

Budget Status

Staff Presentation to the House Finance
Committee
May 21, 2019

Summary

- Results of the May Revenue & Caseload Conference increase available resources for the FY 2019 revised & FY 2020 budgets by \$38.5M
- Governor's budget solved a projected problem almost 5 times that size
 - *Q3 suggests need for \$2.6 million more than Governor's revised budget addresses*
 - *Not all issues accounted for*

Summary – Budget Solve

Governor's Budget Solve - Jan	FY 2019	FY 2020
Quasi & Other Revenue Transfers	\$16.4	\$7.0
Mobile Betting/Remote Sellers	-	14.3
Other Taxes/Fees/Revenues	(0.1)	49.2
Medicaid/HHS Agencies	9.2	59.2
Debt Service	11.1	5.7
Local Aid	1.9	7.5
Cost Shifts	-	5.3
Statewide Savings/Efficiencies	5.9	17.8
Everything Else	5.6	(10.7)
Total Solve	\$50	\$150

\$ in millions

Summary – REC/CEC Impact

Changes to Gov.	FY 2019	FY 2020	Total
REC Changes	\$ 24.8	\$2.2	\$27.0
Changes to Gov.	0.3	(10.7)	(10.4)
Subtotal	25.1	(8.5)	16.6
Minus May CEC	(19.3)	(22.7)	(34.3)
Changes to Gov.	4.0	7.8	11.8
Subtotal CEC	\$(15.3)	\$(7.2)	\$(22.4)
Combined REC/CEC	40.3	(1.3)	39.0
Less Rainy Day adj.	(0.8)	0.3	(0.5)
Impact to Gov. Budget	\$39.6	\$(1.1)	\$38.5

\$ in millions

Summary – Issues

- Governor recommended supplemental appropriations for some agencies:
 - Unachieved savings initiatives
 - Unbudgeted policy choices
 - Caseload issues
- Some spending issues have worsened
 - Compared to enacted or Gov. revised
- Other agencies have savings
 - Only partially offsetting overspending

Current Budget Status

- ***Process and Calendar***
- May Revenues
- May Caseload
- FY 2019 Third Quarter Report
- Governor's Recommended Solution

Process and Calendar

- July 1, new fiscal year begins
- Budget Office sends instructions to agencies and departments
- November – revenue and caseload estimating conferences
 - Sets official estimates for use in Governor's budget

Process and Calendar

- OMB/Budget Office & Governor develop current year revised budget & budget year recommendations
- Governor submits budget to General Assembly

Process and Calendar

- Bill referred to House Finance Committee
 - House and Senate Finance Committees work the budget during February, March and April through their Subcommittees
- Revenue and caseload estimating occurs again in May
 - Updated information/forecasts
 - Results must be factored into final budget

Budget Briefings & Hearings

- November 29– Budget Status
- Jan 22 & 30 – Budget at a Glance
- Feb. 5 – Governor’s Budget Overview
- Feb. 6 – Article hearings began
- March 19 – Subcommittee hearings on agency budgets began
- May 6 – Consensus Caseload Estimate
- May 10 – Consensus Revenue Estimate
- May 15 – Third Quarter Report

References

- Materials are on line on the Assembly website - <http://www.rilegislature.gov>
 - House Fiscal Reports
 - Tabs for 2019 session
 - Links to OMB/Budget Office
 - Includes items prepared by House Fiscal Staff that may be helpful
 - Hearings available “on demand” on Assembly website

Current Budget Status

- Process and Calendar
- **May Revenues**
- **May Caseload**
- FY 2019 Third Quarter Report
- Governor's Recommended Solution

Revenues

- Revenue estimates are driven by trends, collections to date, and the economic forecasts
 - Forecast downgraded
 - Sluggish and lagging neighbors
 - One-time or limited boosts
 - Capital gains activity
 - Federal tax cut impacts

Economic Forecast

- Revenue Estimating Conference adopts a consensus economic forecast
 - It takes testimony from IHS Economics
 - The firm builds U.S. macroeconomic models from which it derives its Rhode Island forecasts
 - May 2019 forecast more pessimistic than November 2018 forecast

Revenues: November REC

- Taxes in FY 2019 = \$3,166.7 million
 - \$68.8 million or 2.2% above FY 2018 actuals
 - Impact of tax changes, cyclical items
 - \$16.9 million below the enacted estimate
 - Sales tax increases offset PIT, Business tax decreases
- Taxes in FY 2020 = \$3,279.7 million
 - 3.6% increase to FY 2019 revised
 - \$113.0 million: \$93.6 million from Income & Sales
 - Last year of TCJA foreign profits boost - \$15M

November 2018

Consensus Revenue Estimates

	FY 2018 Reported	FY 2019 Rev. Est.	Change to Enacted	FY 2020 Estimate	Change to FY 2019 Rev. Est.
Personal Income	\$1,345.3	\$1,380.7	\$(4.9)	\$1,428.3	\$47.6
Business Taxes	442.4	459.9	(25.9)	482.9	23.0
Sales & Use Taxes	1,244.8	1,273.8	9.3	1,318.0	44.2
Other Taxes	65.3	52.3	4.6	50.5	(1.8)
Total Taxes	\$3,097.9	\$3,166.7	\$(16.9)	\$3,279.7	\$ 113.0
Departmental	397.6	405.0	0.9	227.0	(178.0)
Other Misc.	37.1	11.7	2.4	7.0	(4.8)
Lottery	365.0	399.6	7.9	427.1	27.5
Unclaimed Prop.	10.9	10.1	0.4	9.5	(0.6)
Total	\$3,908.4	\$3,993.1	\$(5.4)	\$3,950.3	\$(42.9)

\$ in millions

Revenues: May REC

- Taxes in FY 2019 = \$3,175.6 million
 - \$8.9 million or 0.3% above November
 - \$10.8 million less from Business
 - \$13.5 million from Inheritance
- Taxes in FY 2020 = \$3,271.9 million
 - \$7.8 million decrease to November
 - \$14.3 million more from Sales and Use taxes
 - Stronger receipts in FY 2019 plus new remote sellers law
 - \$22.7 million less from Business
 - Partially related to revised impact of federal tax cuts

