

House Fiscal Advisory Staff

2011-H 5894 Substitute A As Recommended by the House Finance Committee



Submitted to the 2011 House of Representatives

House Committee on Finance

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Table of Contents

Introduction	1
Section I. Overview	3
Section II. Adjustments to Governor’s FY 2012 Budget	
FY 2012 Expenditure Changes Table	9
Changes to Governor’s FY 2012 Budget	17
Section III. Special Reports	
State Aid to Cities and Towns.....	41
FY 2012 Education Aid	57
Section IV. Adjustments to Governor’s Revised Budget	
FY 2011 Expenditure Changes Table	63
Changes to Governor’s FY 2011 Revised Budget.....	69
Section V. Summary Tables	
Expenditures by All Funds.....	86
Expenditures from General Revenue	88
Expenditures from Federal Grants	90
Expenditures from Restricted Receipts.....	92
Expenditures from Other Funds	94
Full-Time Equivalent Positions.....	96
Section VI. Article Explanations	99

Introduction

Introduction

This document provides information concerning the FY 2012 budget contained in 2011-H 5894, Substitute A as passed out of House Finance Committee on June 17. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I, beginning on page 3, is a short summary of the budget.

Section II, beginning on page 9, presents the changes to the Governor's recommendations for FY 2012 introduced and referred to House Finance on March 9. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III, beginning on page 41, contains State Aid to Cities and Towns and Education Aid. Both of these reports contain comparison tables to FY 2011 as well as descriptions of the major aid components.

Section IV, beginning on page 63, contains the changes to the Governor's revised budget which was included as Article 2 of 2011-H 5894. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V, beginning on page 86, contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2011 enacted budget, the final FY 2011 budget as reported by the House Finance Committee, the Governor's FY 2012 recommendations and the House Finance Committee's recommendations.

Section VI, beginning on page 99, contains brief descriptions of the articles contained in 2011-H 5894, Substitute A.

The names and telephone numbers of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

General Government Agencies

Analyst and Phone Number (222)

Department of Administration.....	Chantale Sarrasin (2485)
Department of Business Regulation	Edward J. Cooney, Jr. (1303)
Department of Labor and Training.....	Stephanie Perreault (3876)
Department of Revenue	Chantale Sarrasin (2485)
Legislature	Liza Pinto (2059)
Office of the Lieutenant Governor.....	Edward J. Cooney, Jr. (1303)
Office of the Secretary of State.....	Stephanie Perreault (3876)
Office of the General Treasurer	Liza Pinto (2457)
Rhode Island Board of Elections	Stephanie Perreault (3876)
Rhode Island Ethics Commission	Edward J. Cooney, Jr. (1303)
Office of the Governor.....	Chantale Sarrasin (2485)
Rhode Island Commission for Human Rights	Justin Benevides (1162)
Public Utilities Commission.....	Lori Fisette (1386)
Economic Development Corporation.....	Chantale Sarrasin (2485)

Human Services Agencies

Office of Health and Human Services	Linda M. Haley (1164)
Department of Children, Youth and Families.....	Jodi Aubin (1304)
Department of Elderly Affairs.....	Jodi Aubin (1304)
Department of Health	Lori Fisetto (1386)
Department of Human Services	Stephanie Perreault (3876)
Behavioral Healthcare, Developmental Disabilities and Hospitals	Linda M. Haley (1164)
Office of the Child Advocate	Jodi Aubin (1304)
Commission on the Deaf and Hard of Hearing.....	Lori Fisetto (1386)
Governor's Commission on Disabilities	Lori Fisetto (1386)
Office of the Mental Health Advocate.....	Linda M. Haley (1164)

Education Agencies

Department of Elementary and Secondary Education.....	Liza Pinto (2059)
Board of Governors for Higher Education.....	Justin Benevides (1162)
Rhode Island Council on the Arts.....	Jodi Aubin (1304)
Rhode Island Atomic Energy Commission	Justin Benevides (1162)
Rhode Island Higher Education Assistance Authority	Liza Pinto (2059)
Historical Preservation and Heritage Commission	Edward J. Cooney, Jr. (1303)
Rhode Island Public Telecommunications Authority.....	Justin Benevides (1162)

Public Safety Agencies

Office of the Attorney General.....	Nobel Jeudy (3877)
Department of Corrections.....	Nobel Jeudy (3877)
Judicial Department.....	Nobel Jeudy (3877)
Military Staff	Lori Fisetto (1386)
Department of Public Safety	Edward J. Cooney, Jr. (1303)
Office of the Public Defender.....	Nobel Jeudy (3877)

Natural Resources Agencies

Department of Environmental Management.....	John-Paul Verducci (2014)
Coastal Resources Management Council.....	John-Paul Verducci (2014)
State Water Resources Board	John-Paul Verducci (2014)
Clean Water Finance Agency.....	John-Paul Verducci (2014)
Narragansett Bay Commission.....	John-Paul Verducci (2014)
Rhode Island Resource Recovery Corporation.....	John-Paul Verducci (2014)

Transportation Agencies

Department of Transportation.....	John-Paul Verducci (2014)
Rhode Island Public Transit Authority	John-Paul Verducci (2014)
Rhode Island Airport Corporation.....	John-Paul Verducci (2014)

Section I

Overview

Summary

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Expenditures by Function*				
General Government	\$ 1,681.4	\$ 1,823.0	\$ 1,357.2	\$ 1,381.7
Human Services	3,121.9	3,099.8	3,119.6	3,149.8
Education	2,101.2	2,194.7	2,170.1	2,167.2
Public Safety	431.8	474.8	475.4	473.7
Natural Resources	98.9	111.1	104.0	102.8
Transportation	428.9	453.8	435.0	427.0
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Expenditures by Category*				
Salaries and Benefits	\$ 1,439.6	1,451.8	\$ 1,502.8	\$ 1,475.9
Contracted Services	222.5	248.5	231.7	235.5
Subtotal	\$ 1,662.0	\$ 1,700.3	\$ 1,734.5	\$ 1,711.4
Other State Operations	633.2	670.9	669.8	669.8
Aid to Local Units of Government	1,053.9	1,096.1	1,097.2	1,076.2
Assistance, Grants, and Benefits	3,864.1	4,018.7	3,532.8	3,603.3
Capital	266.9	280.3	244.0	256.1
Capital Debt Service	233.8	230.4	240.7	243.7
Operating Transfers	150.1	160.4	142.3	141.7
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Sources of Funds*				
General Revenue	\$ 2,942.1	\$ 2,974.2	\$ 3,169.8	\$ 3,144.5
Federal Aid	2,903.5	3,085.0	2,557.2	2,606.3
Restricted Receipts	180.0	181.2	209.5	188.6
Other	1,838.5	1,916.8	1,724.8	1,762.8
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
FTE Authorization	14,827.6	14,957.6	14,990.6	14,942.2

*Data in millions

Note. Data in the "FY 2011 Enacted" column are not comparable to the other columns due to inclusion of adjustments in single categories or functions. Significant retirement adjustments are included as expenditures in the Department of Administration in General Government rather than distributed to the agencies and departments. There are similar aggregated adjustments in the FY 2012 Committee recommendation.

Summary

The Governor's budget recommendations for FY 2012, along with his revisions to the FY 2011 enacted budget, are contained in 2011-H 5894, introduced on March 9, 2011. The Governor signed 2011-H 5269 on February 18 that extended the submission date 35 days to March 10. Supporting documents were not published until late March.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February.

The Governor recommends a total FY 2012 budget of \$7,661.3 million. Total expenditures decrease \$202.8 million from the FY 2011 budget enacted by the 2010 Assembly, or 2.6 percent. His FY 2011 revised budget totals \$8,111.4 million; FY 2010 expenditures were \$7,708.9 million.

The Budget includes \$3,169.8 million of expenditures funded from general revenues, \$227.7 million, or 7.7 percent more than the enacted general revenue funded budget. They are also \$204.5 million more than his revised recommendations.

The House Finance Committee recommends total expenditures of \$7.702 billion, which is \$40.9 million more than the Governor recommended. It contains \$3.145 billion from general revenues, which is \$25.3 million less than the Governor recommended.

FY 2012	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2011 Enacted	\$ 2,942.1	\$ 2,903.5	\$ 180.0	\$ 1,838.5	\$ 7,864.1
Governor	3,169.8	2,557.2	209.5	1,724.8	7,661.3
Change to Enacted	\$ 227.7	\$ (346.3)	\$ 29.4	\$ (113.7)	\$ (202.8)
Percent Change	7.7%	-11.9%	16.4%	-6.2%	-2.6%
House Finance Committee	3,144.5	2,606.3	188.6	1,762.8	7,702.2
Change to Enacted	202.4	(297.2)	8.5	(75.6)	(162.0)
Percent Change	6.9%	-10.2%	4.7%	-4.1%	-2.1%
Change to Governor	\$ (25.3)	\$ 49.1	\$ (20.9)	\$ 38.0	\$ 40.9
HFC Change to FY 2011	\$ 170.3	\$ (478.7)	\$ 7.3	\$ (153.9)	\$ (455.0)
Percent Change to FY 2011	5.7%	-15.5%	4.0%	-8.0%	-5.6%
HFC Change to FY 2010	\$ 280.9	\$ (206.9)	\$ 36.3	\$ (117.1)	\$ (6.8)
Percent Change to FY 2010	9.8%	-7.4%	23.8%	-6.2%	-0.1%

General revenue expenditures recommended by the Committee are \$202.4 million, or 6.9 percent more than general revenues appropriated for FY 2011 by the 2010 Assembly. That budget contained over \$230 million in federal stimulus funds substituting for general revenues. General revenue expenditures are \$170.3 million more than the FY 2011 revised budget also contained in 2011-H 5894, Substitute A.

