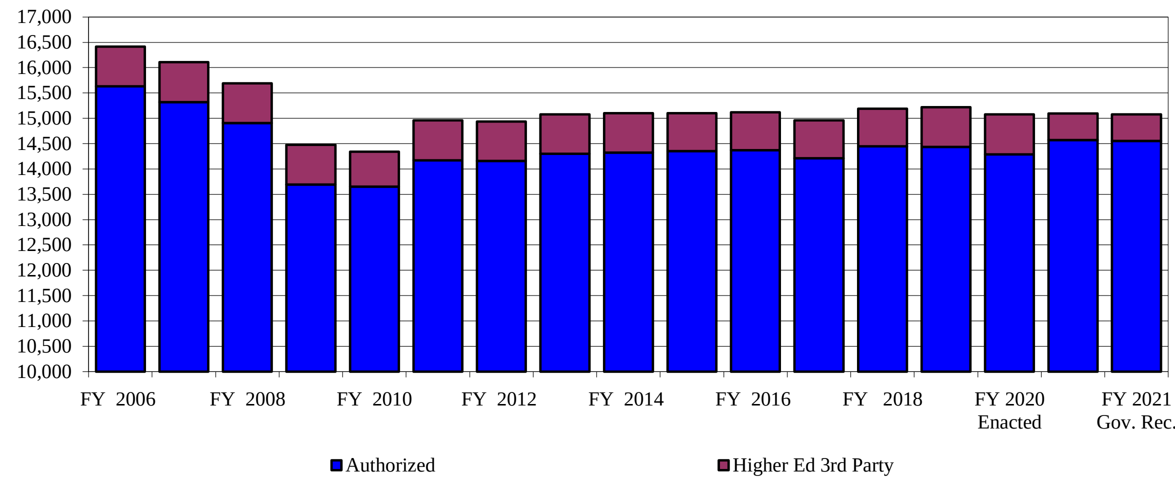
The Governor recommends $2,246.5 million for personnel expenditures and 15,074.7 full-time equivalent positions, including 523.8 higher education positions dedicated for research or supported by other third-party funds. The expenditures include salaries and benefits, as well as contracted services. The recommendation is $63.2 million more than the enacted budget, including $36.0 million more for salaries and benefits and $27.2 million more for contracted services, of which $9.2 million or approximately one-third is in the Department of Transportation.

The recommendation assumes the enacted level of staffing; however, this includes approximately 240 new positions and offsetting reductions. Among the staffing changes are 45.0 new positions in the Department of Transportation to carry out the Department's plan to perform more operations in-house; 42.0 new positions in the Department of Health funded primarily from federal funds and restricted receipts; 40.0 new positions in the Department of Children, Youth and Families; 13.0 new positions relating to the adult use marijuana proposal in the Department of Business Regulation; 12.0 new positions for discharge planning and other programs in the Department of Corrections; and 9.0 new positions in the Department of Elementary and Secondary Education. These new positions and several others are offset by a reduction of 204.0 positions from the privatization of the state-run system for adults with developmental disabilities also known as Rhode Island Community Living and Supports.

Full-Time Equivalent Positions



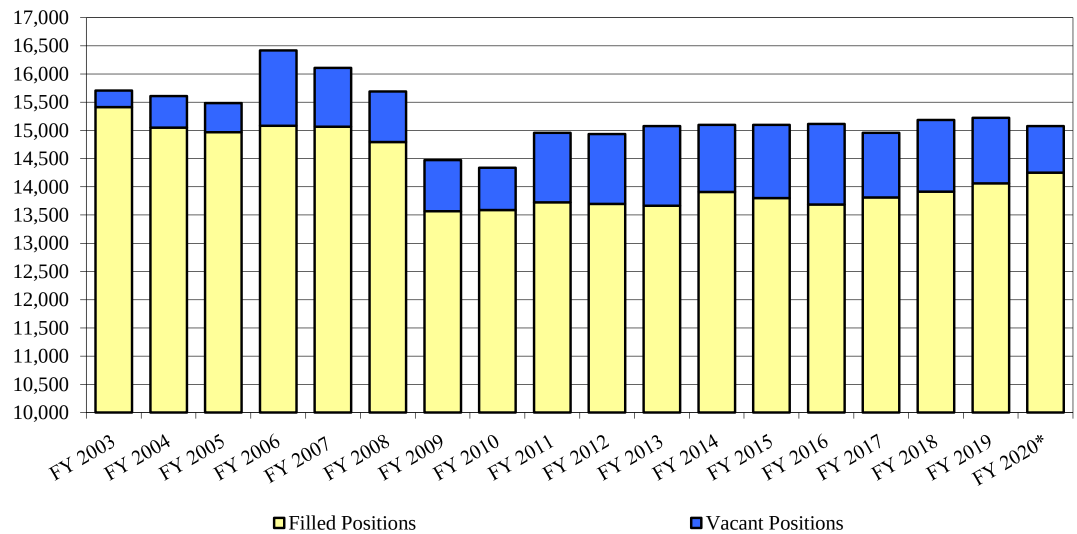
As of January 4, 2020, there were 14,209.3 positions filled, leaving 504.7 non-research vacancies. In FY 2019, the state averaged 14,062.1 filled positions, reflecting an average of 1,011.6 vacancies. In FY 2018, the state averaged 13,913.2 filled positions reflecting an average of 1,194.2 non-research vacancies.

For many years, the budget has also limited a certain number of higher education positions to those solely funded by third-party sources in response to requests from the higher education institutions to reduce constraints on their pursuit of outside research funding.

The General Assembly sets personnel limits for each agency and department defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or individuals in training requisite to employment, such as state trooper classes. Generally, agencies do not fill all authorized positions because of various reasons, such as hiring freezes or budgeted turnover savings. Turnover is budgeting less money than needed for full staffing. Turnover savings result from the gap in time from when an employee leaves state service and a new employee is hired at a lower cost or from when a department leaves a position vacant to achieve a certain level of savings.

The following chart shows averaged filled and authorized staffing levels from FY 2003 through FY 2019 and filled positions for FY 2020 as of January 18, 2020. Authorized levels peaked in FY 2006; however, filled positions peaked in FY 2003. A significant reduction to both authorized and filled positions is apparent in FY 2009, FY 2010 and FY 2011 resulting from a major surge of retirements in 2008 and severe constraints put on refilling the vacancies. Other significant issues during that period are noted below.

Full-Time Equivalent Positions



**As of January 18, 2020*

- Total filled positions peaked at 15,413.9 in FY 2003. Filled positions dropped by 365.3 to 15,048.6 in FY 2004 during which there was a hiring freeze.

- The increase in authorized positions during FY 2005 is the result of an additional 461.2 higher education positions that are dedicated for research or supported by other third-party funds.

- Total authorized positions peaked in FY 2006 from an additional 151.9 authorized positions, primarily from a new class of correctional officers at the Department of Corrections and new nursing programs at each of the colleges. However, filled positions remained consistent with prior years.

- During FY 2007, the Governor proposed initiatives including measures to encourage eligible individuals to retire, such as ending statutory status and payment for unused sick leave and revisions to accrued vacation leave, freezing longevity payments, shutting down government operations for two days, and establishing limited service positions. The Assembly did not concur with the proposals; however, it did reduce vacant general revenue funded positions, eliminating 419.4 vacant positions.

- The decline in both authorized and filled positions in FY 2009 resulted from changes to retiree health benefits included in Article 4 of 2009-H 5019, Substitute A, as amended. This change caused a significant number of state employees to retire. There were 14,917.8 filled positions on December 6, 2007, compared to December 8, 2009, when there were 13,302.1 filled positions.

The FY 2017 enacted budget included authorization for 14,952.6 positions, 274.7 positions less than the Governor had recommended. The 2016 Assembly eliminated 225.0 vacancies to better align authorization and filled staffing levels.

The Governor's FY 2017 revised recommendation included 82.3 positions more than the enacted budget. For FY 2018, she recommended staffing of 15,067.4 positions, 114.8 positions more than enacted. She subsequently requested two amendments, adding 159.0 full-time equivalent positions for the Unified Health Infrastructure Project and making a technical change to staffing in the Judiciary, bringing her recommended staffing to 15,226.2 positions. The Assembly authorized only 14,959.0 positions for FY 2017, 6.4 positions more than enacted but 79.9 less than the Governor's revised budget; it did not concur with the majority of the new positions recommended. That year, the state averaged 13,809.6 filled positions.

In FY 2018, the state averaged 13,913.2 filled positions. During the second half of FY 2018, the administration implemented a voluntary retirement incentive under its own authority. State employees eligible to retire on or before December 31, 2017 were eligible for the incentive. Beginning on January 12, 2018, the number of filled positions declined for ten consecutive pay periods as eligible participants retired. On January 11, 2019, there were 149.3 more positions filled then there were when the program began.