May 2019

Consensus Revenue Estimates

	FY 2018 Reported	FY 2019 Rev.	Change to Nov.	FY 2020 Estimate	Change to Nov.
Personal Income	\$1,345.3	\$1,384.0	\$3.3	\$1,426.8	\$(1.5)
Business Taxes	442.4	449.1	(10.8)	460.2	(22.7)
Sales & Use Taxes	1,244.8	1,279.2	5.4	1,332.3	14.3
Other Taxes	65.3	63.3	11.0	52.6	2.1
Total Taxes	\$3,097.9	\$3,175.6	\$8.9	\$3,271.9	\$ (7.8)
Departmental	397.6	421.0	16.0	251.0	24.0
Other Misc.	37.1	10.0	(1.7)	6.9	(0.1)
Lottery	365.0	400.1	0.5	412.8	(14.3)
Unclaimed Prop.	10.9	11.2	1.1	9.9	0.4
Total	\$3,908.4	\$4,017.9	\$24.8	\$3,952.5	\$2.2

\$ in millions

Revenue Revisions: FY 2019

	Nov. to Enacted	May to Nov.	Total Change to Enacted
Personal Income	\$(4.9)	\$3.3	\$(1.6)
Business Taxes	(25.9)	(10.8)	(36.7)
Sales & Use Taxes	9.3	5.4	14.7
Other Taxes	4.6	11.0	15.6
Total Taxes	\$(16.9)	\$8.9	\$(8.0)
Departmental	0.9	16.0	16.9
Other Misc.	2.4	(1.7)	0.7
Lottery	7.9	0.5	8.4
Unclaimed Prop.	0.4	1.1	1.5
Total	\$(5.4)	\$24.8	\$19.4

\$ in millions

Revenues Risks: November

- TCJA added complexity & risk to forecast
- Gaming expansion & sports betting delays also make estimates more difficult

	FY 2019	FY 2020	2-Year Total
Foreign Profits Repatriation	\$17.4	\$15.0	\$32.4
Sports Betting	11.5	27.3	38.8
Tax Collections Enhancement	13.5	13.5	27.0
Total	\$42.4	\$55.8	\$98.2

\$ in millions

Revenues Risks: May

	FY 2019	FY 2020	2-Year Total	Diff from Nov.
Foreign Profits Repatriation	\$10.5	?	\$10.5	\$(21.9)
Sports Betting*	2.2	22.7	24.9	(13.9)
Tax Collections Enhancement	13.5	13.5	27.0	-
Total	\$26.2	\$36.2	\$62.4	\$(35.8)

\$ in millions *\$17.2 million is from newly authorized mobile sports betting

FY 2019 Caseload

FY 2019 Caseload Estimating Conference

<i>All Funds</i>	<i>Nov CEC</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$2,457.0	\$2,424.9	\$(32.1)
Governor's Proposals	(15.7)	(2.7)	13.0
<i>Subtotal - Medical</i>	<i>\$2,441.3</i>	<i>\$2,422.2</i>	<i>\$(19.1)</i>
CEC - Cash	\$118.0	\$113.7	\$(4.2)
Total	\$2,559.3	\$2,535.9	\$(23.2)

\$ in millions

FY 2019 Caseload

FY 2019 Caseload Estimating Conference

<i>General Revenues</i>	<i>Nov CEC</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$966.1	\$948.5	(\$17.6)
Governor's Proposals	(5.3)	(1.3)	4.0
<i>Subtotal - Medical</i>	\$960.8	\$947.1	\$(13.6)
CEC - Cash	\$31.7	\$30.0	(\$1.6)
Total	\$992.4	\$977.2	\$(15.3)

\$ in millions

May CEC Medicaid

- State is still making advanced payments for overdue applications
 - Reconciling payments to claim Medicaid since UHIP launch
 - Ongoing application backlog for nursing home residents
- FY 2019 estimate assumes need to spend \$2.4 million for older claims that cannot be matched by Medicaid

FY 2020 Caseload

FY 2020 Caseload Estimating Conference

<i>All Funds</i>	<i>Nov CEC</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$2,523.8	\$2,485.0	\$(38.8)
Governor's Proposals	(76.0)	(53.3)	22.7
<i>Subtotal - Medical</i>	<i>\$2,447.8</i>	<i>\$2,431.7</i>	<i>\$(16.1)</i>
CEC - Cash	\$124.2	\$116.6	\$(7.6)
Gov. Proposals	1.0	1.5	0.5
<i>Subtotal - Cash</i>	<i>\$125.2</i>	<i>\$118.2</i>	<i>\$(7.1)</i>
Total	\$2,573.0	\$2,549.8	\$(23.2)

\$ in millions

FY 2020 Caseload

FY 2020 Caseload Estimating Conference

General Revenues	Nov CEC	May CEC	Chg.
Medical	\$997.9	\$984.8	(\$13.1)
Governor's Proposals	(29.1)	(21.6)	7.5
Subtotal - Medical	\$968.8	\$963.2	\$(5.6)
CEC - Cash	\$31.9	\$30.0	(\$1.9)
Gov. Proposals	1.0	1.3	0.3
Subtotal - Cash	\$32.9	\$31.3	\$(1.6)
Total	\$1,001.7	\$994.5	\$(7.2)

\$ in millions

Caseload Revisions: FY 2019

- Current year changes reflect
 - Reduced enrollment in Rite Care and Rhody Health Partners for disabled & expansion population
 - Increased payments for Medicare Premiums & Part D

CEC Estimate	Nov. to Enacted	May to Nov.	Total Change to Enacted
Medical	\$29.5	\$(32.1)	\$(2.6)
Cash	(2.0)	(4.2)	(6.2)
Total	\$27.5	\$(36.3)	\$(8.8)
General Revenue Share	\$11.7	\$(19.3)	\$(7.5)

\$ in millions

Summary – REC/CEC Impact

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\$ in millions

Current Budget Status

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- May Revenues
- May Caseload
- **FY 2019 Third Quarter Report**
- Governor's Recommended Solution

FY 2019 – HFAS Nov 29

	Enacted	Current	Diff.
Opening	\$ 31.3	\$55.6	\$24.3*
Revenues	3,998.5	3,993.1	(5.4)
Rainy Day	(120.9)	(121.2)	(0.3)
Expenditures	(3,908.2)	(3,974.7)*	66.5
Total FY 2019	\$0.7	(\$47.2)	(\$47.8)

\$ in millions

**Includes \$10.1 million reappropriation*

Current Year

- The *current year* had a projected deficit of \$47.2 million – HFAS Nov 29
 - Major overspending masked by revenue uptick, closing surplus and other savings
 - Unforeseen expenses and unachieved budget savings
- Governor's budget resolves that with
 - Improved closing balance
 - One time revenues
 - Debt service, medical, cost shifts