A significant portion of the changes in the budget relate to large adjustments for payments of unemployment benefits, which are reflected in both federal and other funds.

House Fiscal Staff estimates that in preparing the FY 2012 budget, the Governor faced a projected revenue-expenditure gap of \$300 million, which would grow to about \$400 million by FY 2016. This was somewhat lower than Staff's FY 2011 forecast in the enacted FY 2011 budget, mainly because of revisions at the November 2010 Revenue and Caseload Estimating Conference. The Governor's budget resolved this

gap largely with increased revenues and one-time savings. The Budget Office projected a \$128.8 million gap for FY 2013, 3.9 percent of useable revenues, that grows to \$411.4 million in FY 2016, 12.0 percent of useable revenues. The FY 2013 gap is largely due to the Governor's proposed use of one-time items in the resolution of the current budget gap and the phase in of the business tax reductions and transportation funding increases. That amount more than triples largely because expenditure growth rates outpace the revenue growth projections with average deficits of \$294.0 million including \$480.0 million for FY 2016.

The gap narrowed by \$46.6 million for FY 2011 and \$62.7 million for FY 2012 due to stronger than expected revenue estimates and caseload changes adopted at the May 2011 Revenue and Caseload Estimating Conference.

House Finance Committee used these additional resources along with additional expenditure reductions to close the budget gap without the significant increase in new revenues as proposed by the Governor. The Committee's budget also includes a number of initiatives that do not reflect a full year's savings or revenue or do not produce savings until FY 2013 or later. This is necessary to offset the use of FY 2011 surplus funds and other one-time savings in FY 2012 without exacerbating out year deficits. Examples of this include the October 1 effective date for most of the sales tax items, the action to end new longevity payments, the school construction aid moratorium and a number of human services initiatives.

The House Finance Committee's budget does not entirely resolve the out year budget gaps, though its actions provide a considerable reduction compared to the Governor's initial budget submission. The table below shows those changes excluding the impact on retirement costs based on action taken by the Retirement Board in April and May regarding retirement assumptions and out year pension costs.

<i>Excluding Retirement Board Action</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	\$ (128.8)	\$ (224.7)	\$ (342.5)	\$ (480.0)	\$ (294.0)
FY 2012 Budget as passed by House Finance Committee	(58.9)	(100.6)	(164.7)	(218.8)	(135.8)
Difference	\$ (69.9)	\$ (124.1)	\$ (177.8)	\$ (261.2)	\$ (158.2)
% difference	-54.3%	-55.2%	-51.9%	-54.4%	-53.8%

**As adjusted for technical correction*

Staff estimates that the Retirement Board's actions to lower investment return assumptions and other key factors affecting the unfunded liability and state contribution would add approximately \$80 million to the structural deficit annually. The Governor, Assembly and Treasurer have committed to addressing this issue before the 2012 Legislative Session. The table below shows the out-year deficits with that issue factored into both estimates. If no action is taken, the FY 2013 out year deficit would be \$140.3 million.

Out-Year Forecasts

<i>Adjusted for Retirement Board Action Impact</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	(210.2)	(304.8)	(416.3)	(557.6)	(372.2)
FY 2012 Budget as passed by House Finance Committee	(140.3)	(180.7)	(238.5)	(296.3)	(214.0)
% difference	-33.3%	-40.7%	-42.7%	-46.9%	-42.5%

**As adjusted for technical correction*

The items that follow represent a selection of items of interest regarding the budget. Additional information is contained in the sections describing the changes to the Governor's budget, budget article explanations and aid reports.

- ***Rainy Day Fund Repayment.*** The Committee does not further delay the \$22.0 million repayment of the Budget Stabilization and Cash Reserve Account for funds borrowed in FY 2009 to close the projected budget gap. Governor Chafee initially proposed that be delayed until FY 2013. He subsequently requested an amendment reversing that recommendation following the May Revenue Conference results.

- ***Governor's Sales Tax Plan.*** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items for a total of \$17.2 million in FY 2012.

- ***Combined Reporting.*** The House Finance Committee does not concur with the Governor's recommendation to impose combined reporting and adjusts revenues accordingly. The Committee does include legislation requiring a corporation that is part of a "unitary business" to file returns as if combined reporting were required along with their regular returns. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

- ***Driving Record Abstracts.*** The House Finance Committee does not concur with the Governor's proposed legislation to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement.

- ***Telecomm Access Fund.*** The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012 and reduces revenues by \$74,160.

- ***Central Falls Stabilization Payment.*** The Governor recommends \$1.8 million in FY 2011 and \$4.9 million in FY 2012 to eliminate the projected deficits for Central Falls. The House Finance Committee does not concur.

- ***Payment in Lieu of Taxes Program.*** The House Finance Committee recommends \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program, \$5.5 million more than FY 2011 and the Governor's recommendation.

- ***Funding Formula.*** The House Finance Committee concurs with the Governor's recommendation to fund the first year of the education funding formula adopted by the 2010 Assembly.
- ***Longevity.*** The House Finance Committee includes Article 8 to end new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract and estimates \$4.0 million in FY 2013 savings from this action.

- ***Neighborhood Opportunities Program.*** The House Finance Committee concurs with the Governor's proposal to dedicate \$1.5 million from Rhode Island Housing and Mortgage Finance Corporation resources to the Neighborhood Opportunities program.

- **Pharmaceutical Assistance.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the Pharmaceutical Assistance to the Elderly program and restores \$0.3 million from general revenues and \$0.1 million from drug rebates to fully fund the program.
- **Unemployment Trust Fund.** The Budget includes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It includes changes to the taxable wage base and benefits. Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The changes are designed to make the Trust Fund solvent by FY 2015.
- **Public Higher Education.** The House Finance Committee includes \$4.0 million in new general revenue funding for Public Higher Education, which is \$6.0 million less than the Governor's proposal to add \$10.0 million. The Committee did include an increased commitment of \$2.0 million annually for the asset protection projects at the institutions.
- **Hardship Program.** The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.
- **Nursing Home Rate Reduction.** The Governor's budget includes a five percent reduction to the rate paid to nursing homes beginning October 1, 2011 for savings of \$12.8 million, including \$6.1 million from general revenues. He also revises the nursing home principles of reimbursement. The House Finance Committee does not concur with the rate reduction and restores roughly half the funding by not allowing the scheduled cost of living increase. The Committee does concur with the change in payment methodology.
- **Community Service Grants** The House Finance Committee includes a ten percent reduction to community service grants for a savings of \$0.9 million.
- **Facility Consolidation and Population Reduction.** The House Finance Committee recommends general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing community-based placements. Based on the current population level and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the savings. These savings would annualize to over \$12 million in FY 2013.
- **Transportation.** The Governor proposed dedicating \$12.0 million to transportation expenses in FY 2012 by transferring 20.0 percent of certain transportation related fees previously deposited as general revenues. He proposed to increase the transfer of these fees by 20.0 percent each year until FY 2016, when 100 percent of the fees will be dedicated to the Department. The purpose of the proposal is to eventually lower the amount of debt service paid by the Department with gasoline tax proceeds, which will then allow these proceeds to be used for other purposes. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal, which utilizes newly created and incrementally increasing transportation related surcharges beginning in FY 2014 along with Rhode Island Capital Plan funds to reduce the Department's borrowing.

General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2012 surplus of \$0.3 million, and has an operating deficit of \$57.0 million reflecting use of the FY 2011 surplus. The FY 2012 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and

expenditures. The budget reserve and cash stabilization account, the “rainy day fund” would have an FY 2012 balance of \$148.8 million.

	FY 2010	FY 2011 HFC	FY 2012 HFC
Opening Surplus			
Free Surplus	(62,286,104)	17,889,522	57,361,498
Reappropriated Surplus	998,144	3,364,847	-
Subtotal	(61,287,960)	21,254,369	57,361,498
Revenues			
Enacted/Actual/Estimated	3,017,031,203	3,020,646,545	2,938,040,000
Governor	-	19,074,620	307,809,191
Assembly	-	51,424,942	(67,798,390)
Total Revenues	3,017,031,203	3,091,146,107	3,178,050,801
To Cash Stabilization Fund	(70,913,882)	(80,834,926)	(90,591,544)
Total Available Resources	2,884,829,361	3,031,565,550	3,144,820,755
Expenditures			
Actual/Enacted/Estimated	2,863,574,992	2,942,118,704	3,327,178,688
Reappropriations	-	3,364,847	-
Governor	-	19,821,403	(157,342,662)
Assembly	-	8,899,098	(25,331,341)
Total Expenditures	2,863,574,992	2,974,204,052	3,144,504,685
Total Surplus	21,254,369	57,361,498	316,070
Reappropriations	(3,364,847)	-	-
Free Surplus	\$ 17,889,522	\$ 57,361,498	\$ 316,070
<i>Operating Surplus/(Deficit)</i>	<i>83,540,473</i>	<i>39,471,976</i>	<i>(57,045,428)</i>
Rainy Day Fund	112,280,314	130,579,496	148,828,966

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$112.3 million in FY 2010, \$130.6 million in FY 2011, and \$148.8 million in FY 2012. The account received 2.4 percent of general revenues plus free surplus in FY 2010, 2.6 percent in FY 2011, and will receive 2.8 percent in FY 2012.