The Governor recommended staffing of 15,426.5 full-time equivalent positions for FY 2019, 266.3 positions more than previously authorized for FY 2018. This added authorization for more than 300 new positions, offset by the elimination of numerous unidentified positions in several departments, notably the Departments of Administration, Public Safety and Transportation. The 2018 Assembly authorized FY 2019 staffing of 15,209.7 full-time equivalent positions, 49.5 positions more than enacted; however, it was 216.8 full-time equivalent positions less than recommended. This reflects the elimination of 160.0 vacancies to bring authorizations closer to funded staffing levels.

The FY 2020 recommendation was for 15,413.1 full-time equivalent positions, 203.4 more than FY 2019 enacted. The 2019 Assembly provided 15,074.7 positions for FY 2020, 338.4 fewer positions than the Governor's original recommendation. The Assembly did not concur with numerous new positions recommended and eliminated 202.0 full-time equivalent vacant positions.

The Governor's FY 2020 revised budget includes staffing of 15,095.7 full-time equivalent positions, 21.0 more than authorized for the Department of Children, Youth and Families. The recommendation for FY 2021 is consistent with the authorized level.

Personnel Costs

Personnel costs include both salaries and benefits and contracted services. Benefits include direct benefits to employees as well as assessed statewide employee benefits. Contracted services are services state government purchases by contract. The Governor's personnel recommendation includes $1,871.4 million for salaries and benefits and $375.1 million for contracted services. These expenditures represent an increase of $63.2 million or 2.9 percent from the FY 2020 enacted budget.

The recommendation includes $1,871.4 million for salaries and benefits, an increase of $36.0 million, or 2.0 percent. General revenue expenses for salaries and benefits increase by 3.2 percent and contracted services increase by 56.6 percent to reflect the restoration of general revenues for the Unified Health Infrastructure Project, for which settlement funds were assumed and the State Tax Administration and Revenue System, for which the enacted budget had assumed $2.9 million from the Information Technology Investment Fund.

FY 2021 Recommended Excluding Internal Service Funds	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	$ 626,740,350	$ 187,602,953	$ 50,862,694	$ 374,523,654	$ 1,239,729,651
Benefits	350,429,747	105,336,732	29,453,733	146,498,378	631,718,590
Total Salaries and Benefits	**$ 977,170,097**	**$ 292,939,685**	**$ 80,316,427**	**$ 521,022,032**	**$ 1,871,448,241**
Contracted Services	90,949,451	184,335,644	68,276,820	31,522,275	375,084,190
Total Personnel	**$ 1,068,119,548**	**$ 477,275,329**	**$ 148,593,247**	**$ 552,544,307**	**$ 2,246,532,431**

These expenditures exclude internal service funds; however, the staffing levels do include them, which skews the actual cost per position. Internal service funds, often called rotary accounts, are established to finance and account for the operations of certain overhead type programs that provide services to other state agencies on a charge for services basis. The expenditures appear as state operations costs in the agencies being charged and are not included in the statewide personnel totals to prevent double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2007 enacted budget. The 2009 Assembly included the Governor's proposal to convert the central laundry and pharmacy internal service funds into direct appropriations in FY 2010.

FY 2021 Recommended Including Internal Service Funds	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	$ 626,740,350	$ 187,602,953	$ 50,862,694	$ 411,585,250	$ 1,276,791,247
Benefits	350,429,747	105,336,732	29,453,733	168,505,700	653,725,912
Total Salaries and Benefits	**$ 977,170,097**	**$ 292,939,685**	**$ 80,316,427**	**$ 580,090,950**	**$ 1,930,517,159**
Contracted Services	90,949,451	184,335,644	68,276,820	44,627,883	388,189,798
Total Personnel	**$ 1,068,119,548**	**$ 477,275,329**	**$ 148,593,247**	**$ 624,718,833**	**$ 2,318,706,957**

The 2017 Assembly adopted legislation authorizing internal service funds for centralized services including information technology, facilities management, and human resources. The legislation also requires that the Department of Administration report on a quarterly basis, starting with October 15, 2017, the fund activities, including breakdown by each department and agency. The report must be submitted to the Speaker of the House and President of the Senate with copies to the chairpersons of the House and Senate Finance Committees. As shown in the following table, the reports are often submitted late.

Fiscal Year	1st 10/15	2nd 1/15	3rd 4/15	4th 7/15
2020	10/31	1/17		
2019	2/19		5/21	9/13
2018	10/13	2/21	11/24	

It should be noted that the operations for information technology services, facilities management and human resources support total $99.1 million for FY 2020; however, the amount of resources that the enacted budget assumes in agency budgets to support these operations total $84.6 million, a difference of $14.5 million; it is likely that charges to agencies will increase to support the level of services that are budgeted. In December 2019, the administration indicated that the rates for FY 2020 were finalized. The revised budget assumes expenditures of $97.7 million to support the aforementioned programs; the amount assumed in agency budgets to support them total $92.2 million, a difference of $5.6 million. The finalized rates for FY 2020 have somewhat reduced the gap between expenditures and resources.

ISF Budgets	FY 2020 Enacted	FY 2020 Revised	Chg. To Enacted	FY 2021 Recommended	Chg. To Enacted	Chg. To Revised
Human Resources	$ 14,847,653	$ 13,381,939	-9.9%	$ 13,937,328	-6.1%	4.2%
DCAMM Facilities	40,091,033	40,214,312	0.3%	42,849,110	6.9%	6.6%
Information Technology	44,113,005	44,127,512	0.0%	49,488,621	12.2%	12.1%
Total	**$ 99,051,691**	**$ 97,723,763**	**-1.3%**	**$ 106,275,059**	**7.3%**	**8.8%**
Agency Budgets	$ 84,594,596	$ 92,156,067	8.9%	$ 94,480,728	11.7%	2.5%
Difference	**$ (14,457,095)**	**$ (5,567,696)**	**-61.5%**	**$ (11,794,331)**	**-18.4%**	**111.8%**

The Governor's FY 2021 budget includes the creation of an internal service fund for payroll processing. Certain personnel from the Office of Accounts and Control who perform payroll related duties would be transferred to Human Resources; the costs of the associated positions would be charged to user agencies. The budget assumes general revenue savings of $0.3 million for three positions in the Office; however, expenditures for them in the internal service fund budget are not included nor are they included in charges that would be billed to agencies. This will further impact billings for FY 2021.

There are three divisions of state service: classified, unclassified, and non-classified. Classified service includes competitive and non-competitive positions. Competitive positions require employees to take civil service examinations, as opposed to non-competitive positions which include positions that require licenses, certificates, or registrations. Positions may also be unclassified or non-classified. Positions in the unclassified service are established by law and are subject to compliance with standards of the federal government and regulations set forth by the state's Personnel Administrator. Positions in this category generally include the employees of elected officials, courts, boards and commissions, both houses of the General Assembly, department directors, and various positions of a policy making nature. All appointments are made by the appointing authorities or the Governor in accordance with the provisions of the laws governing such appointments and the personnel rules adopted for the unclassified service. Positions within the non-classified service are covered under contract terms for the Board of Education and include positions related to a health system transformation project, as well as faculty.

It should be noted that the Governor's two previous program supplement budget publications showed all previously authorized non-classified positions in higher education as unclassified positions, resulting from an error in transitioning to a new budget system. This was identified two years ago and was corrected in this year's publication. Other issues remain with unclassified positions and their legal authority.

Employee status refers to an employee's protection during reorganizations or layoffs. When an employee is first hired, he or she may have temporary or probationary status, which provides the least protection. All employees that were hired prior to August 7, 1996, will have statutory status when reaching 20 years of state service. This means that the state is required to find a suitable position for that employee in the case of reorganizations or layoffs. For veterans, statutory status is acquired after 15 years of service. On January 29, 2020, the administration reported that there were 2,110 employees with statutory status, including 110 employees who were eligible through the veterans' provision.

Governor Chafee commissioned an analysis of the state's personnel system to recommend alternatives to the current system. The study was completed in January 2013 and found that the current personnel structure, organization and staffing of the Division of Human Resources was not sufficient to support the state's need as the recruiting process was highly paper-based, job classification structures did not reflect qualifications to deliver the services and the compensation structures were non-competitive.

A total of 16 actions were recommended, including: implementing an online application system, eliminating the public hearing process when making changes to the classification structure, and hiring a new chief of human resources to be dedicated to establishing strategic direction and developing policies. The 2013 Assembly provided funding for this position, which was filled in December 2013.

The FY 2016 revised and the FY 2017 recommended budgets included a total of $1.2 million for a classification and compensation study. The study was completed in the summer of 2017 and through FY 2018, a total of $0.8 million was spent. The following excerpts summarize the major findings from four comparisons.