Summary – Budget Solve

Governor's Budget Solve - Jan	FY 2019	FY 2020
Quasi & Other Revenue Transfers	\$16.4	\$7.0
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Debt Service	11.1	5.7
Local Aid	1.9	7.5
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Statewide Savings/Efficiencies	5.9	17.8
Everything Else	5.6	(16.0)
Total Solve	\$50	\$150

\$ in millions

Current Year - Governor

- Risks and Issues HFAS Feb 5:
 - Q2 Reports at end of January called DCYF and BHDDH savings into question
 - Holding vacancies to preserve retirement incentive savings
 - Constraining discretionary spending to alleviate problems elsewhere
 - Confusion resulting from movement of personnel and costs

Current Year: *Third Quarter*

Expenditure Changes to Gov. Revised Budget	
General Government	\$(2.9)
EOHHS: Caseload Conference	(15.3)
DCYF	6.3
Other Human Services	(0.7)
Education	(0.7)
Public Safety	0.4
Environment	0.3
Total	\$(12.7)

\$ in millions

General Government Agencies: Q3

- 3rd Quarter Report: \$2.9 million less than the Governor's revised budget
 - DOA - \$1.2 million less
 - DLT – no change but unresolved overspending
 - DOR - \$1.8 million less
 - Treasury - \$0.4 million more
 - \$0.2 million for Crime Victim Compensation
 - All other agencies are \$0.5 million less

FY 2018 Experience

DLT	General Revenues
FY 2018 Enacted	\$8.1
FY 2018 Q1 – DLT	\$8.1
FY 2018 Gov.	\$9.0
FY 2018 Q3 – DLT	\$9.1
FY 2018 Assembly Final	\$9.0
FY 2018 Actual	\$12.9
Overspend	\$3.9

\$ in millions

DLT

- \$3.9 million overspent in FY 2018
 - Spending commitment against unavailable federal funds including FY 2017 expenses
 - Plans to resolve not achieved
 - State Controller charged 2-year deficit to general revenues

DLT – FY 2019

- Q3 - DLT
 - \$1.2 million above the enacted budget
 - Mostly for Workforce Regulation & Safety
 - \$0.2 million less than Governor's revised
 - Same \$1.2 million requested for revised
 - Not funded in Governor's budget
 - Acknowledges \$1.5 million UI staffing issue but not included in total
 - Exploring options to prevent general revenues use
 - Hoping for higher JDF collections
 - Cost shifting centralized services to other programs/places?

DLT - FY 2019

- Q3 – Budget Office
 - \$1.4 million above the enacted budget
 - Consistent with Governor's revised
 - \$0.2 million more than DLT
 - Refers to unemployment issue, DLT “taking steps to address”
 - Reductions in expenses
 - Allocating costs to other fund sources
 - Use of excess general revenues in other programs
 - Appears to assume use of extra \$0.2 million for UI

DLT - FY 2019

- Q3 – Budget and DLT
 - Neither report directly assumes general revenue need
 - \$2.7 million would be needed assuming plans referred to don't come to fruition
 - \$1.3 million more than Governor's revised

Item	Amount
Workforce Regulation and Safety	\$1.2
Unemployment Administration	1.5
Total	\$2.7

Human Services Agencies:Q3

- 3rd Quarter Report: \$9.7 million below the Governor's revised budget
 - CEC - \$15.3 million savings
 - DCYF - \$6.3 million add
 - BHDDH - \$0.4 million savings
 - From Gov. add of \$6.1 million
 - DHS – shown as on target but Gov. budget added about \$6 million
 - \$2 million for Veterans Home
 - \$4 million for Eligibility Administration
 - Unresolved UHIP impacts

UHIP Recovery Restricted Receipts

- Governor assumes \$14.0 million for FY 2019 & \$20.4 million for FY 2020 from settlement with Deloitte
 - Enacted budget assumed \$7.0M for staffing costs at DHS
 - Budget expands use to other agencies
 - Includes EOHHS, DHS and HealthSource RI
 - Design, Contact Center, other consultants
- Deloitte contract extended to 6/30/2021
 - Includes \$50 million “settlement”

UHIP Recovery Restricted Receipts

Agency	FY 2019 Enacted	FY 2019 Gov.	Chg. to Enacted	FY 2020 Gov.	Chg. to Enacted
EOHHS	\$ -	\$5.3	\$5.3	\$7.5	\$7.5
DHS	7.0	8.3	1.4	11.4	4.5
HSRI	-	0.4	0.4	1.5	1.5
Total	\$7.0	\$14.0	\$7.0	\$20.4	\$13.4

Change to Enacted	EOHHS	DHS	HSRI	Total
FY 2019 Change	\$5.3	\$1.4	\$0.4	\$7.0
FY 2020 Change	7.5	4.5	1.5	13.4
Two year impact	\$12.8	\$5.9	\$1.9	\$20.4

\$ in millions

Unified Health Infrastructure Project – Deloitte Settlement

- Extends contract to June 2021
 - Continue development through the end of 2019 at no cost to the state
 - Fix what is broken
 - \$50.0 million cash payment
 - \$75.0 million in future credits and discounts
 - Prior credits include:
 - \$87.0 million for prior credits and no-charge services

Unified Health Infrastructure Project – Deloitte Settlement

- \$50.0 million cash payment
 - How much will state keep?
 - Federal government has funded nearly 80 percent of the work so far
 - When will we know?
- Prior Commitments
 - Pay SNAP fines associated with Deloitte-caused system issues

Unified Health Infrastructure Project – Deloitte Settlement

- New Credit/Supports
 - Assist with long term care services backlog
 - Operational support to continue to improve services for long term services and supports
 - Deliver transition services at no charge if/when the state hires a new provider
- Contract needs federal approval
 - Requested on March 15
 - May 14 CMS letter requested more info
 - Could be several month process

UHIP Recovery Restricted Receipts

- How do credits align with expenditures in Governor's budget?
 - Will they reduce state expenses?
 - Did budget account for all expenses?
 - Preliminary estimates suggest contract reduces state share of budgeted expenses by \$9.5 million
 - Incorrect match rates and other cost allocation reduce impact of those savings by \$3.4 million