Section II

Adjustments to Governor's FY 2012 Budget

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					-
1	May Revenue Conference	66,645,142	-	-	-	66,645,142
2	Governor's Sales Tax Plan	(165,821,740)	-	-	-	(165,821,740)
3	Sales Tax - End Exemption for Insurance Proceeds	776,903	-	-	-	776,903
4	Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1	6,668,600	-	-	-	6,668,600
5	Sales Tax -Nonprescription Drugs eff Oct 1	8,615,000	-	-	-	8,615,000
6	Sales Tax - Rescind Project Status Prospectively	100,000	-	-	-	100,000
7	Sales Tax - Sightseeing Package Tours	1,050,000	-	-	-	1,050,000
8	No Corporate Income Tax Rate Reduction Phase-In	7,704,627	-	-	-	7,704,627
9	No Jobs Development Act Three Year Phase-Out	(4,845,502)	-	-	-	(4,845,502)
10	No Corporate Minimum Tax Restructure	6,117,310	-	-	-	6,117,310
11	Add LP, LLPs at \$500	794,250	-	-	-	794,250
12	Combined Reporting - Three Year Study	(8,035,640)	-	-	-	(8,035,640)
13	Beach Fees Correction	(428,128)	-	-	-	(428,128)
14	Compassion Centers Correction (GBA)	137,601	-	-	-	137,601
15	DMV: Driving Record Abstracts	(2,965,689)	-	-	-	(2,965,689)
16	Fire Code Violation Fees	(40,000)	-	-	-	(40,000)
17	Health Services Council	371,320	-	-	-	371,320
18	Hospital Licensing Fee	2,175,350	-	-	-	2,175,350
19	Lottery Revenues Correction	982,593	-	-	-	982,593
20	Motion Picture Tax Credit Restoration	(1,627,201)	-	-	-	(1,627,201)
21	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
22	Nursing Home Rate Changes	355,241	-	-	-	355,241
23	Transportation Funding Plan	12,081,981	-	-	-	12,081,981
24	Taxation - Enhanced Audit & Compliance	2,000,000	-	-	-	2,000,000
25	Telecomm Access Fund Indirect Cost	(74,160)	-	-	-	(74,160)
26	Veterans' Home Assessment	(786,248)	-	-	-	(786,248)
	Total	(67,798,390)	-	-	-	(67,798,390)
	<i>Expenditures Changes</i>					
	Statewide					
27	Prospective Longevity Elimination	-	-	-	-	-
28	Statewide Medical Benefits Holiday (GBA)	(3,000,000)	-	-	-	(3,000,000)
	Administration					
29	Capital - Cannon Building	-	-	-	1,000,000	1,000,000
30	Capital - Cranston Street Armory	-	-	-	(300,000)	(300,000)
31	Capital - DoIT Operations Center	-	-	-	288,000	288,000
32	Capital - Fire Code Compliance	-	-	-	400,000	400,000
33	Capital - Pastore Buildings Demolition	-	-	-	1,000,000	1,000,000
34	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	670,000	670,000
35	Capital - Pastore Fire Code Compliance	-	-	-	300,000	300,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
36	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(150,000)	(150,000)
37	Capital - RIFANS Implementation	-	-	-	(2,500,000)	(2,500,000)
38	Capital - State Office Building	-	-	-	400,000	400,000
39	Capital - Washington County Government Center	-	-	-	700,000	700,000
40	Community Service Grants	(133,563)	-	-	-	(133,563)
41	Debt Service Adjustments	2,995,946	-	-	-	2,995,946
42	Director/Budget Office Savings	(653,905)	-	-	-	(653,905)
43	DOA New Positions	(334,259)	-	-	-	(334,259)
44	Facilities Mgt Correction (GBA)		27,056	81,167	297,613	405,836
45	Facilities Mgt Group Homes from DOA to BHDDH (GBA)	(355,211)	-	-	-	(355,211)
46	IT Revolving Fund	2,000,000	-	-	-	2,000,000
47	Library Construction Aid Moratorium		-	-	-	-
48	Merge Water Resources into Statewide Planning	700,000	-	-	200,000	900,000
49	Purchasing Website Delay (GBA)	30,000	-	-	-	30,000
50	Technology Initiative Increase	(1,300,000)	-	-	-	(1,300,000)
51	Tourism Asset Protection Fund	-	-	(920,180)	-	(920,180)
52	Weatherization/LIHEAP Transfer from DOA to DHS	-	(38,769,020)	-	-	(38,769,020)
						-
	Business Regulation					-
53	Healthcare Reform Grants and 3.0 FTE (GBA)	-	5,342,412	-	-	5,342,412
54	Turnover	(260,000)	-	-	-	(260,000)
						-
	Labor and Training					-
55	Capital - Center General Roof	-	-	-	770,000	770,000
56	Emergency Unemployment Compensation Extension (GBA)	-	50,418,000	-	24,488,000	74,906,000
57	Labor Relations Board (GBA)	(18,595)	-	-	-	(18,595)
58	Police and Fire Relief Staffing (GBA)	42,832	-	-	-	42,832
59	Workforce Regulation and Safety Staffing (GBA)	288,295	-	-	-	288,295
	Revenue					
60	Capital - Corporate Tax Model	-	-	-	(125,000)	(125,000)
61	Capital - Tax Data Warehouse	-	-	-	(655,000)	(655,000)
62	Central Falls	(4,900,000)	-	-	-	(4,900,000)
63	Central Falls Receivership Staffing	(199,669)	-	-	-	(199,669)
64	DMV - Middletown Lease Adjustment (GBA)	22,500	-	-	-	22,500
65	DMV - Motor Vehicle Computer System (GBA)	404,862	-	-	-	404,862
66	DMV - Overtime for Computer Training	(375,000)	-	-	-	(375,000)
67	DMV - Strategic Plan & Capacity Enhancement (2.0 FTE)	300,000	-	-	-	300,000
68	DMV - Westerly Branch	37,800	-	-	-	37,800
69	Municipal Accountability, Stability & Transparency Fund	-	-	(19,330,231)	-	(19,330,231)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
70	Municipal Pension Study	(250,000)	-	-	-	(250,000)
71	PILOT	5,500,000	-	-	-	
72	Revenue Analysis -Turnover	(60,000)	-	-	-	(60,000)
73	Taxation - Revenue Agents for Audit & Compliance (4.0 FTE)	260,400	-	-	-	260,400
74	Taxation - Sales Tax Administration (2.0 FTE)	150,000	-	-	-	150,000
Legislature						
75	Personnel	(500,000)	-	-	-	(500,000)
Lieutenant Governor						
76	Health Policy Director (1.0 FTE)	-	124,232	-	-	124,232
77	Turnover Savings	(31,062)	-	-	-	(31,062)
Secretary of State						
78	Personnel and Operating	(43,400)	-	-	-	(43,400)
79	Community Service Grants	(15,032)	-	-	-	(15,032)
Office of the General Treasurer						
80	Moving Expenses and Build Out (GBA)	60,724	10,568	159,275	10,568	241,135
81	Unclaimed Property	-	-	401,768	-	401,768
82	Retirement System Legal Expenses	-	-	(120,000)	-	(120,000)
Board of Elections						
83	Turnover	(90,000)	-	-	-	(90,000)
Office of Health and Human Services						
84	Statewide Health Plan	150,000	-	-	-	150,000
85	Veterans' Affairs Administration	104,738	-	-	-	104,738
Children, Youth and Families						
86	Capital - Training School Repairs/Improvements	-	-	-	(300,000)	(300,000)
87	Caseload Savings Overstatement (GBA)	3,515,459	(3,408,532)	(106,927)	-	-
88	Community Service Grants	(26,525)	-	-	-	(26,525)
89	Nurse and Family Partnership Grant (GBA)	-	165,000	-	-	165,000
90	Olmstead Grant (GBA)	(20,000)	-	-	-	(20,000)
91	Parental Contributions Savings Initiative Overstatement (GBA)	442,000	-	-	-	442,000
92	Training School Education Expenses	2,075,000	-	(2,075,000)	-	-
93	Turnover	(200,000)	-	-	-	(200,000)
Elderly Affairs						
94	Maintain Pharmaceutical Assistance Program	349,000	-	100,000	-	449,000
95	Merge Elderly Affairs with Human Services	(9,668,591)	(17,769,466)	(497,091)	-	(27,935,148)
Health						
96	Community Service Grants	(58,372)	-	-	-	(58,372)
97	Enhance Food Inspector Staffing (3.0 FTE)	247,000	-	-	-	247,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
98	Federal Grant Adjustments	-	757,267	-	-	757,267
99	Health Services Council	380,515	-	125,000	-	505,515
100	HIV/AIDS Program Shift to DHS	(2,594,683)	(10,536,211)	-	-	(13,130,894)
101	Non Inspector New Positions	(102,138)	(2,794,822)	(37,885)	-	(2,934,845)
102	Tobacco Programs	(372,541)	-	-	-	(372,541)
103	Women Infants and Children Nutrition Program	-	(26,287,008)	-	-	(26,287,008)
	Human Services					
104	CEDARR Health Homes	-	1,278,887	-	-	1,278,887
105	Community Service Grants - Elderly Affairs	(108,555)	-	-	-	(108,555)
106	Community Service Grants - Human Services	(269,167)	-	-	-	(269,167)
107	Dual Eligible Benefits to Managed Care by 2013 - Out year savings only	-	-	-	-	-
108	Eliminate Personal Choice Waiver Program - Jan 1	(423,006)	(464,394)	-	-	(887,400)
109	Eleanor Slater Hospital Payment	(1,367,122)	(1,538,773)	-	-	(2,905,895)
110	End Payment of RIte Share client co-pays, Oct 1	(143,004)	(156,996)	-	-	(300,000)
111	Hardship Program	(420,000)	-	-	-	(420,000)
112	HIV/AIDS FMAP and Stimulus Correction	53,474	(53,474)	-	-	-
113	HIV/AIDS Transfer from DOH to DHS	2,594,683	10,536,211	-	-	13,130,894
114	Maintain Veterans' Affairs as a Division	18,568,043	8,005,072	1,643,512	-	28,216,627
115	Managed Care High Cost	(600,000)	(658,653)	-	-	(1,258,653)
116	May Caseload Adjustments	(3,959,165)	(6,875,366)	-	-	(10,834,531)
117	Merge Elderly Affairs with Human Services	9,568,591	17,769,466	497,091	-	27,835,148
118	Money Follows the Person (GBA)	-	149,693	-	-	149,693
119	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
120	Nursing Homes - No Scheduled Rate Increase	(3,007,463)	(3,301,458)	-	-	(6,308,921)
121	Nursing Homes Restore Rate Reduction	6,100,000	6,700,000	-	-	12,800,000
122	RI Works Positions	-	389,856	-	-	389,856
123	RIde Program Gas Tax adjustment (GBA)	-	-	-	(38,078)	(38,078)
124	RIte Care Co-Share Increases	(670,000)	(735,496)	-	-	(1,405,496)
125	SSI State Residential Payment to Federal Requirement effective Oct 1, 2011	(964,080)	-	-	-	(964,080)
126	Transportation Stricter Standards by Jan 1	(1,500,000)	(1,646,633)	-	-	(3,146,633)
127	Transportation in Project Sustainability Rates	(2,000,000)	(2,195,511)	-	-	(4,195,511)
128	Upper Payment Limit	5,772,717	6,337,030	-	-	12,109,747
129	Veterans' Affairs Administration	(104,738)	-	-	-	(104,738)
130	Weatherization and LIHEAP Transfer from DOA to DHS	-	38,769,020	-	-	38,769,020
131	Women, Infants and Children Nutrition Program	-	26,287,008	-	-	26,287,008
						-
	BHDDH					-
132	Community Service Grants	(24,118)	-	-	-	(24,118)
133	DD - Medicare/Medicaid Plans First Payor	(500,000)	(548,878)	-	-	(1,048,878)
134	Facilities Management Group Homes Transfer from DOA to BHDDH (GBA)	355,211	-	-	-	355,211