Salary structure: Overall, the state's salary structure is different from the market in the following ways:

- Range minimum: 7.6 percent higher than the market average minimum
- Range midpoint: 2.5 percent lower than the market average midpoint
- Maximum: 11.8 percent lower than the market average maximum

Health care insurance:

- On average, Rhode Island is 9.7 percent higher than the market median for employer contribution to health care plans

Retirement plan:

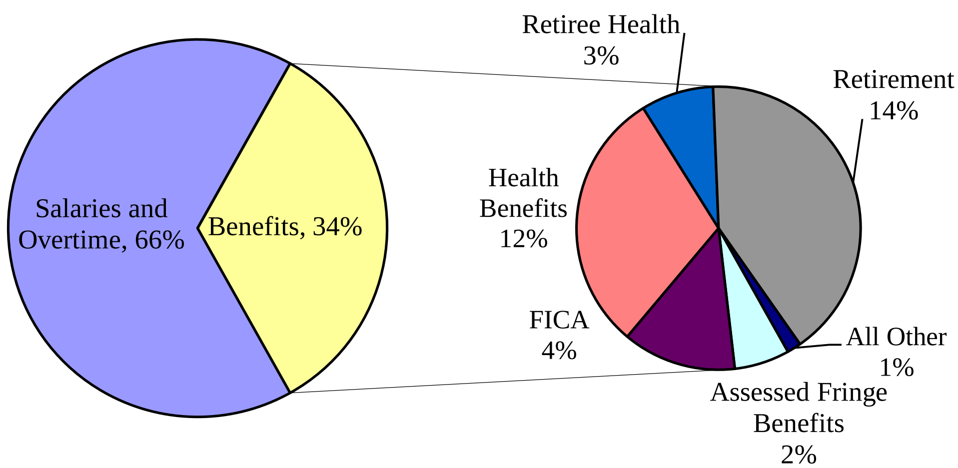
- On average, Rhode Island is 1.34 percentage points higher than the market for maximum employer contribution to the primary retirement plan

Paid leave:

- Rhode Island is comparable with the market for paid holidays, personal days, and bereavement days offered per year
- Rhode Island is comparable with the market for annual accrual vacation days and sick leaves
- Rhode Island is above the market for carry-over vacation days by 331 percent, and above market for carry-over sick leave by 711 percent

Salaries and benefits make up 83.3 percent of total personnel costs. The following charts represent the total cost of salaries and benefits. The larger pie chart divides salaries and wages, including overtime and benefits. The smaller pie chart breaks out the percentage of each benefit type. Each of the items included in the graphic is described in further detail in the paragraphs that follow.

FY 2021 Recommended Salaries and Benefits



Salaries. Direct salaries refer to the wages paid to state employees. This amount may increase due to many factors. For many state employees, pay scales are determined by position grade and classification. An employee will have a base salary, and there will be increases along a five-step scale annually after the employee's first six months. Prior to July 1, 2011, after an employee had been in state service for a specified number of years, he or she became eligible for longevity increases. These increases were applied to the base salary. This was authorized by collective bargaining agreements for union employees, with different increases for education agencies contained in statute; it was personnel policy for non-union employees.

The 2011 Assembly froze longevity increases for all employees effective July 1, 2011, or upon expiration of all current contracts when applicable. The Governor's FY 2016 recommended budget proposed changes to longevity that are described later in the report, though this proposal was later rescinded.

The following table shows the years that an employee was eligible for these increases.

Longevity Increases		
Years of Service*	Education Boards	All Others
5	-	5.0%
11	5.0%	10.0%
15	-	15.0%
20	10.0%	17.5%
25	-	20.0%

**As of July 1, 2011 or contract expirati*

For most positions, collective bargaining agreements also determine if an employee will receive a cost-of-living adjustment. This adjustment differs from a longevity increase because it applies to all employees in that pay grade. For example, if all state employees receive a 3.0 percent cost-of-living increase on July 1, then an employee with a pay grade ranging from $50,000 to $59,000 will now be in a pay grade of $51,500 to $60,770. The table below shows a recent history.

Cost-of-Living Adjustments		
Fiscal Year	Increase	Notable Adjustments
2010	2.5%	July 1; 8 furlough days
2011	3.0%	July 1,- 6 month delay; 4 furlough days
2012	3.0%	July 1, 2011
2013	-	
2014	2.0%	April 6, 2014
2015	2.0%	October 5, 2014
2016	2.0%	October 4, 2015
2017	-	
2018	2.0%	December 24, 2017
2019	2.5%	December 23, 2018
2020	3.0%	2.0% June 23 & 1% December 22

Excludes Troopers, RIBCO and some other smaller unions

In April 2018, Governor Raimondo reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective December 24, 2017, 2.5 percent effective December 23, 2018, 2.0 percent effective June 23, 2019, and 1.0 percent effective December 22, 2019. Her proposed budgets did not include funding for these increases. The Assembly added $6.9 million for FY 2018 and $19.8 million for FY 2019 from general revenues to account for these agreements assuming all unions reached similar terms.

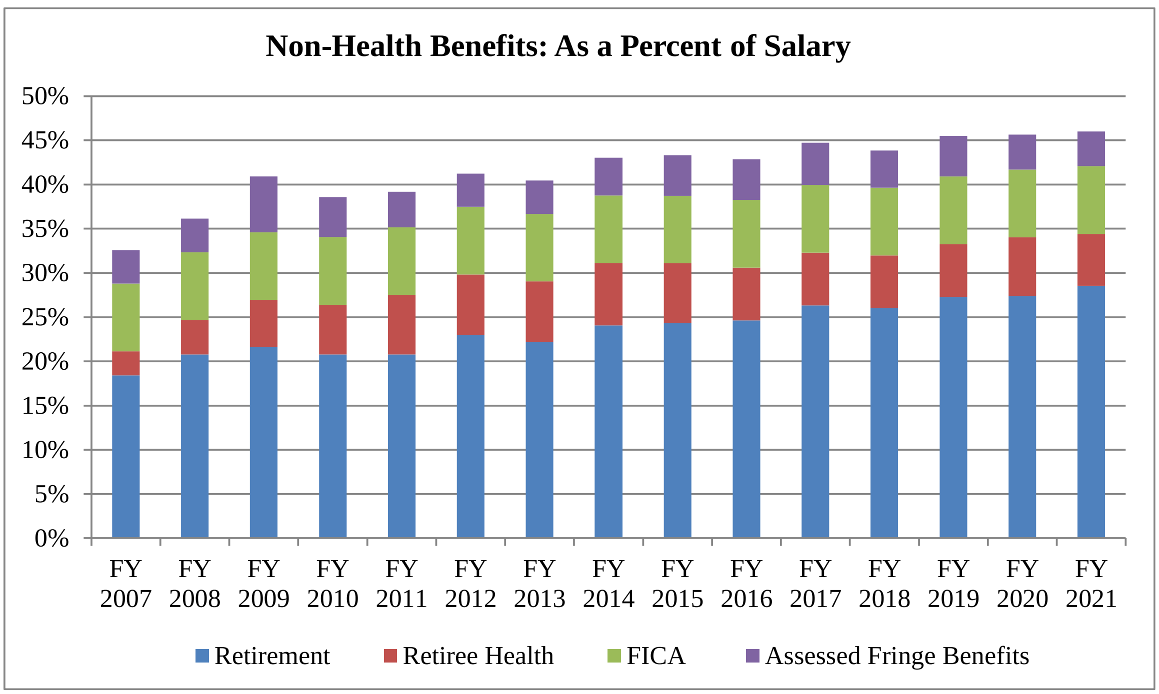
Overtime. Overtime accounts for 4.0 percent of total salary and benefit expenses. The majority of overtime expenses occur in the Department of Corrections for correctional officers, followed by the Departments of Behavioral Healthcare, Developmental Disabilities and Hospitals, Public Safety, Higher Education and Transportation.

Overtime - FY 2021 Recommended	
Corrections	30.2%
BHDDH	18.8%
Public Safety	12.1%
Higher Education	9.0%
Transportation	8.9%
Children, Youth and Families	8.6%
Human Services	7.0%
All Others	5.3%
Total	**100%**

The 2019 Assembly concurred with the Governor's recommendation to include statewide overtime savings of $1.0 million from general revenues; the savings are included in the Department of Administration's budget for later distribution. The Department of Administration announced a new overtime policy in June 2019. It requires each agency to develop and submit to the Division of Human Resources and the Office of Management and Budget detailed overtime authorization and approval procedures, which must be submitted by October 15, 2019. Beginning in FY 2020, agencies are also are required to submit to the Office of Management and Budget quarterly reports of overtime expenses along with their quarterly financial reports.

The Governor's revised budget assumes achieving $582,912 of the $1.0 million general revenue overtime savings included in the enacted budget for FY 2020 only. The FY 2021 recommended budget assumes additional savings of $1.9 million from three new initiatives relating to overtime in the Department of Corrections and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. These proposals are later discussed in this publication.