Deloitte Settlement

Settlement Impact Est - EOHHS	FY 2019	FY 2020	2-year Total
Governor's Rec.	\$14.0	\$20.4	\$34.4
New Contract Savings	(5.1)	(4.4)	(9.5)
Corrected federal match from prior assumptions	0.7	2.7	3.4
Adjusted Need	\$9.6	\$18.7	\$28.2

\$ in millions

Human Services Agencies: Q3

DCYF	GR
Caseloads	\$5.4
Additional staffing	1.1
Juvenile Corrections	(0.2)
Potential IT Savings	(0.5)
Computers/interpreters/other	0.5
Total	\$6.3

\$ in millions

DCYF - FY 2019

- DCYF's Q2 report – expenses through December exceeded the Governor budget submitted in January
 - Recent uptick in out-of-state placements
- Q3 report shows even higher expenses
 - Not meeting corrective action savings

FY 2019 Change to Enacted	General Revenues
Q1 - DCYF	\$14.9
Gov.*	\$12.1
Q2 – DCYF	\$16.9
Change to Gov.	\$4.8
Q3 – DCYF/Gov.	\$18.4
Change to Gov.	\$6.3

\$ in millions

*Net of statewide adjustment impacts

DCYF - FY 2018

	General Revenues
FY 2018 Enacted	\$145.9
FY 2018 Q1 – DCYF	\$155.9
FY 2018 Gov.	\$152.6
FY 2018 Q3 – DCYF	\$166.1
FY 2018 Assembly Final	\$166.5
FY 2018 Actual	\$173.6
Overspend	\$7.1

\$ in millions

DCYF: Q3

DCYF	GR
Caseloads	\$3.9
Unachieved Savings	\$1.4
Staffing	1.1
Juvenile Corrections	(0.2)
Internal Service Funds	(0.5)
Computers/interpreters/other	0.5
Total	\$6.3

\$ in millions

DCYF – Q3

■ Unachieved Savings - \$1.4 million

Proposals	Explanation	Gov. Rev. GR Savings	Q3 Projected GR Savings
Accelerate VEC	Enroll 57 youth 18-21 year old into VEC in FY 2019	\$1.3	\$0.3
Reduce Contracts	Discontinue underutilized contracts	0.9	0.9
Reduce Service Renewal Interval	Reduce renewal interval for services continuation 6 to 2 months - Avg. service length 8 mo.	0.6	0.2
Total	-	\$2.9	\$1.4

\$ in millions

DCYF – Q3

- Caseload - \$3.9 million
 - Uptick in high end treatment placements and out-of-state placements
- Staffing –\$1.1 million
 - Training lag in assigning caseload to new staff increases overtime expenses
- Internal Service Funds
 - Potential reduction in costs budgeted for case management & financial system

Education Agencies: Q3

- 3rd Quarter Report: \$0.7 million below the Governor's revised budget
 - Higher Education - \$0.4 million less for Promise
 - Updated enrollment/cost
 - May 10 report still outstanding
 - RIDE - \$0.2 million less from turnover savings
 - HPHC - \$0.2 million less to reflect turnover savings

Public Safety Agencies: Q3

- 3rd Quarter Report: \$0.4 million above the Governor's revised budget
 - Attorney General - \$1.7 million savings
 - Turnover from transition
 - Corrections - \$1.3 million over
 - EMA - \$0.4 million over
 - \$0.2 million from National Grid outage in January
 - DPS - \$0.6 million over
 - PD - \$0.2 million savings

Department of Corrections

- \$1.3 million more than the Governor's revised budget
 - Overtime - \$0.6 million more
 - Centralized services - \$0.5 million more
 - HR - \$0.2 million
 - IT - \$0.3 million
 - Inmate Per Diem - \$0.5 million more
 - Primarily pharmaceuticals and food
 - All Other Expenses - \$0.3 million less

Environment Agencies: Q3

- 3rd Quarter Report: \$0.3 million above the Governor's revised budget
 - DEM – \$0.4 million more
 - CRMC - \$0.1 million less

DEM Q3

- Parks & Recreation - \$0.7 million more
 - Mostly consistent with FY 2018 actuals
 - Maintenance
 - Utilities
- Environmental Protection - \$0.6 million less
 - Turnover savings & shift to federal funds
- Office of the Director - \$0.2 million more
 - Centralized services billings

Current Budget Status

- Process and Calendar
- May Revenues
- May Caseload
- FY 2019 Third Quarter Report
- **Governor's Recommended Solution**

FY 2020: Governor's Solution

Revenues	\$70.5
Medicaid – EOHHS Caseload	26.0
EOHHS Agencies	33.2
Locals	7.5
Commerce	0.8
Higher Education	(8.3)
Debt Service	5.7
Other Issues, Initiatives & Adjustments	14.6
Total Governor Solution	\$150

\$ in millions

Governor's Solution

- *Revenues*
- Medicaid/EOHHS
- Locals
- Commerce
- Departments and Agencies
 - Higher Ed
 - Initiatives
 - Debt and Other

Revenues Changes

Revenues - \$70.5 million

- Transfers- \$7.0 million
- Tax Changes - \$19.8 million
- New Taxes - \$15.3 million
- Enhanced Collections - \$12.0 million
- Fees – \$7.3 million
- Marijuana/Cannabis - \$6.5 million
- Gaming - \$2.8 million

Revenues Changes

Quasi Transfers	FY 19	FY 19 R	Chg.	FY 20	2Yr Chg.
Resource Recovery	\$ -	\$5.0	\$5.0	\$ -	\$5.0
RI Housing	-	2.5	2.5	1.5	4.0
Infrastructure Bank	4.0	4.0	-	4.0	4.0
RISLA	-	1.5	1.5	1.5	3.0
QDC	-	2.0	2.0	-	2.0
RIHEBC	-	2.0	2.0	-	2.0
Quasi Total	\$4.0	\$17.0	\$13.0	7.0	\$20.0
OSPAR	-	1.0	1.0	-	1.0
UST	-	1.0	1.0	-	1.0
Excess DEM Bonds	-	1.4	1.4	-	1.4
Grand Total	\$4.0	\$20.4	\$16.4	\$7.0	\$23.4

\$ in millions

Revenues Changes

Tax Changes - \$19.8 million

Cigarettes: up 25 cents per pack	\$3.1
OTP: e-cig, cigar cap, licensed suppliers	1.5
Sales Tax: <i>Building Services</i>	6.2
Sales Tax: <i>Digital Downloads</i>	2.6
Sales Tax: <i>Lobbying</i>	0.9
Sales Tax: <i>Shooting Ranges</i>	0.6
Sales Tax: <i>Interior Design</i>	0.5
Hotel Tax 1% increase	4.4