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
135	Health Homes Initiative (GBA)	-	12,686,432	-	-	12,686,432
136	Hospital Turnover Savings	(1,000,000)	(1,097,755)	-	-	(2,097,755)
137	Licensing Fee	11,092	12,492	-	-	23,584
138	Project Sustainability Further Adjustments	(5,000,000)	(5,488,777)	-	-	(10,488,777)
139	RICLAS Group Homes Transition to Private Providers	(112,500)	(123,497)	-	-	(235,997)
Department of Veterans' Affairs						
140	Maintain Veterans' Affairs as a Division	(19,039,528)	(8,005,072)	(1,643,512)	-	(28,688,112)
Elementary & Secondary Education						
141	Adult Literacy from HRIC	(2,295,000)	-	2,295,000	-	-
142	Capital - Davies School Asset Protection	-	-	-	275,000	275,000
143	Capital - East Providence Career and Tech	-	-	-	150,000	150,000
144	Capital - Met School East Bay	-	-	-	(2,000,000)	(2,000,000)
145	Capital - Newport Career and Tech	-	-	-	500,000	500,000
146	Community Service Grants	(71,524)	-	-	-	(71,524)
147	Early Childhood	(700,000)	-	-	-	(700,000)
148	Education Aid Data Update (GBA)	577,844	-	-	-	577,844
149	Education Aid - Construction Aid Moratorium	-	-	-	-	-
150	Education Telecommunications Access Fund	350,000	-	-	-	350,000
151	Progressive Support and Intervention	(2,687,512)	-	-	-	(2,687,512)
152	School for the Deaf Rental Income Offset	(67,500)	-	-	-	(67,500)
153	Supplant Education Jobs Fund - Admin at RIDE	(248,000)	-	-	-	(248,000)
154	Teacher Retirement Savings (GBA)	(1,035,351)	-	-	-	(1,035,351)
155	Textbook Reimbursement	240,000	-	-	-	240,000
Public Higher Education						
156	Additional State Support	(6,000,000)	-	-	-	(6,000,000)
157	Community Service Grants	(113,419)	-	-	-	(113,419)
158	Higher Education Administration	(800,000)	-	-	-	(800,000)
159	Capital - RIC - New Art Center Renovation/Addition	-	-	-	1,300,000	1,300,000
160	Capital - URI - New Chemistry Building	-	-	-	1,000,000	1,000,000
161	Capital - URI - Biotechnology Center	-	-	-	4,500,000	4,500,000
162	Capital - CCRI- Asset Protection	-	-	-	350,000	350,000
163	Capital- RIC- Asset Protection	-	-	-	450,000	450,000
164	Capital- URI- Asset Protection	-	-	-	1,200,000	1,200,000
Arts Council						
165	Community Service Grants	(40,248)	-	-	-	(40,248)
166	Grant Restoration	100,000	-	-	-	100,000
Higher Education Assistance Authority						
167	Needs Based Grants to College Bound Funds	(250,000)	-	-	250,000	-

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Historical Preservation and Heritage Commission					-
168	Community Service Grants	(17,844)	-	-	-	(17,844)
169	RICAP for Eisenhower	(14,000)	-	-	75,000	61,000
	RI Public Telecommunications Authority					
170	Turnover (1.0 FTE)	(150,000)	-	-	-	(150,000)
	Attorney General					
171	Federal Grant Adjustments (GBA)	-	1,504,424	-	-	1,504,424
172	Telephone (GBA)	12,501	-	-	-	12,501
173	Tobacco Litigation	(150,000)	-	-	-	(150,000)
	Corrections					
174	Capital - Administration HVAC	-	-	-	(150,000)	(150,000)
175	Capital - Asset Protection	-	-	-	500,000	500,000
176	Capital - Women's Roof, Masonry & General Renovations	-	-	-	1,300,000	1,300,000
177	Facility Consolidation and Population Reduction	(6,000,000)	-	-	-	(6,000,000)
	Judicial					
178	Community Service Grants	(37,825)	-	-	-	(37,825)
179	Federal Grant Adjustments (GBA)	-	282,837	-	-	282,837
180	Personnel	(1,000,000)	-	-	-	(1,000,000)
	Military Staff					
181	Armory Closure	109,900	-	-	-	109,900
182	Capital - Asset Protection	-	-	-	130,000	130,000
183	Capital - Federal Armories - Fire Code Compliance	-	-	-	50,000	50,000
184	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	65,563	65,563
185	Capital - State Armories Fire Code Compliance	-	-	-	155,000	155,000
186	Federal Grant Adjustments	-	(295,548)	-	-	(295,548)
187	Indirect Cost Recovery	(220,000)	(220,000)	220,000	-	(220,000)
188	Turnover Savings	(37,000)	-	-	-	(37,000)
	Public Safety					
189	Federal Fund Adjustments	-	266,482	-	-	266,482
190	Homeland Security Grants	-	839,641	-	-	839,641
191	Capital - Statewide Microwave/IT Upgrade	-	-	-	1,000,000	1,000,000
	Environmental Management					
192	Capital - Fort Adams Rehabilitation	-	-	-	1,250,000	1,250,000
193	Capital - Recreational Facilities Improvements	-	-	-	500,000	500,000
194	Community Service Grant Reduction	(11,986)	-	-	-	(11,986)
195	Turnover	(100,000)	-	-	-	(100,000)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
196	Tourism Asset Protection Fund	-	-	(1,700,000)	-	(1,700,000)
	Coastal Resources Management Council					
197	Capital - South Coast Restoration Project	-	-	-	300,000	300,000
	Water Resources Board					
198	Merge into Statewide Planning	(1,230,267)	-	-	(200,000)	(1,430,267)
	Transportation					
199	Capital - Paratransit Vehicles	-	-	-	(190,400)	(190,400)
200	Stimulus Fund Shift	-	(6,596,379)	-	-	(6,596,379)
201	DOT - Gasoline Tax Adjustment	-	-	-	(829,132)	(829,132)
202	RIPTA - Gasoline Tax Adjustment	-	-	-	(371,680)	(371,680)
	Total	(25,331,341)	49,091,367	(20,908,013)	38,015,454	35,367,467