Benefits. Benefits include direct benefits to employees such as health, workers' compensation and unemployment as well as unfunded liabilities for retirement and retiree health benefits. The following chart shows non-health benefits as a percent of salary from FY 2007 through FY 2021. In that 15-year period, the calculation increased from under 30 percent to over 45 percent. It is important to note that while FICA is part of the cost of a position, it is a federal requirement over which the state has no control. Each benefit is described in the paragraphs that follow. With the exception of health benefits, these are calculated as a percentage of salary and are approximately one-half of the total cost of a position.



Retirement. Participation in Rhode Island's hybrid defined benefit/defined contribution plan is mandatory for most state employees, except for certain higher education employees who participate in a defined contribution plan. The 2011 Assembly adopted changes including participation in a new defined contribution plan for all employees, except judges, state police and correctional officers. The 2015 Assembly enacted changes consistent with the pension settlement agreement reached in the spring of 2015; these changes are described later in the report.

Employees must work until a combination of their years of service and age equal 95. Employees who were not eligible to retire when the 2011 changes became effective have an individualized retirement age based on their years of service, but they must be at least 59 years old to retire.

The salary basis is the five highest consecutive years. Cost-of-living adjustments are only granted when the pension systems' aggregate funded ratio exceeds 80.0 percent; the formula uses both investment returns and inflation, but no more than 3.5 percent or less than zero. It is only applied to the member's first $25,000 of pension income, indexed to grow at the same rate as the cost-of-living adjustment. Prior to full funding, intermittent cost-of-living adjustments are granted every four years and there are different provisions for pre-settlement retirees. There have been many changes to the retirement system over the past several years. These changes are discussed later in the report.

The retirement rates are determined actuarially and under Rhode Island General Laws; they are certified annually by the State of Rhode Island Retirement Board. The Board's current policy is that the contribution rates determined by an actuarial valuation take effect two years after the valuation date. The Retirement System conducts an experience study every three years to evaluate the appropriateness of assumptions. The actuaries use the system's own experience where relevant and credible data is available. It uses population or general economic data such as inflation for other assumptions. The assumption changes are incorporated in future annual valuations that determine the rate required to support the defined benefit portion of the pension system. The System's actuaries conducted an experience study during the spring of 2017. As a result of that as well as an asset liability review conducted by the State Investment Commission, the Board approved new assumptions, including decreasing the investment return assumption from 7.5 percent to 7.0 percent as well as some other assumptions around inflation, wage growth and mortality. These changes have been included in the actuarial valuation that is effective for FY 2021.

The rate for FY 2019 was revised upward by 2.1 percent or 0.53 percentage points based upon the retirement incentive program the administration undertook in the fall of 2017, and described later in this report. The rates for FY 2021 as well as the previous seven years are shown in the table below.

Employer Contribution Rates - Regular Employees

FY	2014	2015	2016	2017	2018	2019	2020	2021
Rates	23.05%	23.33%	23.64%	25.34%	24.87%	26.28%	26.39%	27.54%

Retiree Health. The state provides health coverage to individuals who are retired from state employment, who have at least 20 years of state service and are at least age 59. Eligible retirees pay a 20.0 percent cost share on the actual cost of the plan. These benefits are less generous than previously provided and are discussed later in the report. The Board of Education has a separate plan for certain higher education employees.

FICA. The Federal Insurance Contributions Act tax is a United States payroll tax imposed by the federal government on both employees and employers to fund Social Security and Medicare. This applies to all employee groups except State Police. This rate is calculated on salaries and overtime; however, the Social Security portion has a salary limit. In calendar year 2020, the salary limit is $137,700. There is no salary limit for the Medicare portion. The total rate is 7.65 percent, including 6.2 percent for the Social Security portion and 1.45 percent for the Medicare portion.

Assessed Fringe. The assessed fringe benefit internal service fund was established in August 1999 to comply with federal regulations and to eliminate the fluctuations in agency budgets that result from workers' compensation claims, unemployment claims, and unused leave. A biweekly assessment is applied to the amount of salaries and wages paid from all accounts and funds. This fund allows the costs to be spread out over all fund sources, as opposed to only general revenues.

The fund ended FY 2015 with a deficit of $1.9 million and surpluses of $1.2 million in FY 2016 and $6.2

million in FY 2017, largely due to a repayment for overpayments made for workers' compensation by the state. The FY 2018 enacted budget was based on an assessment of 4.2 percent for most employees. Based on projections related to the voluntary retirement incentive, which is described in greater detail later in this report, the Governor's FY 2019 recommended budget increased the assessment to 4.6 percent. This was subsequently revised downward to 4.4 percent based on more updated data.

Assessed Fringe Benefit Rate History

FY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
% of Salary	3.90	4.00	3.75	3.75	4.25	4.30	4.60	4.75	4.20	4.40	3.95	3.95

The rate of 4.20 percent previously planned for FY 2020 is now recommended at 3.95 percent. This also reflects savings from the plan to outsource the administration of the Workers' Compensation program. The FY 2020 revised as well as the FY 2021 recommended budgets assume the enacted rate of 3.95 percent.

The current rate for certain public safety personnel is 1.90 percent because these employees receive injured on duty benefits as opposed to workers' compensation. The rate for higher education faculty is 3.30 percent because they do not receive severance payments.

Health Benefits. All full-time state employees and certain part-time employees are eligible for health benefits, including medical, dental and vision through Blue Cross Blue Shield, effective January 1, 2020; and Delta Dental. Employees began contributing to the cost of this health care in 2005. At that time, some employees paid a percentage of salary, depending on salary range, and some employees paid 5.0 percent of the cost of the health plans. Currently, an employee's contribution is a percent of plan cost depending on his or her salary and the type of plan chosen.

Gross Cost	**Individual Plans**	**Family Plans**
Medical		
Anchor Choice	$ 7,133.00	$ 19,998.00
Anchor	$ 7,185.00	$ 20,143.00
Anchor Plus	$ 7,688.00	$ 21,552.00
Dental		
Anchor Dental	$ 410.00	$ 1,061.00
Anchor Plus	$ 459.00	$ 1,190.00
Anchor Platinum	$ 530.00	$ 1,373.00
Vision		
Anchor Vision	$ 60.00	$ 167.00
Anchor Vision Plus	$ 86.00	$ 238.00

Pursuant to recently negotiated contract agreements, effective January 1, 2019, the state started offering three medical plans, called Anchor Choice, Anchor and Anchor Plus, three dental plans and two vision plans. Previously, only one plan was offered. Among the other provisions of the contract were increased co-pays for office visits and prescription drugs, and increased deductibles. The deductibles are based on plan selections and are now $500 to $1,500 for an individual, and $1,000 to $3,000 for a family. They were previously $250 and $500 for individuals and families, respectively.

The following table shows the cost of health benefits and the state employee co-shares for 2020 for both individual and family plans.

2020 Calendar Plan Year Per Employee	Below $53,498		$53,498 - $102,840		Over $102,840	
	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits[1]	$ 8,233	$ 22,980	$ 8,233	$ 22,980	$ 8,233	$ 22,980
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	$ 6,586	$ 19,533	$ 6,586	$ 18,384	$ 6,175	$ 17,235
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	$ 1,647	$ 3,447	$ 1,647	$ 4,596	$ 2,058	$ 5,745

[1] *Based on Anchor Plus Plans*

For budget planning purposes, a weighted average is used to calculate the cost of medical benefits for vacant positions. The following table shows the weighted average cost per benefit type.

Weighted Average	FY 2020 Enacted	FY 2020 Rev. Planning	FY 2020 Gov. Rev.	Gov. Rev. to Planning	FY 2021 Planning	FY 2021 Gov. Rec.	Gov. Rec. Planning
Medical	$ 17,822	$ 17,223	$ 16,821	$ (402)	$ 18,084	$ 17,259	$ (825)
Dental	815	797	813	16	797	852	55
Vision	130	124	127	3	126	133	7
Total	**$ 18,767**	**$ 18,144**	**$ 17,761**	**$ (383)**	**$ 19,007**	**$ 18,244**	**$ (763)**

As shown in the table above, in July 2019, agencies were instructed to use a revised planning value of $18,144 for FY 2020 and $19,007 for FY 2021. The FY 2021 planning values are $863 or 4.8 percent more than the revised planning amount. The final actual rates were lower than estimated in the planning values. In the revised recommended budget, they are $383 or 2.1 percent less than previously planned and $763 or 4.0 percent less for FY 2021. The Governor's revised budget includes medical benefit savings of $2.7 million from all sources, including $1.7 million from general revenues from updating the medical rates. The FY 2021 recommendation includes $5.8 million in savings from lower than expected rates, of which $3.5 million is from general revenues.

In June 1997, before employees were contributing to the cost of health benefits, the state began offering employees the option of choosing a medical benefit waiver as opposed to enrolling in a state health plan. The waiver had been $2,002 through FY 2011; it was then reduced by half to $1,001. It should be noted that more recent contracts eliminated the waiver option for two state employee spouses who were hired on or after June 29, 2014.