Revenues Changes

New Taxes* - \$15.3 million

Employer assessment for Medicaid	\$14.5
Excise tax on guns & ammunition	0.8

Enhanced Collections* - \$12.0 million

Remote Sellers	\$11.5
Collections Unit	0.5

Revenues Changes

Fees - \$7.2 million

DEM: Beach/Camp/Rec	\$1.3
Hard to Dispose Materials Fee	1.0
Beverage Container Case Fee	2.1
Oversized and Overweight Vehicle	0.5
Municipal Tax Block Fee	0.4
Debt Collector Fees	0.6
Mortgage Loan Originator	1.2

Revenues Changes

Gaming - \$2.8 million

Mobile Sports Betting	\$3.0
Keno App	0.9
Technical Correction to REC	(1.1)

Marijuana & Cannabis -\$6.5 million

Medical Marijuana	\$1.6
Adult Use Program	4.9

Revenues Changes

Change to Dedicated Charges - \$4.3 million

DMV Transaction Fee - \$1.50 to \$2.50	\$1.6
OSPAR charge per barrel	1.5
Job Development Fund Assessment to large non-profits	1.2

- Changes to dedicated funding mechanisms
 - Not direct deficit resolutions but impacts to users and programs

Governor's Solution

- Revenues
- *Medicaid*
- EOHHS Agencies
- Locals
- Commerce
- Departments and Agencies
 - Higher Ed
 - Debt and Other
 - Initiatives

Medicaid/EOHHS Agencies

Changes to Medicaid program

- Managed care plan reductions
 - Eliminate performance goal program
 - Reducing incidence of C-Sections
 - FQHC payments – move in plan
- Hospital rate freeze
- Nursing home increase limited to 1%
- Home and Community Care programs

EOHHS Agencies

- Proposals also impact
 - Payments to managed care plans, hospitals, and long term care providers
 - Community based providers for adults w/developmental disabilities in BHDDH
 - State employees at the state hospital

Medicaid

Impact to:	GR	All
Managed Care Plans	\$8.2	\$28.7
Hospitals	9.9	25.4
LTC – Nursing Facilities	6.5	14.0
LTC – Home & Community Care	1.5	3.1
State Only & Other Services	1.2	1.5
Developmental Disabilities	(1.2)	(2.5)
Eleanor Slater Hospital	1.3	1.2
Total	\$27.4	\$71.4

\$ in millions

Medicaid

Impact: Managed Care Plans	GR	All
Hepatitis Coverage – Lower Rx cost	\$4.5	\$16.2
Performance Goal Elimination	0.9	5.1
C-Section Births	0.1	0.3
Federally Qualified Health Centers - in plan	1.9	5.3
Pharmacy Rebates	0.8	1.8
Total	\$8.2	\$28.7

\$ in millions

Medicaid

Impact: Hospitals	GR	All
Freeze Rates at FY 2019 Level	\$5.3	\$15.1
Eliminate Inpatient UPL	3.6	9.4
Eliminate GME Payment	1.0	1.0
Total	\$9.9	\$25.4

\$ in millions

Medicaid

Impact: Long Term Care	GR	All
Limit October 1 st Nursing Home Rate Increase to 1%	\$3.5	\$7.5
Hospice Rates - Care in a Nursing Home Setting	2.6	5.5
Dual Eligible Utilization Management	2.0	4.2
Total	\$8.1	\$17.1

\$ in millions

Medicaid

Impact: State Only & Other	GR	All
Cortical Integrated Therapy	\$1.0	\$1.0
Estate Recoveries	0.2	0.5
Total	\$1.2	\$1.5

\$ in millions

Medicaid

Dev. Disabilities Program	GR	All
Current Spending & Caseload	(\$3.0)	(\$6.7)
Direct Wage Rate Increase	(3.0)	(6.4)
Residential Rebalancing	1.5	3.2
RICLAS – Close One Home	0.1	0.2
RICLAS – Right Sizing	0.2	0.4
Total	(\$4.2)	(\$9.3)

\$ in millions

Medicaid

Eleanor Slater Hospital	GR	All
Current Staffing & Operations	(\$2.2)	(\$5.3)
Institutional Laundry Services	0.5	1.0
Radiology Services	0.1	0.1
Medicare Billing Improvement	0.2	-
Maximize Medicaid Reimbursement	0.5	-
Total	(\$0.9)	(\$4.2)

\$ in millions

EOHHS Agencies

Proposals also impact

- Payments for services through DCYF
 - Less use of congregate care services
 - Eliminate unit at the Training School
 - Accelerate Voluntary Extension of Care program

EOHHS Agencies

- DCYF - \$2.9 million in general revenue savings included in Gov. Rec.
 - Projected to achieve \$1.4 million
- DHS - \$5.7 million additional spending
 - Eligibility Admin staffing
 - Including 3 new child care initiatives
 - Child care expansion for those in school or training program – may be under budgeted
 - Restores \$1.0 million of unachievable child support enforcement savings

EOHHS Agencies

	DCYF	GR	All
Voluntary Extension of Care		\$2.6	\$3.0
Home Based Services Efficiencies		1.3	2.0
Title VI-E		0.3	-
Training School – Close One Unit		0.6	0.6
Total		\$4.8	\$5.6

\$ in millions

EOHHS Agencies

DHS	GR	All
Child Care Reimbursement Rates	(\$0.8)	(\$0.8)
Expand subsidized child care to those in school/ training program	(0.2)	(0.2)
<i>Total</i>	(\$1.0)	(\$1.0)
Office of Elder Affairs*		
Co-Pay Programs - expand eligibility to 250% of poverty	(\$0.6)	(\$1.3)

**Currently Division of Elderly Affairs/Governor proposes new office/ reverse by GBA*

EOHHS Agencies

- DOH - \$1.0 million
 - New home visiting state support
 - Preventive and prenatal services
 - Replaces federal funds
- Veterans Affairs - \$2.1 million
 - Home-staffing needs - \$1.9 million
 - Based on FY 2018 spend
 - \$1.0 million less than revised budget
 - Grants - \$0.2 million increase