FY 2012 Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and increased the FY 2012 forecast to \$3,003.9 million, which is \$65.9 million more than November, and \$251.4 million less than the Governor's budget which includes several changes to current law. Adjusting his revenue proposals for the new estimates further increases his budget recommendation by \$0.7 million for a total increase of \$66.6 million.
- 2. Governor's Sales Tax Plan.** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items as noted below for a total of \$17.2 million in FY 2012.
- 3. Sales Tax - End Exemption for Insurance Proceeds.** The Governor's FY 2012 budget includes \$0.9 million in revenues from repealing the sales tax exemption towards the purchase of a car as a trade-in allowance on the value of a stolen or totaled vehicle. The House Finance Committee recommends adding this to the sales tax at 7.0 percent and assumes \$0.8 million in revenues.
- 4. Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1.** Current law exempts prewritten computer software from the sales and use tax. The House Finance Committee recommends the repeal of this exemption and includes \$6.7 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$8.8 million.
- 5. Sales Tax - Nonprescription Drugs.** Current law exempts over the counter drugs from the sales and use tax. The House Finance Committee recommends the repeal of this exemption, adding medical marijuana and includes \$8.6 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$11.5 million.
- 6. Sales Tax - Rescind Project Status Prospectively.** The House Finance Committee recommends repealing the Rhode Island Economic Development Corporation and the Rhode Island Industrial Facilities Corporation's authorities to grant project status, effective July 1, 2011. The Corporations currently have the authority to exempt certain projects from the sales tax. Eliminating this authority prospectively would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016.
- 7. Sales Tax - Sightseeing Package Tours.** The House Finance Committee recommends \$1.1 million in revenues from adding a 7.0 percent sales and use tax on the purchase of sightseeing package tours.
- 8. No Corporate Income Tax Rate Reduction Phase-In.** The Governor proposes to decrease the Corporate Income Tax rate from 9.0 percent by 0.5 percent per year until reaching 7.5 percent for tax year 2014. His budget assumes a revenue loss of \$7.7 million in FY 2012. The House Finance Committee does not concur with his proposal and adjusts revenues accordingly.
- 9. No Jobs Development Act Three Year Phase-Out.** The Governor's FY 2012 budget assumes \$4.8 million in revenues from phasing out the Jobs Development Act rate reduction over three years beginning in tax year 2012. The Jobs Development Act provides for rate reductions of one quarter of one percent (0.25

percent) for each 50 new jobs created by eligible companies for three years past the base year. The reduction cannot be more than six percent. The amounts for the tax credit were \$16.2 million in FY 2008, \$14.2 million in FY 2009 and \$21.3 million in FY 2010. The House Finance Committee does not concur with this proposal and adjusts revenues accordingly.

10. No Corporate Minimum Tax Restructure. The Governor proposes to restructure the Corporate Minimum Tax to subject limited partnerships and limited liability partnerships to the tax; they are currently exempt from the tax but are required to pay a filing fee with the Secretary of State. He also proposes to replace the corporate minimum and minimum franchise taxes with a tiered system through which businesses would be taxed based on their Rhode Island gross receipts. The maximum amount of tax paid would be \$2,000 for a business with gross receipts of \$5.0 million or more. His budget assumes a revenue loss of \$6.1 million in FY 2012. The corporate minimum tax has been \$500 since January 2004 and 48,597 corporations paid this in tax year 2008. The House Finance Committee does not concur with this proposal and maintains the minimum tax at the current amount.

11. Add LP, LLPs at \$500. The House Finance Committee recommends legislation to subject limited partnerships and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500 and assumes \$0.8 million in new revenues. The annualized revenue increase would be \$1.6 million. These entities are currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State.

12. Combined Reporting - Three Year Study. The Governor proposes legislation requiring business corporation tax filers to file as a “unitary business” or single enterprise, commonly referred to as combined reporting, effective January 1, 2012 and includes \$8.9 million in revenues. The House Finance Committee does not concur and adjusts revenues accordingly. The House Finance Committee proposes legislation requiring a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

13. Beach Fees Correction. The Governor’s budget includes \$1.9 million of additional general revenues derived from an increase in parking fees at state beaches. This estimate was revised when changes were made to the proposed increases, but did not include the \$0.4 million that would be transferred to the vendor collecting these fees, pursuant to the current contract. The House Finance Committee reduces general revenue by \$428,128 to reflect a revised projection of additional revenue.

14. Compassion Centers Correction (GBA). The Governor’s budget includes legislation that imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. In FY 2012 it is estimated to generate \$0.6 million which will be deposited into the general fund. Subsequently, the Governor requested an amendment to increase revenues by \$0.1 million from a recalculated surcharge. It is important to note that currently the awarding of the Compassion Centers licenses are on hold and estimates for FY 2012 may need revision based on actual award dates. The House Finance Committee includes the revenue.

15. DMV: Driving Record Abstracts. The Governor proposes legislation to amend current law to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement. The cost to obtain the record is \$17.50, including the \$1.50 technology surcharge. There is an additional convenience fee if records are obtained online. The House Finance Committee does not concur and reduces revenues by \$3.0 million.

16. Fire Code Violation Fees. The Governor's FY 2012 budget includes \$40,000 in additional revenue from increasing the fire code inspection fee from \$100 to \$125, based on the Department's estimate of 1,600 annual fire code inspections. The House Finance Committee does not concur and adjusts revenues accordingly.

17. Health Services Council. The House Finance Committee does not recommend the elimination of the health services council and adjusts revenues and program expenses accordingly.

18. Hospital Licensing Fee. The House Finance Committee recommends adding \$2.2 million from revenues resulting from updating the hospital's base year from 2009 to 2010 and reducing the licensing fee for FY 2012 from 5.465 percent to 5.430 percent of net patient services revenue. Total license fees collected will be \$144.0 million including \$138.0 million from community hospital payments and \$6.0 million from state payments for Eleanor Slater Hospital.

19. Lottery Revenues Correction. The House Finance Committee recommends \$1.0 million in additional revenue available from reduced operating expenses at the Lottery that was not included in the Governor's recommendation.

20. Motion Picture Tax Credit Restoration. The House Finance Committee does not concur with the Governor's proposal to amend current law to end the Motion Picture Tax Credit and reduces recommended revenues by \$1.6 million to account for the change.

21. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

22. Nursing Home Rate Changes. The House Finance Committee includes \$0.4 million in additional revenue from the increased funding provided to nursing homes in FY 2012. The Committee does not recommend the five percent reduction, but does recommend eliminating the cost-of-living adjustment for additional funding of \$6.5 million subject to the 5.5 percent tax applied to nursing home revenues.

23. Transportation Funding Plan. The Governor's FY 2012 Budget recommends an additional \$12.1 million for transportation expenses by transferring 20.0 percent of certain transportation related fees currently deposited as general revenues to the Department of Transportation for use as the state match for general obligation bonds. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal. That alternate proposal involves a combination of fee increases and use of Rhode Island Capital Plan funds beginning in FY 2014.

24. Taxation - Enhanced Audit & Compliance. The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues based on the amount currently collected by each officer.

25. Telecomm Access Fund Indirect Cost. The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The

House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012. It also reduces revenues by \$74,160.

26. Veterans' Home Assessment. The House Finance Committee does not recommend the proposed increase in the monthly maintenance fee assessed to residents at the Veterans' Home and reduces revenues by \$786,248.

Expenditures Changes

Statewide

27. Prospective Longevity Elimination. The House Finance Committee recommends legislation that ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

28. Statewide Medical Benefit Holiday (GBA). The House Finance Committee recommends general revenue savings of \$3.0 million from one medical benefit holiday in FY 2012. Subsequent to the Governor's budget submission, it was determined that the estimated health insurance premium will generate more funding than is required.

Department of Administration

29. Capital - Cannon Building. The capital budget includes \$1.3 million from Rhode Island Capital Plan funds through FY 2015 for ongoing repairs and renovations to include the replacement of the roof and carpet at the Cannon Building. The Department indicates that a preliminary study of the roof cap identified numerous structural issues that could cost as much as \$3.0 million to repair. Subsequently, the Governor requested an amendment to provide \$1.0 million in FY 2012 to demolish the overhang. The House Finance Committee concurs.

30. Capital - Cranston Street Armory. The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.

31. Capital - DoIT Operations Center. The FY 2011 revised budget includes \$4.3 million from Rhode Island Capital Plan funds to renovate the acquired state of the art facility to house the state's computer center. In FY 2010, the Department purchased the 70,000 square foot building on Jefferson Boulevard. The Department is currently in the process of renovating the facility. Subsequently, the Governor requested an amendment to provide \$288,000 in FY 2012 to bring the HVAC system up to par and to fix the elevators in the building. In addition to housing information technology operations, the Office of the General Treasurer and the State Police will also occupy space in the facility. The House Finance Committee concurs.