Total Costs. The total cost examples for two employees who have salaries of $50,000 and $100,000, respectively, and a family health plan in FY 2021 is displayed in the following table.

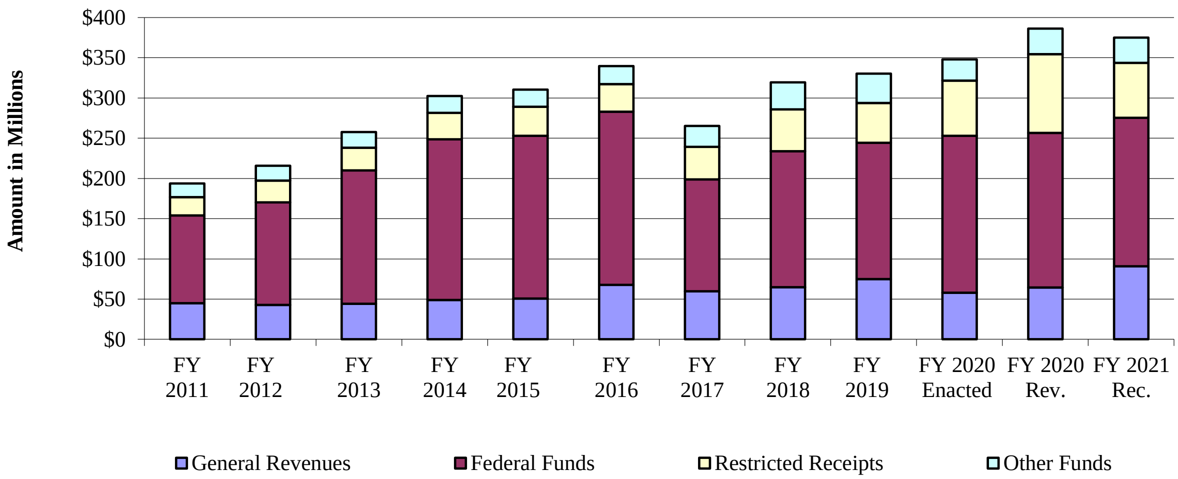
Cost of a Position - FY 2021 Recommended				
	Expense	**% of Salary**	**Expense**	**% of Salary**
Salary	**$ 50,000**		**$ 100,000**	
FICA	$ 3,825	7.65%	$ 7,650	7.65%
Assessed Fringe	1,975	3.95%	3,950	3.95%
Retiree Health	2,935	5.87%	5,870	5.87%
Retirement	14,270	28.54%	28,540	28.54%
Subtotal	**$ 23,005**	**46.01%**	**$ 46,010**	**46.01%**
Health Benefits*	$ 22,980	Family Plan	$ 22,980	Family Plan
Total Co-Share*	(4,596)	20.00%	(5,745)	25.00%
Subtotal Benefits	**$ 41,389**	**82.78%**	**$ 63,245**	**63.2%**
Total Cost	**$ 91,389**		**$ 163,245**	

**Based on Anchor Plus Plans*

Contracted Services. Contracted services make up the remaining 16.7 percent of personnel costs. The enacted budget includes $375.1 million for expenditures the state classifies as contracted services, often referred to as consultants. These expenditures reflect the compensation paid for the services of non-employee individuals or firms and include payments to professional practitioners and other independent contractors who sell their services. These exclude expenses through internal service funds of $10.9 million and $15.6 million in FY 2020 and FY 2021, respectively.

By fund source, 49.1 percent of the expenses are supported by federal grants and 24.2 percent are funded from general revenues. The Executive Office of Health and Human Services, the Department of Elementary and Secondary Education and the Department of Transportation account for more than a half of these expenses from all sources.

Contracted Services, FY 2011 to FY 2021



The chart above shows the costs of contracted services from FY 2011 through the Governor's FY 2021 recommendation. The significant increases in FY 2012 and FY 2013 are mostly as a result of Race to the Top funds in the Department of Elementary and Secondary Education's budget. The Department was awarded $75.0 million to spend over four years. The FY 2013 and FY 2014 budgets also include over $50 million from federal funds for the implementation of the Affordable Care Act.

The FY 2017 final budget included $324.9 million for contracted services and actual expenditures were $265.2 million, $59.7 million less than appropriated. This reflects the agreement the state had with the main system's contractor, Deloitte, to delay infrastructure costs for the Unified Health Infrastructure Project until system issues have been addressed. The FY 2018 final budget included $316.7 million for contracted services and actual expenditures were $319.4 million, $2.6 million above the final appropriation.

The Governor's revised recommendation of $366.4 million for FY 2019 was $86.2 million more than enacted. This included approximately $57 million for expenses related to the Unified Health Infrastructure Project. The FY 2020 recommendation was $6.1 million less than the revised budget. The 2019 Assembly provided $365.2 million in the FY 2019 final budget, including $73.0 million from general revenues. Reported expenditures were $35.1 million below the final budget from all sources; however, general revenue expenditures were $1.8 million above the final appropriation, primarily for Unified Health Infrastructure Project related expenses.

Last year, the Governor's recommended budgets included $14.0 million for FY 2019 and $20.4 million for FY 2020 from Deloitte Settlement funds in the Executive Office of Health and Human Services, Department of Human Services and HealthSource RI's budgets to offset general revenue costs for the project. A settlement was reached in April that included a $50 million payment. As of early June, federal approval of the new contract and the state's proposal to maintain use of all settlement funds was still pending. The Assembly shifted the use of any settlement funds from FY 2019 to FY 2020 and reduced general revenues in FY 2020; it provided $347.9 million for FY 2020.

The Governor includes FY 2020 revised expenditures of $386.2 million, which is $38.3 million more than enacted; the recommendation for FY 2021 of $375.1 million is $27.2 million more than enacted and is $11.1 million less than the revised recommendation. General revenue expenditures are $6.3 million and $32.9 million more in FY 2020 and FY 2021, respectively, than enacted to primarily offset the loss of one-time restricted receipts from the Deloitte settlement. The recommendation includes additional expenditures for the Medicaid claims processing system and restoring general revenue expenditures for the taxation administration system, for which the enacted budget had assumed $2.9 million from the Information Technology Investment Fund.

For the past decade, the Assembly has required state agencies to be held more accountable for contracted services they purchase. These requirements have not been well executed. The Assembly concurred with most of Governor Chafee's FY 2015 budget proposal to repeal or consolidate them to improve compliance. The paragraphs that follow identify these reporting requirements as well as any significant revisions and current compliance.

RIGL 42-90-1. This statute, first adopted in Chapter 161 of the Public Laws of 1985, requires all departments, commissions, boards, councils and other agencies to submit to the Secretary of State the name of any person who performs legal, medical, accounting, engineering or any other professional services, and the amount of the compensation received by the consultant during the previous quarter. It further requires the Secretary of State to compile, publish and make a report available to the public.

The 2006 Assembly amended this legislation in 2006-H 6779, Substitute A, to establish a $100,000 threshold for which services obtained are substantially similar to work performed by regular employees of the department, commission, board, council or agency. The legislation further required state agencies to list all privatization contracts as part of the budget requests, which must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate. It appeared that only a few agencies were complying with this requirement.

The 2007 Assembly adopted legislation in Public Law 2007, Chapter 73 requiring an extensive cost comparison analysis as well as an appeals process prior to privatization of any state facility, function or property. It required that bids for such services substantially beat the current in-house costs and meet or exceed current service quality and performance. The comparisons must consider monitoring and conversion costs. The 2008 Assembly further amended the legislation by modifying the requirements.

Governor Chafee included legislation in Article 17 of his recommended FY 2015 budget that increased the threshold from $100,000 to $150,000 and required that the reporting be annually submitted to the Budget Office electronically. The legislation requires that the Budget Office electronically post all contracts and reports online using the state's transparency portal or an equivalent website no later than December 1 of each year. The Assembly concurred and included the legislation in Section 4 of Article 9 of 2014-H 7133, Substitute A, as amended. Despite the change, the current administration was not in compliance with this requirement. At the Personnel Issues Hearing on April 4, 2018, the Director of Administration pledged to be in compliance with this reporting requirement. Since then, reports for FY 2015 through FY 2019 have been posted on the state's transparency portal.

RIGL 37-2.3-1. The 2006 Assembly adopted legislation requiring agencies to list all privatization contracts as part of the budget request when obtaining services that are substantially similar to work performed by regular employees of the department, commission, board, council or agency starting in FY 2009. The list must contain the name of the contractor, duration of the contract and costs of previous, current and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate.

Governor Chafee submitted legislation to alter the requirements so that agencies provide actual information for the prior fiscal year and projected costs for the current and subsequent fiscal years. The listings will be published annually online using the state's transparency portal or an equivalent website no later than December 1 of each year. Subsequently, he requested an amendment to restore language that had previously removed subcontractor from the definition of privatization contractor and clarify what agencies must include in reports for prior, current and upcoming fiscal years and which positions must be reflected as full-time equivalent positions. The Assembly concurred.