EOHHS Agencies

- Issues
 - Budget re-attempts savings that agencies have had difficulty achieving
 - DCYF – Medicaid and Title IV-E claiming opportunities
 - BHDDH – further savings from residential rebalancing
 - Staffing

EOHHS Agencies

Average Filled Positions					
Agency	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 (thru April)
EOHHS	170.2	165.2	163.2	176.3	183.0
BHDDH	1,269.9	1,217.7	1,173.3	1,127.7	1,152.5
DHS	856.5	869.4	835.7	874.6	930.6
DCYF	571.2	548.8	531.1	554.4	582.0
DOH	441.9	443.1	465.2	480.2	482.2
Total	3,309.7	3,244.2	3,168.5	3,213.2	3,330.3
Chg. to prior year		(65.5)	(75.7)	44.7	117.1

EOHHS Agencies

DHS Staffing

Fiscal Year	Average Filled Positions
2019 (through April)	665.2
2018	627.7
2017	590.6
2016	632.2
2015	619.5

Excludes Office of Veterans' Affairs & Division of Elderly Affairs

Governor's Solution

- Revenues
- Medicaid/EOHHS
- *Locals*
- Commerce
- Departments and Agencies
 - Higher Ed
 - Corrections
 - Initiatives
 - Debt and Other

Locals

- Aid \$7.5 million more than original estimates based on updated data
 - Education Aid - \$15.7 million more
 - Formula education aid - \$14 million
 - Teacher retirement – \$3.0 million
 - Cost Shift proposal -\$1.3 million savings
 - Local Aid - \$23.2 million less
 - PILOT funding – \$7.4 million less than estimated
 - \$6.0 million less than current law
 - Motor Vehicle Excise Tax - \$15.8 million more
 - \$16.1 million less than current law

Education Aid

- Funds 9th year of formula
 - Adds \$29.5 million based on updated data
 - Includes \$1.3 million reduction from DCYF proposal
 - Adds \$1.6 million in stabilization funding to Central Falls, Davies and Met
 - \$0.4 million less for fewer group home beds
- Distributions based on transition guidance in law
 - Gaining communities fully phased in
 - Subject to change with March data

Education Aid

- Department reported March enrollment data on April 12
 - \$1.2 million more than Gov. Rec.
 - Department also updated savings estimate for proposal to shift DCYF costs
 - \$1.2 million, or \$0.2 million less than assumed in Governor's budget
- Combined impact of \$1.4 million to Governor's budget

Education Aid

- Governor includes \$3.2 million for group home bed
 - Aid is based on number of beds open as of December 31
 - Governor used preliminary data of 324 beds
- DCYF submitted report on February 19
 - Report usually submitted beginning of January
 - Adds 7 beds & would require \$35,080 more than recommended

Education Aid

- \$38.0 million for categorical aid
- Most categorical funds at enacted level
 - \$4.5 million for High Cost Special Ed
 - \$4.5 million for Career & Tech
 - \$7.4 million for Transportation
- Out-years assume no growth
 - Like last 2 years but departure from past practice

Education Aid

- High Cost ELL
 - \$5.0 million, \$2.3 million more than enacted
 - Support for English language learners in most intensive programs
 - Based on 10% of core instruction amount, adjusted for state share ratio
 - Subject to appropriation
- Teacher Retirement
 - \$112.3 million, \$6.2 million more than enacted

Education Aid

- School Resource Officers
 - \$1.0 million for 2nd year, \$1.0 million less than enacted
 - 3-year program, reimburses 1/2 costs of new SROs in middle and high schools
 - Number of eligible SROs are limited by student enrollment at each school
- Density Aid
 - FY 2019 was last year of 3-year program

Education Aid

- School Construction Aid \$80 million
 - \$79.0 million - Traditional
 - \$1.0 million – SBA Fund
- Same as enacted but final split will be based on costs for traditional program
 - Current law requires excess from traditional aid be transferred to Fund
 - For FY 2019 and FY 2020, excess must be used for technical assistance to districts

Education Aid

- \$250 million GO bond approved by voters
 - Upfront support for state share of projects
 - Approval also triggered temporary incentives to enhance aid for certain projects
 - Up to 20% for health/safety deficiencies, high-demand areas, replacing & consolidating facilities
 - Projects must begin by 2022 or 2023
 - Out-year forecast excludes impact to traditional program from incentives & activity
 - Likely tens of millions more by 2022 and growing

Education Aid/Universal Pre-K

- Early Childhood – Universal Pre-K
 - \$15.6 million, \$9.3 million more from general revenues – Not in current service
 - Replaces one-time permanent school fund balance and expired federal funds
 - \$14.5 million to fully fund current 60 classrooms and expand program
 - \$0.7 million for contracted professional development & program evaluation
 - \$0.4 million for 4.0 new FTEs

Local Aid – General Aid Programs

	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Governor
Dist. Communities	\$12.4	\$12.4	\$12.4
PILOT	46.1	46.1	40.8
Motor Vehicle Excise	54.7	56.3	78.0
Total	\$113.2	\$114.8	\$131.2
\$ In millions			

Local Aid – Restricted Aid Programs

	FY 2019 Enacted	FY 2019 Gov. Rev.	FY 2020 Governor
Library Resource Aid*	\$9.4	\$9.4	\$9.4
Library Const. Aid	2.2	2.2	1.9
Property Valuation	1.6	1.6	0.7
Oversight	0.1	0.1	0.1
Total	\$13.2	\$13.2	\$12.0
\$ in millions			
*Includes Reference Library Resource Grant to Providence			

Local Aid Programs

- PILOT - \$40.8 million
 - Funding represents– 23.6% of the value
 - \$5.3 million less than FY 2019
 - \$6.0 million less than full funding
- Motor Vehicle Phase-Out - \$54.7 million
 - \$23.2 million more than enacted
 - \$16.3 million less than current law
 - Minimum exemption from \$2,000 to \$3,000
 - Lowers assessed value from 90% to 85%
 - Lowers tax rate cap from \$50 to \$35, per \$1,000

Car Tax Phase-Out

Fiscal Year	Current Law			2019-H 5151		
	% of Retail Value	Rate cap / \$1,000	Exempt. Floor	% of Retail Value	Rate cap / \$1,000	Exempt. Floor
2017	100	\$ -	\$ 500	100	\$ -	\$ 500
2018	95	\$60	\$1,000	95	\$60	\$1,000
2019	90	\$50	\$2,000	90	\$50	\$2,000
2020	85	\$35	\$3,000	87.5	\$40	\$2,800
2021	80	\$35	\$4,000	84	\$35	\$3,800
2022	75	\$30	\$5,000	79	\$30	\$4,800
2023	70	\$20	\$6,000	64.5	\$25	\$6,000
2024	No Tax Levied					