32. Capital - Fire Code Compliance. The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003

and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.

33. Capital - Pastore Buildings Demolition. The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

34. Capital - Pastore Central Power Plant Rehabilitation. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

35. Capital - Pastore Fire Code Compliance. The capital budget includes \$5.5 million from Rhode Island Capital Plan funds through FY 2016 to install and upgrade existing fire alarm and sprinkler systems on the Pastore Center and the Zambarano Campus of Eleanor Slater Hospital. Subsequently, the Governor requested an amendment to provide an additional \$0.3 million in FY 2012 to reflect anticipated costs for fire alarm installation at Wallum Lake and fire sprinklers at Adolph Meyer and the Louis Pasteur buildings on the Pastore Center. The House Finance Committee concurs.

36. Capital - Pastore Utility Systems Water Tanks & Pipes. The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

37. Capital - RIFANS Implementation. The Governor's FY 2012 through FY 2016 capital plan includes \$11.5 million from Rhode Island Capital Plan funds, to begin the implementation of the time and attendance, projects and grants modules as part of the Rhode Island Financial Accounting Network System. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project. Rhode Island Capital Plan funds have been limited to use on physical assets.

38. Capital - State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

39. Capital - Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

40. Community Service Grants. The House Finance Committee recommends a reduction of \$133,563 to community service grants in the Department of Administration. The House Finance Committee recommends the elimination of the Westerly/Pawcatuck Joint Development Task Force community service grant for savings of \$7,211. It also includes a ten percent reduction of \$126,352 to all community service grants.

41. Debt Service Adjustments. The House Finance Committee includes \$3.0 million to reflect updated adjustments for debt service costs.

42. Director/Budget Office Savings. The House Finance Committee recommends savings of \$653,905 from the Department of Administration management and budget operations.

43. DOA New Positions. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding these as new positions.

44. Facilities Mgt Correction (GBA). The FY 2012 recommended budget includes \$20.9 million from all funds, \$1.7 million less than enacted for operating expenditures for the Division of Facilities Management, which supports building operations, maintenance and repairs for 365 state properties, including the Pastore Campus. Subsequently, the Budget Office indicated that the recommendation inadvertently lowered expenditures by \$0.6 million instead of shifting them to other sources. The Governor requested an amendment to correct this. The House Finance Committee recommends \$0.4 million.

45. Facilities Mgt Group Homes from DOA to BHDDH (GBA). Consistent with the Governor's budget amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

46. IT Revolving Fund. The House Finance Committee recommends \$2.0 million from general revenues for an Information Technology Revolving Fund. The funds will be used for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. The proceeds from the repayment will be deposited into the funds, thereby making the fund self-sustaining.

47. Library Construction Aid Moratorium. The House Finance Committee recommends legislation to set a moratorium on any library construction project, effective July 1, 2011. This will produce out-year savings of \$1.3 million each in FY 2014 and FY 2015 and \$1.2 million in FY 2016. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.

48. Merge Water Resources into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the Water Resources Board Corporate. The House Finance Committee recommends \$0.7 million to support staffing and operating expenses and \$0.2 million from Rhode Island Capital Plan funds for the Big River Management Area project.

49. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

50. Technology Initiative Increase. The Governor's FY 2012 recommended budget includes \$2.9 million from general revenues for the Division of Information Technology's Technology Initiative Fund, \$1.3 million more than the enacted budget for capital purchases and equipment. The Fund is used for information technology projects that support other state agencies. The Division had planned to increase storage backup capability, create a plan to reduce power consumption and upgrade enterprise cyber security appliances. The House Finance Committee recommends funding consistent with the enacted budget.

51. Tourism Asset Protection Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Tourism Tax Fund and adjusts expenditures accordingly.

52. Weatherization/LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources from Department of Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

Department of Business Regulation

53. Healthcare Reform Grants and 3.0 FTE (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$5.3 million from two federal grants to support the implementation of the Affordability Care Act. The Governor includes 3.0 new full-time positions including a health care analyst, a delivery systems project manager, and an operations manager. The remaining funding will be to hire consultants to help design and implement a state health insurance exchange. The House Finance Committee concurs.

54. Turnover. The House Finance Committee recommends general revenue turnover savings of \$260,000 from maintaining 3.0 vacancies. The Governor's FY 2012 budget does not include any turnover savings.

Department of Labor and Training

55. Capital - Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

56. Emergency Unemployment Compensation Extension (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. The House Finance Committee concurs.

57. Labor Relations Board (GBA). The Governor requested an amendment decreasing general revenue funding by \$18,595 for the state's contribution for retirement for members of the Labor Relations Board, who receive a stipend, but do not receive medical or retirement benefits. The Governor's budget inadvertently included retirement benefits for the Board members when other benefit adjustments were made. The Governor's amendment removes the additional retirement funding. The House Finance Committee concurs.

58. Police and Fire Relief Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$42,832 from general revenues for a 0.5 full-time equivalent position in the Police and Fire Relief program; his recommendation included the position, but inadvertently omitted the funding.

59. Workforce Regulation and Safety Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$288,295 from general revenues for partial funding of 7.1 full-time equivalent positions in the Workforce Regulation and Safety division, which the Governor's recommendation inadvertently did not fully fund.

Department of Revenue

60. Capital - Corporate Tax Model. The Governor recommends \$125,000 in FY 2012 from Rhode Island Capital Plan funds for the purchase and development of a corporate income tax model, which would allow for comparing and contrasting impacts of different tax structures. It would also allow the Office of Revenue Analysis to evaluate the differential between taxation of regular income, investment income and capital gains. The system would also demonstrate the impact of changes on distribution of the tax burden. This project does not appear to meet the definition of a capital expense. The House Finance Committee does not recommend this project.

61. Capital - Tax Data Warehouse. The Governor's capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

62. Central Falls. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

63. Central Falls Receivership Staffing. The 2010 Assembly enacted the "Providing Financial Stability Act" to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

64. DMV - Middletown Lease Adjustment (GBA). The FY 2012 recommended budget includes \$82,000 for the Division of Motor Vehicles' lease expenses of 73 Valley Road in Middletown. The Department vacated that facility in February 2011. On May 24, 2011, the Governor requested approval for various long-term lease agreements including one that would allow the Division of Motor Vehicles to enter into a lease located at 52 Valley Road in Middletown. The Governor requested an amendment to provide \$22,500 from general revenues for the difference of the lease cost, including \$17,250 for the lease

payment and \$5,250 for utilities. The House Finance Committee concurs and provides the additional funds.

65. DMV - Motor Vehicle Computer System (GBA). The Governor's FY 2012 recommended budget includes \$19.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions and operating costs for the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to enhance customer service and reduce wait times. This includes \$404,862 from general revenues for the consultant costs for the new computer system. The House Finance Committee concurs.

66. DMV - Overtime for Computer Training. The FY 2012 recommended budget includes \$0.7 million from general revenues for overtime expenses at the Division of Motor Vehicles, of which \$0.4 million will be used for staff training on the new computer system, which will be done after work hours and on weekends. The Department indicates that the project won't be done until January 2013. The House Finance Committee eliminates the additional overtime expenditure.

67. DMV - Strategic Plan and Capacity Enhancement (2.0 FTE). The Governor's FY 2012 recommended budget includes \$12.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions in the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to fill 25.0 new full-time positions to enhance customer service and reduce wait times at headquarters in Cranston. The House Finance Committee does not concur with the Governor's plan to add 25.0 positions. It recommends \$0.3 million to fund 2.0 full-time equivalent positions and consultant services for the Division to develop a strategic plan to enhance customer services.

68. DMV - Westerly Branch. In addition to the headquarters in Cranston, there are four registry satellite offices. The Division of Motor Vehicles is looking to expand its branch locations into Westerly one day per week and looked into municipality space where no lease would be needed. It is assumed that the space would be available at no cost and utilities would be included. This branch would be fully staffed with three customer service representatives and one supervisor. The Wakefield branch, which is currently open five days, will closed one day a week and staff from Wakefield will cover the Westerly branch for that one day. The House Finance Committee recommends \$37,800 for operation expenses, including computer workstations and telephone and janitorial services.

69. Municipal Accountability, Stability & Transparency Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Municipal Accountability, Stability and Transparency Fund and adjusts expenditures accordingly.

70. Municipal Pension Study. The Governor's FY 2012 recommended budget includes \$250,000 from general revenues for the Division of Municipal Finance to conduct a municipal pension study. The result of the study shall be submitted to the Governor, the Speaker of the House, the Senate and the chairs of the House and Senate Finance Committee no later than December 31, 2011. The House Finance Committee does not recommend funding the study.

71. PILOT. The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes Program for total funding of \$33.1 million. This represents a reimbursement of 23.4 percent or 4.0 percent more than the Governor recommended. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law.

72. Revenue Analysis – Turnover. The House Finance Committee recommends \$60,000 in additional turnover savings by maintaining a vacant position in FY 2012.

73. Taxation - Revenue Agents for Audit & Compliance (4.0 FTE). The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues from increased enforcement and audits. The annualized revenue increase would be \$3.0 million.