This reporting requirement has not been met since it was adopted by the 2014 Assembly. The staff from the Budget Office indicated that it has been in discussions with Council 94 to format the template for reporting.

RIGL 42-149-1. This statute, adopted in Public Law 2007, Chapter 525, requires all state departments to submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary work and other non-state employee personnel costs. The report must contain efforts made to identify qualified individuals or services within state government, factors used in choosing a non-state employee or firm, results of requests for proposals for services or bids for services, and the actual cost and the budgeted cost for the expenditure.

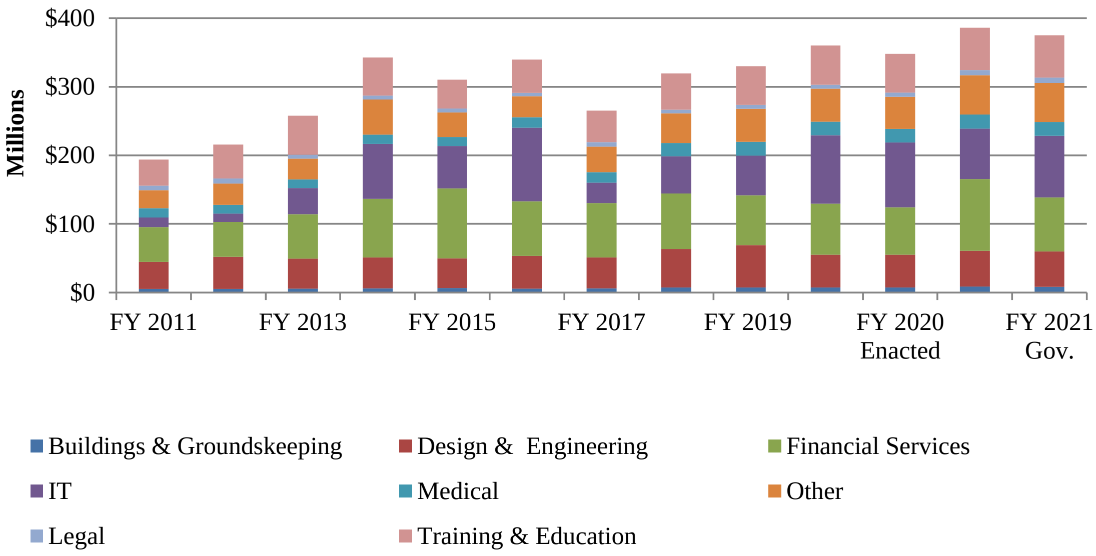
Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal this, in conjunction with modifying a similar requirement. The Assembly concurred.

RIGL 42-149-3.1. This legislation, adopted in Public Law 2011, Chapter 409, requires an assessment of 5.5 percent on contractual costs to be paid to the retirement system on a quarterly basis when a department, commission, board, council, agency or a public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees. During the FY 2013 budget process, the administration indicated that it developed a mechanism within the state's accounting system to calculate this charge and $0.4 million has been collected each year from FY 2013 through FY 2018.

Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal the 5.5 percent assessment. The Assembly did not concur.

P.L. 2007, Chapter 073. The 2007 Assembly adopted legislation to correct a situation concerning contract employees that were doing the same work as state employees, under state employee supervisors. Departments and agencies would be allowed to convert those positions to state employee positions within available funding. The law also required that an agency or department may not employ contracted employees or employee services where the contracted employees would work under state employee supervisors after October 1, 2007, without determination of need by the Director of Administration acting upon the positive recommendations of the Budget Officer and the Personnel Administrator and 15 days after a public hearing. This language was included in budgets until FY 2016. It was restored in the FY 2020 enacted budget and the Governor's recommended budgets retain this provision.

Contracted Services



The table above shows the types of services provided by outside contractors from FY 2011 to FY 2021. The majority of the expenditures are for information technology and financial services. The smallest areas of spending are legal services and buildings and groundskeeping services.

FY 2021 Proposed Personnel Initiatives

The FY 2021 recommended budget assumes savings of $1.9 million from three new initiatives relating to overtime in the Departments of Corrections and Behavioral Healthcare, Developmental Disabilities and Hospitals. Recommended overtime expenditures in both of these agencies total $35.6 million, which accounts for approximately half of the recommended overtime expenditures statewide.

Overtime Savings Initiatives	General Revenues
DOC: Sick Leave Policy Enforcement	$ (982,907)
DOC: Non-Correctional Officers	(612,376)
BHDDH: Eleanor Slater Hospital	(313,770)
Total	**$ (1,909,053)**

- ***Sick Leave Policy Enforcement.*** The Governor's budget assumes $1.0 million from correctional officer overtime savings from stricter enforcement of sick leave use policies. The Department implemented new absenteeism policies beginning September 1, 2019, to ensure overtime is used properly. The most recent collective bargaining agreement between the Department and the Rhode Island Brotherhood of Correctional Officers mandates that sick leave with pay is allowed for personal illness or injury and may include 10 days of absence each year from illness in the immediate family of the employee.

- ***Non-Correctional Officer Overtime.*** The Governor's budget assumes overtime savings of $0.6 million from a reduction in overtime for non-correctional officer staff within the Department of Corrections. The decision on whether or not a staff member should work overtime is made by the administrator in each instance, as required in the Department of Administration's new overtime policy.

- ***Eleanor Slater Hospital.*** The Governor's budget includes general revenue savings of $313,770 from enforcing sick leave use policies aimed at reducing fraudulent discharge and abuse of sick time at the state-run hospital.

Recent Compensation and Benefit Revisions

Recent budgets have included initiatives affecting personnel costs including savings from reducing retirement benefits, compensation and implementing pay reductions for state employees. These are described in the paragraphs that follow, along with the Assembly's action on those items.

- ***Retirement Benefits.*** The 2009 Assembly adopted pension changes that apply to all state employees, including judges and teachers eligible to retire on or after October 1, 2009 and were not eligible before passage of the legislation. The 2009 changes include establishing a minimum retirement age of 62 with a proportional application of that minimum age to current members based on their current service as of October 1, 2009. Changes also include freezing service credits for those in Plan A, and shifting all future accrual to the lower accruals of Plan B. The cost-of-living adjustments were based on the Plan B model of the lesser of inflation or 3.0 percent on the third anniversary, and the salary basis for benefits is the five consecutive highest years, increased from three.

The 2010 Assembly enacted legislation to further limit the cost-of-living adjustments to the first $35,000 of retirement allowance beginning on the third anniversary of the date of retirement or when the member reaches age 65, whichever is later, for state employees, teachers, and judges. Governor Carcieri had proposed to amend the retirement statutes to eliminate the cost-of-living adjustments for state employees, teachers, judges, and state police who were not eligible to retire before passage of the proposal. He also proposed adding language to subject any future cost-of-living adjustments to annual legislative action.

As part of a special session, the 2011 Assembly enacted legislation that suspended new cost-of-living adjustments to retirees' benefits until the system is better funded but provided for an intermittent cost-of-living adjustment every five years until the system in the aggregate is 80.0 percent funded. It moved all but public safety employees into a hybrid pension plan that includes a defined contribution plan. It increased the minimum retirement age for most employees not already eligible to retire and changed the benefit accruals to 1.0 percent per year of service beginning July 1, 2012. It reduced the vesting requirement from ten years to five years and preserved accrued benefits earned through June 30, 2012. It increased the minimum retirement age for teachers and state employees to Social Security Normal Retirement Age, not to exceed 67, applied proportionally to employees based on current years of service, but no less than 59.

Public labor unions challenged the constitutionality of the law subsequent to its enactment. To avoid what could have been a lengthy and costly trial, state and labor unions were ordered into federal mediation. In February 2014, a proposed settlement was announced, which maintained most of the pension changes; however, the retirement age was reduced from 67 to 65 and allowed employees who have worked at least 20 years to keep their defined-benefit pensions. Retirees would receive a one-time 2.0 percent cost-of-living increase upon the enactment of the agreement and intermittent cost-of-living increases would be given every four years instead of every five years. Additionally, the settlement needed the approval of retirees, state employees, as well as the General Assembly. If more than half of any one group were to vote against the settlement, the litigation would continue. Though most employees and retirees voted in support of the settlement, a majority of police officers voted against it; thereby rejecting the settlement in whole. The trial was originally scheduled for September 2014, and later rescheduled for April 2015.