Governor's Solution

- Revenues
- Medicaid/EOHHS
- Locals
- *Commerce*
- Departments and Agencies
 - Higher Ed
 - Public Safety
 - Initiatives
 - Debt and Other

Commerce

- 2015 Assembly enacted 15 programs as part of the FY 2016 budget in support of the Governor's economic strategy
 - 5 tax incentive programs
 - 10 other programs, investments & initiatives
 - Partially funded from debt restructuring
- 2016 Assembly added 1 more program and revised others
- 2017 Assembly made minor revisions

Commerce

- FY 2020 Budget funds commerce programs at \$0.8 million below levels assumed in FY 2020 projections
 - Adds funding to established funds
 - Defunds ongoing programs
- Changes to approved programs
 - Extends sunsets from June 2020 to Dec 2023
 - Prior extension related to receipt of updated long term plan due December 2019
 - Evaluations due June 2020

Commerce

<i>Current Programs</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019R</i>	<i>2020</i>
Rebuild RI	\$ 1.0	\$ 25.0	\$ 12.5	\$ 11.2	\$ 15.0
Cluster Grants	0.8	0.5	-	0.1	0.1
Wavemaker	1.8	2.0	0.8	1.6	1.2
Innovation Initiative	1.0	1.5	1.0	1.0	1.0
P-Tech	0.9	1.2	-	0.2	0.2
I-195 Redev. Fund	25.0	-	2.0	1.0	1.0
Small Business Assist.	5.5	-	-	-	0.8
Supply RI	-	-	-	0.3	0.3

\$ in millions

Commerce

<i>Pass-Through</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019R</i>	<i>2020</i>
Commerce Corp.	\$ 7.4	\$ 7.4	\$ 7.2	\$ 7.5	\$ 7.6
Airport Impact Aid	1.0	1.0	1.0	1.0	0.8
STAC	1.2	1.2	0.8	0.9	0.9
Innovative Research	1.0	1.0	1.0	1.0	1.0
Urban Ventures	0.1	-	0.1	0.1	-
Chafee Center	0.4	0.4	0.4	0.5	0.5
Polaris	0.4	0.3	0.3	0.4	0.4

\$ in millions

Commerce

- Rebuild RI
 - Prefunding tax credits taken over time
 - \$15 million for FY 2020; prior assumption \$20 million
 - Total set-aside increases to \$65 million
 - Current cap on credits \$150M and expires 6/20
 - \$105 million awarded to date
 - Article 12 increases cap to \$250 million
 - Extends sunset to 12/23
 - Loosens restrictions including exceptions to cap of \$15 million per project
 - Out-years assume need for \$50 million per year

Commerce

Proposed Programs	GR	Total
Simplify, Streamline*	\$0.8	\$0.8
Site Readiness	1.45	2.45
Research & Development Tax Credit	1.3	1.3
Pay for Success	0.5	0.5
Total	\$4.0	\$5.0

\$ in millions

**DBR includes \$0.5 million of this total; RICAP accounts for \$1.0 million*

Commerce

- Simplify, Streamline/Site Readiness
 - Facilitate development & investment
 - Joint EOC & DBR program
 - \$0.8 million for staff and consultants
 - 2.0 FTE at EOC, 7.0 at DBR and another \$0.5 million
 - \$1.45 million for site readiness
 - Legislation establishes new quasi-public entity, State & Local Partnership Council
 - Provide training, investments, consultation to locals
 - Expands role for Quonset with additional board
 - Elements of prior proposals not enacted

Commerce

- Research & Development Tax Credit
 - Transferrable tax credit up to \$1.3 million for qualifying costs
- Pay for Success - \$0.5 million
 - Assist homeless, high-Medicaid users with permanent supportive housing
 - Secure a \$1.0 million federal grant and leverage private funding
 - That funding is NOT currently assumed in budget

Commerce

- Related Issues
 - Minimum wage increase
 - Job development fund extension to non-profit employers
 - Noted in revenue section
 - Assessment for Medicaid employees
 - Noted in revenue section

Governor's Solution

- Revenues
- Medicaid/EOHHS
- Locals
- Commerce
- *Departments and Agencies*
 - Higher Ed
 - Public Safety
 - Initiatives
 - Debt and Other

Departments and Agencies

- Higher Education
 - \$8.3 million above current service estimates
 - \$1.9 million is for 3rd year of RI Promise Scholarship
 - Anticipates further growth in first year participants
 - \$1.8 million for URI online learning initiative
 - \$0.2 million for SNAP Scholarship initiative at CCRI
 - Other URI new items
 - \$1.0 million for fundraising contract with URI Foundation
 - \$0.9 million for new staff & \$0.5 million for grad assistants
 - \$2.0 million for student aid & operating system wide

Departments and Agencies

- Higher Education
 - Governor proposes to expand RI Promise
 - Part-time & full-time adults at CCRI
 - Includes those seeking degrees & certificates
 - Juniors & seniors at RIC
 - Similar to FY 2018 proposal that was not enacted
 - Budget includes \$5.3 million from one-time reserve funds
 - Out-year estimates assume general revenues
 - Do not address impact of early depletion of funds

Departments and Agencies

- Department of Corrections
 - High Security Savings - \$4.0 million
 - Linked to facility renovations
 - Governor requests Assembly authorization of \$45.0 million from COPs and adds \$1.1 million for debt service
 - Reduction in overtime costs from moving inmates out-of-state or to other facilities - \$5.1 million
 - Hepatitis C Treatment - \$2.1 million less
 - Assumes fewer inmates treated and at a lower price per treatment

Departments and Agencies

- Department of Corrections
 - Healthcare Savings - \$1.1 million
 - Equates to 5.0% of health care costs
 - Includes reductions to pharmaceuticals, doctors, & dentists
 - These costs have been a recent area of growth
 - Not clear how savings will be achieved
 - No specifics provided
 - Some of these expenses are also assumed to go down via statewide operating savings distribution