74. Taxation - Sales Tax Administration (2.0 FTE). The House Finance Committee recommends several changes to the sales and use tax. Prior to the implementation of the changes, new regulations have to be issued; education and outreach will be needed. The House Finance Committee provides \$150,000 from general revenues to fund 2.0 full-time positions for the sales tax administration.

Legislature

75. Personnel. The House Finance Committee recommends \$500,000 in general revenue personnel savings.

Lieutenant Governor

76. Health Policy Director (1.0 FTE). The House Finance Committee adds a health policy director position to assist in the implementation of the federal health insurance reform, consistent with the Governor's requested amendment; however, it uses federal funds awarded to the Office of the Health Insurance Commissioner to support it.

77. Turnover Savings. The House Finance Committee recommends general revenue turnover savings of \$31,062 based on updated salary projections.

Secretary of State

78. Personnel and Operating. The House Finance Committee recommends reducing State Archives lease expenses by \$43,400 from general revenues, since an anticipated rent increase was not included in the recently signed lease contract, and shifts funds made available from maintaining one vacant position for the purchase of two new servers.

79. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$15,032 in the Office of the Secretary of State.

Office of the General Treasurer

80. Moving Expenses and Buildout (GBA). The current lease on Fountain Street expires on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.2 million from all sources including \$60,724 from general revenues for moving expenses and build out costs for the offices in Warwick for FY 2012. This represents 33 percent of the total build out expense; the remainder is requested for FY 2011. The House Finance Committee concurs.

81. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$0.4 million

for FY 2012 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$0.5 million in transfer to the state general fund.

82. Retirement System Legal Expenses. The Governor requested an amendment to reduce legal expenses by \$120,000 based on the Treasury's estimate of projected expenditures. This would provide \$377,000 for FY 2012. The House Finance Committee concurs.

Board of Elections

83. Turnover. The House Finance Committee recommends keeping a chief auditor position vacant and assumes general revenue savings of \$90,000. At the Board of Elections, the Chief Auditor position became vacant in April of 2009. The Board has successfully maintained operations without filling this position, though the Board has consistently requested to fill the position. The Governor includes \$89,421 from general revenues for the Board to fill this position for FY 2012.

Office of Health and Human Services

84. Statewide Health Plan. The House Finance Committee adds \$150,000 from general revenues to support the initiatives assigned to the health care planning and accountability advisory council to support an analysis of the state's health care system.

85. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office while keeping the Division of Veterans' Affairs in the Department of Human Services.

Department of Children, Youth and Families

86. Capital - Training School Repairs/Improvements. The Governor's FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, funding is provided as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

87. Caseload Savings Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$11.1 million from caseload reductions in the Child Welfare and Behavioral Health programs. Subsequent to his budget submission, the Department has indicated that the savings are overstated by \$3.5 million. The House Finance Committee recommends the restoration of savings.

88. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$26,525 in the Department of Children, Youth and Families.

89. Nurse and Family Partnership Grant (GBA). The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

90. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent

Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

91. Parental Contributions Savings Initiative Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$0.4 million from an initiative to increase child support collected for youth in state custody. Subsequent to his budget submission, he requested an amendment because the Department has indicated that the savings were double counted. The House Finance Committee recommends the restoration of savings.

92. Training School Education Expenses. The House Finance Committee does not concur with the Governor's recommendation to require Local Education Agencies to finance the educational expenses of children in the juvenile justice system and adds back \$2.1 million from general revenues.

93. Turnover. The Governor's FY 2012 budget includes \$4.0 million from all sources, including \$2.7 million from general revenues to fund 39.0 positions in the Central Management program. This includes \$0.2 million in turnover savings for 2.0 positions. The House Finance Committee recommends \$0.2 million in additional turnover savings by maintaining 2.0 additional positions vacant for the whole fiscal year.

Department of Elderly Affairs

94. Maintain Pharmaceutical Assistance Program. The House Finance Committee does not concur with the Governor's recommendation to eliminate the Rhode Island Pharmaceutical Assistance to the Elderly program and restores \$349,000 from general revenues to fully fund the program in FY 2012.

95. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

Department of Health

96. Community Service Grants. The House Finance Committee recommends a ten percent reduction to eleven community service grants and includes savings of \$58,372 in the Department of Health.

97. Enhance Food Inspector Staffing (3.0 FTE). The House Finance Committee adds \$0.2 million from general revenues for 3.0 additional food inspector positions for total staffing of 24.0 in the food protection program.

98. Federal Grant Adjustments. The Governor requested an amendment to add \$1.1 million from nine separate grants in FY 2011. Subsequently, the Department indicated that only a portion of the new funds will be used in FY 2011, therefore the House Finance Committee recommends \$0.8 million in FY 2012.

99. Health Services Council. The Governor includes Article 29 in his FY 2012 recommendation to eliminate the Health Services Council for general revenue savings of \$0.4 million. The House Finance Committee does not concur and restores the offsetting revenue and expenditure adjustments.

100. HIV/AIDS Program Shift to DHS. The House Finance Committee transfers the HIV/AIDS direct services programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

101. Non Inspector New Positions. The House Finance Committee does not recommend the 32.0 non inspector new positions for savings of \$2.9 million from all funds including \$0.1 million from general revenues.

102. Tobacco Programs. The Governor's FY 2012 budget includes \$2.0 million from all sources, of which \$0.7 million is from general revenues. The House Finance Committee recommends reducing state funding for tobacco programs by \$0.4 million.

103. Women Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$26.3 million from federal funds and 12.0 equivalent positions in the Department of Human Services.

Department of Human Services

104. CEDARR Health Homes. The Governor's FY 2012 budget includes general revenue savings of \$1.3 million from providing certain home and community based treatment services through a new health home model. His recommendation inadvertently omitted the corresponding federal fund increase. The House Finance Committee adds the federal funds.

105. Community Service Grants - Elderly Affairs. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$108,555 in the Division of Elderly Affairs.

106. Community Service Grants - Human Services. The House Finance Committee recommends eliminating the payment to the Focus Family Outreach Center, which closed in January 2011 and also recommends a ten percent reduction to the remaining community service grants, for total savings of \$269,167 in the Department of Human Services.

107. Dual Eligible Benefits to Managed Care by 2013 - Out Year Savings. The House Finance Committee includes legislation directing the Department of Human Services to enter into a contract to manage long-term care services and acute care benefits for individuals enrolled in Medicaid and Medicare by FY 2013 with savings anticipated in that fiscal year. The Department will also submit a report on the initiative to the Permanent Joint Legislative Committee on Health Care Oversight by December 31, 2011 on the progress of this initiative.

108. Eliminate Personal Choice Waiver Program - Jan 1. The House Finance Committee recommends eliminating the personal choices option under the global waiver for savings of \$0.9 million from all sources, including \$0.4 million from general revenues from the final half of FY 2012. The Department provides home and community care services through the option and gives a monthly stipend to eligible individuals so they can hire who they chose to help with daily activities allowing them to remain in their own home.

109. Eleanor Slater Hospital Payment. The House Finance Committee recommends a \$2.9 million reduction for the disproportionate share payment made to Eleanor Slater Hospital to reflect an updated payment of \$1.5 million for its uncompensated care costs.

110. End Payment of RIte Share Client Co-Pays, Oct 1. The House Finance Committee recommends savings of \$300,000, including \$143,004 from general revenues by eliminating co-payments for

prescriptions, doctor visits and deductibles made by the state on behalf of families receiving RIte Share benefits.

111. Hardship Program. The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.

112. HIV/AIDS FMAP and Stimulus Correction. The House Finance Committee adds \$112,091 from all sources, including \$53,474 from general revenues to correctly adjust program resources. The Governor's budget includes \$0.1 million from federal stimulus funds for AIDS case management services. Subsequently, the Governor submitted an amendment to eliminate this funding as it is no longer available after June 30, 2011.

113. HIV/AIDS Transfer from DOH to DHS. The House Finance Committee transfers the HIV/AIDS programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

114. Maintain Veterans' Affairs as a Division. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services and eliminates the five new positions included in the Governor's recommendation for the new Department.

115. Managed Care High Cost. The House Finance Committee includes legislation directing the Office of Health and Human Services to undertake a review of services provided through the Medicaid managed care plans to determine if the plans meet the goals of increased efficiency, reduced cost, curtailment of high cost services, and promote the utilization of primary care services and include savings of \$1.3 million, \$0.6 million from general revenues.

116. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$10.8 million, which includes \$4.0 million less from general revenues to adjust the FY 2012 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

117. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

118. Money Follows the Person (GBA). The Governor requested an amendment to increase federal funding for the state's Money Follows the Person planning grant for FY 2012. The Department anticipates carrying forward unspent funding of \$149,693 from FY 2011 to FY 2012. The House Finance Committee concurs.

119. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

120. Nursing Homes - No Scheduled Rate Increase. The House Finance Committee recommends savings of \$6.3 million, including \$3.0 million from general revenues by eliminating the October 1, 2011 rate increase for nursing homes.

121. Nursing Homes Restore Rate Reduction. The House Finance Committee does not recommend the 5.0 percent rate reduction included in the Governor's budget and restores \$12.8 million from all funds, including \$6.1 million from general revenues.