In March 2015, a proposed settlement was announced. The Assembly enacted Article 21 of 2015-H 5900, Substitute A, as amended, to codify the pension settlement agreement signed by all the parties (except all municipal police and Cranston fire) in April 2015 and determined by the Court to be fair, adequate and reasonable in May 2015. The legislation does not exclude any parties. It preserves over 90 percent of the 2011 pension reform savings. The changes include providing a cost-of-living increase every four years instead of every five as well as two, one-time $500 payments to all current retirees. It changes the formula for calculating the cost-of-living increase to use both investment returns and the consumer price index with a maximum of 3.5 percent; currently it is only based on investment returns with a 4.0 percent maximum. It also increases the base used for cost-of-living calculations from $25,000 to $30,000 for current retirees.

It returned state employees, teachers and Municipal Employees Retirement System (MERS) general employees with at least 20 years of service as of June 30, 2012 to a defined benefit plan with a 2.0 percent annual accrual and higher employee contribution rate. It increased the state's contribution to the defined contribution plan for those with between 10 and 20 years of service as of June 30, 2012. It increased in accrual rates for correctional officers and municipal public safety employees.

The legislation also included adjustments to the retirement age for all groups and allows local municipalities to re-amortize the unfunded liability four additional years to 25 years for MERS plans and the local employer portion of teacher contributions.

- ***Retiree Health Benefits.*** The 2008 Assembly enacted legislation to change its provision of retiree health benefits from a pay-as-you-go system along with significant benefit reductions to future retirees effective October 1, 2008. Based on a recommendation in the Governor's FY 2009 revised budget, the 2009 Assembly enacted legislation to delay the move to a trust fund for two years. The trust fund was set up in FY 2011 and the state is now funding on an actuarial basis.

The 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees that offers a wider array of health benefit choices at a lower cost through competition. The state sets up a Health Reimbursement Arrangement for each retiree and deposits the state subsidy into the account each month. It is the same percent subsidy that the retiree previously received. The maximum state contribution is set equal to the lowest cost plan, adjusted for age that is comparable to the highest former plan. A retiree can choose a lower cost plan and use the balance of funds for any approved expense including: purchasing a plan for a spouse, dental or vision plan, and payment of Medicare Part B premiums and Part D coverage.

As part of her FY 2016 recommended budget, Governor Raimondo proposed changing the requirements for what benefits must be included in early retiree health benefit plans. The Assembly did not concur.

It should be noted that the federal "Cadillac" tax was scheduled to take effect in 2018 for plans deemed high cost. The tax would be 40.0 percent of the cost above federally established thresholds. While final regulations have not been issued, it is widely assumed that the threshold will be $10,200 for an individual plan and $27,500 for a family plan. The current pre-65 rate plan costs $11,300 for an individual plan and $31,500 for a family plan. In January 2018, Congress again delayed the start of the tax to 2022. In December 2019, Congress repealed the tax.

- ***Pay Reductions.*** The Budget enacted by the 2010 Assembly included two initiatives negotiated with employee unions to generate personnel savings. The first was to implement eight pay reduction days in FY 2010 and four pay reduction days in FY 2011. The Department of Administration entered into negotiations with collective bargaining units in the summer of 2009 to reach an agreement to achieve savings while avoiding layoffs. For each pay reduction day, an employee will accrue one and one quarter additional days of paid leave, for a maximum of ten days in FY 2010 and five days in FY 2011. The employee may request to discharge this leave day during any pay period following the period in which it was earned, or the employee may elect to receive a cash payment upon termination of state employment.

The second savings initiative was to delay the 3.0 percent cost-of-living adjustment from July 1, 2010 to January 2, 2011. Together these initiatives were intended to save approximately $29.5 million from all sources, including $17.5 million from general revenues in FY 2011. In FY 2010, the initiatives accounted for savings of $26.8 million from all sources, including $15.0 million from general revenues. These savings ended in FY 2012, and the contract called for a 3.0 percent increase effective July 1, 2011.

The agreement with the collective bargaining units also gave agency directors the right to transfer employees between programs in order to transfer, reorganize, eliminate, or consolidate functions, programs, units, divisions, and departments within the Executive Branch, as long as the collective bargaining units are notified within 15 days and the transfers are based on seniority. This authority ended on June 30, 2011.

- ***Longevity.*** The 2011 Assembly included legislation that ended new longevity payments for all state employees effective July 1, 2011, or upon the expiration of any current collectively bargained contract. Employees continue to receive the same longevity percentage they have already earned; however, no new longevity will be granted. Provisions for these payments are generally a matter of collective bargaining agreements for union employees or personnel policy for non-union staff. Non-classified employees of the former Board of Governors, Board of Regents and Public Telecommunications Authority received longevity payments of five percent after 10 years and ten percent after 20 years, pursuant to three different sections of the General Laws. Out-year estimates had projected $4.0 million in annual costs from this provision.

Governor Raimondo proposed legislation in her FY 2016 budget to freeze longevity payments currently expressed as a percent of salaries, at the amount earned by an employee as of June 2015, or the last pay period prior to the expiration of applicable collective bargaining agreements, whichever occurs later. It also excluded longevity from an employee's base rate salary, which means longevity will not grow with other raises. She subsequently requested an amendment to rescind this proposal. The Assembly retained current law.

- ***Voluntary Retirement Incentive.*** The administration implemented a voluntary retirement incentive under its own authority as part of an effort to achieve the $25.0 million of undistributed savings in the FY 2018 enacted budget. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at $40,000. The administration indicated that there were 941 eligible state employees and it assumed savings of $6.5 million based on the assumption that 45 percent of eligible employees would retire by January 31 for five months of savings. Payouts would be made from the assessed fringe benefit fund, which is generated from all fund sources. The savings also assumed that only 60 percent of those vacated positions are filled for one month in FY 2018 and at 70 percent of the incumbent's cost in the first year.

The incentive program was implemented in stages based on the amount of longevity to allow the Retirement System time to process the applications. The most senior employees had until February 15 and the least senior had until April 15. The Governor's revised budget included savings of $4.6 million from vacancies, but no comprehensive information was provided on how much savings was assumed to offset added costs. Much of the vacancy savings assumed in FY 2018 did not appear to repeat in FY 2019. Based on updated program participation data, the Assembly assumed additional savings in both FY 2018 and FY 2019. It appears that 364 employees received the payment. The total impact was unclear as a high level of the vacated positions appear to have been refilled.

Distribution of Positions

The number of full-time equivalent positions authorized for each agency and department is contained in Article 1 of the annual appropriations act. The departments and agencies may not exceed the number of full-time equivalent positions authorized in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions for which scheduled periods of employment do not exceed 26 consecutive weeks or for which scheduled hours do not exceed 925, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment.

For many years, the budget has also limited state employees whose funding is from non-state funds that are time limited to receive appointments limited to the availability of the non-state funding source. The Governor's recommendation removes this requirement.

- ***Transfer of State Employees.*** The practice of cost allocation may skew the distribution of positions by function. In this case, cost allocation refers to the practice of charging an agency for a portion of the costs for a position that is working in a different agency. There are also cases in which the entire cost of a position is being charged to one agency while the authorization for that position is in another agency.

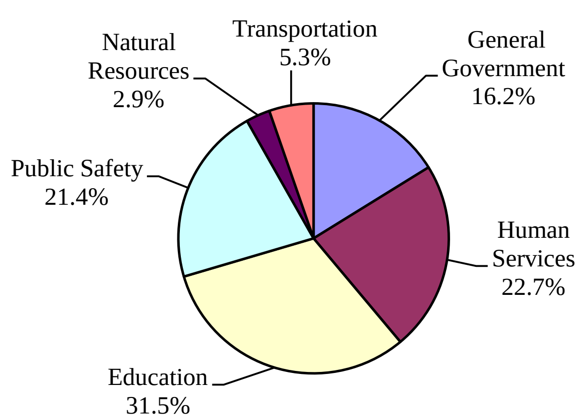
The 2017 Assembly adopted legislation in Section 6 of Article 5 of 2017-H 5175, Substitute A, as amended, requiring that the Personnel Administrator or any director of a department to file a written report with the Speaker of the House, the Senate President and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer. Since the adoption of this requirement, five reports identifying a total of five transfers have been received. The 2019 Assembly adopted legislation in Section 11 of Article 4 of 2019-H 5151, Substitute A, as amended, to clarify that reports be made on the transfer of all state employees, including those who are members of labor unions.

The following is a brief summary of the distribution of positions by function. A description of the position changes from the FY 2020 enacted budget follows. Most of the positions in state government are in the education and human services functions, which together account for 54.3 percent of all positions.