Departments and Agencies

- State Police Academy - \$1.6 million less
 - 10 fewer troopers expected to be hired
 - 30 instead of 40 in academy now
- Bomb Squad - \$0.1 million more
 - New equipment for Fire Marshal
- Judiciary - \$1.8 million more
 - Expenses above current service estimates
 - Essentially covers new judicial appointments
 - Governor announced appointments for 6 of 8 vacancies on December 10

Departments and Agencies

- Central Falls Operating Support - \$600,000 in savings
 - Excludes operational support to City enumerated in enacted budget
- DMF Staffing
 - Turnover equivalent to five positions

Initiatives

- K – 12 Initiatives

- New

- School Mental Health - \$590,000
- School Nutrition- \$55,000
- Curriculum Development - \$100,000

- Increased

- Advanced Coursework Network - \$50,000 more
- Computer Science (CS4RI) - \$50,000 more

Initiatives

- Complete Count - \$150,000 more
 - To maximize outreach & count related to 2020 census
- Litigation Oversight - \$0.1 million more
 - Oversee litigation across state agencies
- License Plate Reissuance
 - Delete requirement
 - \$0.4 million cost

Initiatives

- Americas Cup - \$0.4 million more
 - For hosting a June 2020 tournament
- Parks and Recreation - \$1.5 million more
 - For additional maintenance and staff
 - Similar to fee increase proposed

Debt Service

- Debt Service \$5.7 million savings
 - Higher Education debt – \$1.6 million
 - 195-Land debt – \$1.3 million
 - GO debt - \$1.5 million
 - Fidelity Job Rent Credits - \$0.5 million
 - Other debt - \$0.9 million

Cost Shifts

- DMV staff to DOT funds
 - \$4.5 million
- Water Resources Board to PUC
 - \$0.4 million
 - Cost shifts to regulated utilities
- Costs shifted to internal service funds
 - Labor contract negotiations
 - \$0.2 million

Statewide Savings Initiatives

- Includes \$10.0 million in savings from Statewide Efficiency Commission
 - Led by Office of Management and Budget
 - Governor recommends \$4.2 million of savings initiatives
 - HFC hearing scheduled for Thursday 5/23
- Distribution of FY 2019 enacted savings among agencies
 - Not all proposals have been resolved

Efficiency Commission – Governor’s Recommendation

Item	FY 2020 General Revenue Savings
Inter-departmental Consolidations	\$(340,245)
Cost Shifts to Locals	(2,280,492)
Outsourcing & Operational Efficiencies	(614,186)
Co-locate OPC and RIDE	(1,000,000)
Total	\$(4,234,923)
Sale of Surplus Property	\$6 – 10 M ?

FY 2020: Governor's Solution

Revenues	\$70.5
Medicaid – EOHHS Caseload	26.0
EOHHS Agencies	33.2
Locals	7.5
Commerce	0.8
Higher Education	(8.3)
Debt Service	5.7
Other Issues, Initiatives & Adjustments	14.6
Total Governor Solution	\$150

\$ in millions

Issues and Risks

- Q3 has some overspending that could impact FY 2020
- Education aid data updated
 - \$1.4 million in added costs for FY 2020
- UHIP/Deloitte resolution
 - State share
- Personnel tracking and budgeting
 - Unbudgeted upgrades

Expenditures

	Enacted	Budget	Change
Gen. Rev.	\$3,908.2	\$4,075.1	\$166.9
Federal	3,208.2	3,318.7	110.5
Restricted	281.8	301.5	19.6
Other	2,174.5	2,234.8	60.3
Total	\$9,572.7	\$9,930.0	\$357.3

\$ in millions

Personnel and Operating

- Salaries and Benefits
 - Increase of 4.6% from enacted
 - General revenues increase 3.5%
 - Reflects updated benefit rates and cost-of-living adjustments
 - Includes \$6.1 million of statewide medical benefit savings

Full-time Equivalent Positions

	Total
FY 2018 Avg.	13,913.2
FY 2019 Enacted	15,209.7
FY 2019 Gov. Rev.	15,230.7
Diff. from Enacted	21.0
Filled Jan. 19	14,104.4
Diff. from Enacted	(1,105.3)
Diff. from Gov.	(1,499.9)
Filled May 11	14,172.1
Diff. from Gov.	(1,058.6)
Diff. from Jan. 19	67.7
Diff. from May 12, 2018	385.0

Staffing Changes

- Biggest changes
 - 30.0 troopers; 10.0 correctional officers
 - 30.0 highway maintenance, project managers
 - 25.0 Marijuana regulation
 - 20.0 new in Administration
 - 18.0 new to support internal service programs
 - 10.0 new at Division of Motor Vehicles
 - Most relate to 2 year REAL ID expansion

Staffing Changes

- Other changes
 - General Government - 23.4
 - Human Services - 25.0
 - 12.0 Veterans' Home
 - Education – 9.0
 - Public Safety – 10.0
 - 6.0 Military Staff
 - Natural Resources – 11.0

Personnel Initiatives

- Injured on duty changes - \$1.7 million
 - Allows an independent medical examiner to certify maximum improvement is reached
 - Currently only employee physician can certify
 - Start 60-day clock to apply for accidental disability
 - Current recipients have 90 days from July 1, 2019 to apply for accidental disability
 - Otherwise benefits would terminate
 - Applies to all state and local
 - Budget savings for DPS, Military, DEM

Personnel and Operating

- Contracted Services
 - Increases 28.6% from enacted
 - General revenues increases 15.1%
 - \$59.0 million more related to UHIP
 - In prior sessions Assembly required state agencies to be held more accountable for contract services they purchase
 - Revised requirements for easier compliance
 - Reports still not posted

Personnel and Operating

- Operating Costs
 - Increase 4.8% from enacted
 - 1.6% decrease from general revenues
 - Includes \$10.0 million in efficiency savings

Centralized Services

- 2017 Assembly authorized establishment of internal service funds for centralized services
 - IT, Capital asset management & HR
- Costs previously budgeted in DOA
 - Methodology on distribution needs review
 - Long term impacts and transparency concerns continue
- Q3 report was due April 15
 - Arrived at 4PM today - staff has not reviewed

Personnel and Operating

- Transparency issues
 - Unidentified changes in agencies against rosters shown in the personnel supplement
 - Usually when new positions are added
 - Dilutes usefulness of the personnel supplement
 - Classification issue persist from last year
 - Budget Office has begun to address this
 - All similar issues make it difficult to track changes and adherence to enacted budget assumptions

Budget Status

Staff Presentation to the House Finance
Committee
May 21, 2019