Changes to Enacted	Gen. Gov't.	Human Services	Education	Public Safety	Natural Res.	Transp.	Total
FY 2020 Enacted	*2,406.9*	*3,556.6*	*4,742.2*	*3,190.0*	*424.0*	*755.0*	*15,074.7*
New Positions	48.0	92.0	10.0	35.0	11.0	45.0	241.0
Program Reduction	-	(205.5)	-	-	-	-	(205.5)
Unidentified Program Changes	(10.0)	0.5	-	(1.0)	-	-	(10.5)
Vacancy Reduction	(6.0)	(17.0)	-	(2.0)	-	-	(25.0)
Total Change to Enacted	*32.0*	*(130.0)*	*10.0*	*32.0*	*11.0*	*45.0*	-
FY 2021 Recommended	**2,438.9**	**3,426.6**	**4,752.2**	**3,222.0**	**435.0**	**800.0**	**15,074.7**

The Governor includes 2,438.9 full-time equivalent positions for general government agencies, 16.2 percent of the distributed positions. This is 32.0 positions more than authorized to primarily reflect new positions in the following areas: adult use marijuana, information technology, workplace fraud, and taxation.

Staffing by Function



The budget provides 3,426.6 full-time equivalent positions for human services, or 22.7 percent of all distributed positions. This is 130.0 fewer positions than enacted to primarily reflect 75.0 new positions, offset by a reduction of 204.0 positions from the privatization of the state-run system for adults with developmental disabilities also known as Rhode Island Community Living and Supports.

The budget includes 4,752.2 full-time equivalent positions for education, 31.5 percent of all distributed positions. This is 10.0 positions more than the FY 2020 enacted budget.

There are 3,222.0 full-time equivalent positions for public safety agencies, 21.4 percent of all distributed positions. This is 32.0 positions more than the FY 2020 authorized level for discharge planning, firefighters and other program changes.

The budget includes 435.0 full-time equivalent positions for natural resources agencies, 11.0 more than enacted.

The budget includes 800.0 full-time equivalent positions for transportation, 45.0 more than enacted for construction related projects and maintenance.

Program Changes to FY 2020 Enacted Staffing Levels

Administration. The Governor recommends FY 2021 staffing of 652.7 full-time equivalent positions, 5.0 more than enacted; however, this appears to include numerous new positions that are offset by unidentified positions to reconcile the allocation to the recommended level. The new positions include a real estate portfolio manager in the Division of Capital Asset Management and Maintenance; 2.0 new positions in the Information Technology Internal Service Fund, including a systems support technician and an administrator management information systems. The recommendation includes two information technology manager positions to oversee the Enterprise Resource Planning System for human resources, information system, payroll, finance and a grants management system. It includes two new positions in Central Management and several others in the Office of Management and Budget.

The 2019 Assembly included legislation in Article 1 requiring that 417.0 of the authorized amount would be for positions that support internal service fund programs; the Governor's recommendations increase this amount to 427.0 positions in both years.

Business Regulation. The Governor recommends FY 2021 staffing of 171.0 full-time equivalent positions, 10.0 positions more than authorized. This includes eliminating six current vacancies, offset by 1.0 new position for Insurance Regulation, 2.0 new positions for the Office of the Health Insurance Commissioner and 13.0 new positions for the Office of Cannabis Regulation.

Executive Office of Commerce. The Governor recommends 15.0 full-time equivalent positions for FY 2021, including 1.0 new deputy secretary as part of the proposed restructuring of the state's housing policy.

Labor and Training. The Governor recommends 395.7 full-time equivalent positions for FY 2021, or 5.0 positions more than enacted. This includes 4.0 full-time equivalent positions to enhance the workplace fraud unit and increase associated collections, and one position to work with the Department of Corrections as part of a new post-release employment initiative.

Revenue. The Governor recommends staffing of 611.5 full-time equivalent positions for FY 2021, 9.0 more than authorized. This includes a legal position in the Director's Office, three new positions in the Division of Taxation, including one supported by individual mandate restricted receipts, and provides additional funding to fill existing positions to enhance outreach and compliance with new revenue proposals. The recommendation also includes five new positions in the Division of Motor Vehicles, three for the transfer of Commercial Driver's License testing from the Community College of Rhode Island, and two positions to enforce inspection violation collections.

Public Utilities Commission. The Governor recommends 54.0 full-time equivalent positions for FY 2021, 2.0 more than enacted, including 1.0 engineer to assess the infrastructure of utility companies, and 1.0 public utilities analyst.

Executive Office of Health and Human Services. The Governor recommends 201.0 full-time equivalent positions for FY 2021, 15.0 more than enacted. This includes the transfer of 7.0 legal positions from the Departments of Health, Human Services, Children, Youth and Families, and Behavioral Healthcare, Developmental Disabilities and Hospitals. It also adds 4.0 administrative positions, 2.0 positions for the Unified Health Infrastructure Project and 2.0 positions for a new proposal to charge non-disabled Medicaid beneficiaries co-pays for certain services.

Children, Youth and Families. The Governor recommends 642.5 full-time equivalent positions for the FY 2020 revised budget, which is 21.0 more than enacted. This includes the elimination of 17.0 vacancies at the Training School based on population; these are offset by 38.0 new positions, including 28.0 in Child Welfare, 7.0 in Children's Behavioral Health and 3.0 in Central Management. The new positions include 14.0 foster care licensing personnel, 4.0 child protective investigators, 2.0 paralegals, and 1.0 contract manager. To the revised budget, she adds 2.0 chief human business officers and transfers 4.0 attorney positions to the Executive Office of Health and Human Services, for FY 2021 staffing of 640.5 positions.

Health. The Governor recommends FY 2021 staffing of 540.6 full-time equivalent positions, 41.0 more than enacted. This includes the transfer of one position to the Executive Office of Health and Human Services and 42.0 new positions for various programs relating to prescription drug overdose monitoring, food protection, lead poisoning prevention, adult use marijuana and others.

Human Services. The Governor recommends 1,037.1 full-time equivalent positions for FY 2021, which is 1.0 less than enacted to reflect a transfer of an attorney position to the Executive Office of Health and Human Services. The recommendation includes the enacted authorization of 252.1 full-time equivalent positions for the Office of Veterans Services and 31.0 positions for the Office of Health Aging.

Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor recommends 985.4 full-time equivalent positions for FY 2021, 204.0 less than enacted. The recommendation reflects the elimination of 204.0 positions from the state-run system for adults with developmental disabilities, 2.0 new positions in the Division of Behavioral Healthcare Services for the adult use marijuana initiative, the transfer of 1.0 legal counsel position to the Executive Office of Health and Human Services, a new 0.5 position in the Division of Developmental Disabilities and the elimination of 1.5 unidentified positions in central management.

Elementary and Secondary Education. The Governor recommends FY 2021 staffing of 334.1 full-time equivalent positions, which is 9.0 more than enacted, including 2.0 school construction positions to be funded from Rhode Island Health and Educational Building Corporation resources and 2.0 positions to support the Department's work to identify and implement high-quality curriculum funded from general revenues. It also includes 3.0 positions to support school systems, 1.0 position to oversee the PrepareRI program, and 1.0 position to support the state's prekindergarten program funded from general revenues.

Public Higher Education. The Governor recommends 4,396.3 full-time equivalent positions for FY 2021, 1.0 more than enacted for the Northern Rhode Island Higher Education Center to oversee its operations. The Governor's recommendation also shifts 265.0 third-party full-time equivalent positions to non-third-party positions for the University of Rhode Island. The separate authorization for third-party positions was first included in the FY 2004 budget as a way to provide more flexibility to the institutions around securing and staffing grants.

Office of the Attorney General. The Governor recommends 247.1 full-time equivalent positions for FY 2021, 8.0 more than authorized, including five new attorneys and three new paralegals.

Corrections. The Governor recommends 1,423.0 full-time equivalent positions for FY 2021, which is 12.0 more positions than authorized, including 7.0 positions to administer discharging planning services, 4.0 positions associated with an initiative to reduce off-site medical visits, 2.0 for job training to connect inmates with employers before release, and removes 1.0 unidentified position.

Military Staff. The Governor recommends 96.0 full-time equivalent positions for FY 2021, 4.0 more than authorized for National Guard programs. This includes 3.0 additional firefighter positions to bring the Military Staff into compliance with Department of Defense standards and 1.0 deputy director position.

Public Safety. The Governor recommends 598.6 positions for FY 2021, which is 5.0 positions more than authorized. This includes the elimination of two vacancies, offset by an additional 7.0 state police troopers that were hired in FY 2020 after graduating from the State Police Training Academy on June 28, 2019. The enacted budget had assumed only 30 new troopers would graduate from the Training Academy.

Public Defender. The Governor recommends 99.0 positions for FY 2021, which is 3.0 more than enacted for new attorneys.

Environmental Management. The Governor recommends 405.0 full-time equivalent positions for FY 2021, or 11.0 positions more than enacted. This includes 5.0 new environmental engineers to conduct permit review and 6.0 new positions in the Division of Parks and Recreation.

Transportation. The Governor recommends 800.0 full-time equivalent positions for FY 2021, which is 45.0 positions more than enacted. This includes 23.0 construction related positions, including civil and engineering technicians who would assist with inspection of all materials going to bridge or road construction or maintenance projects; 20.0 maintenance positions, including highway maintenance operators and bridge maintenance workers; a public relations specialist position, and an administrator for real estate.