122. RI Works Positions. The House Finance Committee adds \$389,856 from federal temporary assistance to needy families block grant funds and six positions to assist the Department in evaluating and improving Rhode Island Works program operations.

123. RId Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RId transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

124. RIte Care Co-Share Increases. The House Finance Committee includes savings of \$1.4 million, including \$0.7 million from general revenues from the Department increasing the monthly RIte Care co-sharing requirement to five percent of a family's income for those at 150 to 250 percent of poverty, beginning October 1, 2011.

125. SSI State Residential Payment to Federal Requirement Effective Oct 1, 2011. The House Finance Committee recommends reducing the state monthly payment made to residents in assisted living facilities who receive supplemental security income to the federally required amount of \$332, \$206 less than the current payment, for savings of \$1.0 million.

126. Transportation Stricter Standards. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$3.1 million, including \$1.5 million from general revenues from the Department adhering to stricter transportation standards including non-emergency transport services, by January 1, 2012.

127. Transportation in Project Sustainability Rates. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$4.2 million, including \$2.0 million from general revenues from the Department no longer having to provide transportation services to those adults with developmental disabilities who receive services through Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Transportation expenses for those clients will be included in that department's new rates implemented through Project Sustainability.

128. Upper Payment Limit. The Governor's FY 2012 recommended budget eliminates the upper payment limit reimbursement paid to the community hospitals for outpatient services and assumes savings of \$18.1 million from all funds, including \$6.5 million from general revenues. The House Finance Committee adds \$12.1 million, including \$5.8 million from general revenues for that payment.

129. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office and removes a like amount of funding from the Department of Human Services.

130. Weatherization and LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources at the Department of

Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

131. Women, Infants and Children Nutrition Program. The Governor includes Article 9, Sections 1 through 3 of 2011-H 5894 that shifts the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. This includes \$26.3 million from federal funds and 12.0 full-time equivalent positions for FY 2012. The House Finance Committee does not concur and keeps the program with the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

132. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$24,118 in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

133. DD - Medicare/Medicaid Plans First Payor. The House Finance Committee recommends savings of \$1.0 million, \$0.5 million from general revenues from the Department first charging Medicare and Rhody Health for medical services provided to individuals in its developmental disabilities system. Approximately 66 percent of the 4,000 clients have access to Medicare with the remaining enrolled in the Rhody Health program through the Department of Human Services.

134. Facilities Management Group Homes Transfer from DOA to BHDDH (GBA). Consistent with the Governor's amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

135. Health Homes Initiative (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$12.7 million from federal health home funds that was not included in his recommendation.

136. Hospital Turnover Savings. The House Finance Committee recommends additional turnover savings of \$2.1 million, \$1.0 million from general revenues at the state hospital. The Governor's FY 2012 budget assumes 68.0 vacant positions and Department has averaged 140.0 vacant positions.

137. Licensing Fee. The House Finance Committee recommends adding \$23,584 from all funds including \$11,092 from general revenues to fund the hospital license fee at \$6.0 million for Eleanor Slater Hospital. The FY 2012 fee, paid by both the community hospitals and the state, is decreasing from 5.465 percent to 5.43 percent of net patient services revenue; however, the base year has been updated. There is also a corresponding revenue adjustment.

138. Project Sustainability Further Adjustments. The House Finance Committee recommends further savings of \$10.5 million, including \$5.0 million from general revenues from the Department implementing Project Sustainability, a redesign of the current system of services for adults with developmental disabilities to align resources with individual needs and to pay for service for specific periods of time. The Governor includes savings of \$4.6 million from all sources from this initiative.

139. RICLAS Group Homes Transition to Private Providers. The House Finance Committee recommends savings of \$235,997, \$112,500 from general revenues from transferring operations of five state run group homes to the privately operated system.

Department of Veterans' Affairs

140. Maintain Veterans' Affairs as a Division. The Governor's budget includes the creation of the new Department of Veterans' Affairs and shifts expenses and positions from the Department of Human Services. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services, shifting expenses and positions back to the Department of Human Services, excluding the five new positions the Governor recommended specifically for the creation of the new Department.

Elementary & Secondary Education

141. Adult Literacy from HRIC. The Governor's budget includes \$2.3 million from general revenues and \$3.5 million from Human Resource Investment Council funds for FY 2012. The Human Resource Investment Council Board determines the grant allocations from the funds. The appropriation from Human Resource Investment Council funds is shown as a separate line item in the appropriations act. The House Finance Committee recommends an additional \$2.3 million from Human Resource Investment Council funds in lieu of a like amount from general revenues.

142. Capital - Davies School Asset Protection. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for three new projects in FY 2011 through FY 2013 for the Davies Career and Technical School to replace the lighting, windows, and paving. The House Finance Committee recommends funding these projects as part of the school's asset protection project. It adds \$275,000 in FY 2012, FY 2013, FY 2014 and \$50,000 in FY 2015 and FY 2016.

143. Capital - East Providence Career and Tech. The Governor recommends \$950,000 from Rhode Island Capital Plan funds for FY 2011 to cover remaining fire, health, and life safety repairs at the East Providence Career and Technical Center. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$150,000 to purchase new boilers. The House Finance Committee recommends providing the additional \$150,000 for FY 2012 to complete the project.

144. Capital - Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

145. Capital - Newport Career and Tech. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for FY 2011 through FY 2013 to replace the roof at the Newport Career and Technical Center for the district to consider taking ownership of the facility. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$200,000 to complete Americans with Disability Act code repairs. The House Finance Committee recommends providing an additional \$200,000 and advancing the \$300,000 recommended for FY 2013 to FY 2012 to complete the project.

146. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$71,524 to community service grants in the Department of Elementary and Secondary Education.

147. Early Childhood. The Governor recommends the enacted level of \$0.7 million for early childhood programs. The new education funding formula allows for additional funding from the state for early childhood

education programs. Funding will be used to increase access to voluntary, free, high-quality pre-kindergarten programs. This pilot program began in FY 2010 with \$700,000. The House Finance Committee does not recommend funding this program in FY 2012.

148. Education Aid Data Update (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$0.6 million from general revenues for the first year of the education funding formula based on updated data. This includes redistribution among districts with some receiving more and some receiving less than the Governor's budget assumed. The Department of Elementary and Secondary Education provided updated student enrollment and free and reduced lunch eligibility data in April. The Governor's budget uses June 30, 2010 student enrollment data adjusted for FY 2012 projected charter school enrollments and census data released in December 2010.

149. Education Aid - Construction Aid Moratorium. Instituting a moratorium on the school housing aid program for projects that do not yet have Regents' approval would result in savings of \$7.7 million to the state beginning in FY 2013. This is based on 11 projects that are currently under review by Department of Elementary and Secondary Education staff that have not yet received Regents' approval. It assumes that all of these projects will receive Regents approval and complete by June 30, 2012 in order to be eligible for reimbursement in FY 2013. It also assumes FY 2012 school housing aid share ratios and a minimum of 40.0 percent pursuant to the new education funding formula.

150. Education Telecommunications Access Fund. The Governor proposes reducing the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012.

151. Progressive Support and Intervention. The FY 2012 recommended budget includes the enacted level of \$2.7 million from general revenues for support of reform efforts in selected school districts as part of the progressive support and intervention program. The budget funds experts to begin the design and development work for the transformation process contained in the Regents' new strategic plan. It appears that this work is also part of the Department's Race to the Top planned activities. The House Finance Committee recommends savings of \$2.7 million by eliminating the general revenue support for these activities and funding them through federal Race to the Top funds.

152. School for the Deaf Rental Income Offset. The Governor recommends legislation that authorizes the School for the Deaf to rent or lease space in its school building. It establishes a new restricted receipt account for the deposit of funds from rentals or leases to be used by the school to support its operations, and he includes \$90,000 from rental income in the FY 2012 budget. The House Finance Committee concurs with the proposed legislation and recommends that general revenues be reduced by \$67,500 to partially offset the additional expenditures from rental income.

153. Supplant Education Jobs Fund - Admin at RIDE. On September 9, 2010, the state was awarded \$32.9 million in one-time federal funding under the Education Jobs Fund program to retain and rehire school-based personnel in local education agencies. The majority of funding will be distributed to districts to be used for compensation costs for school-based personnel. The Governor's FY 2012 education aid proposal includes use of \$32.2 million from education jobs funds in lieu of general revenues. The House Finance Committee recommends treating the Department the same and reduces general revenue administrative costs by the amount of Education Jobs funds that it will receive in FY 2012, \$248,000.

154. Teacher Retirement Savings (GBA). The Governor requested an amendment that recognizes general revenue savings of \$1.0 million for the state's share of teacher retirement costs based on recent payroll

estimates from the Department of Elementary and Secondary Education. The state pays 40 percent of the employer's share of teacher retirement costs. The House Finance Committee concurs.

155. Textbook Reimbursement. The House Finance Committee recommends \$240,000 for FY 2012 to reimburse school districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.

Public Higher Education

156. Additional State Support. The Governor's FY 2012 recommendation includes an additional \$10.0 million from general revenues with the intent that the Community College not raise tuition and the University and College will either have marginal tuition and fee increases or expenditure reductions. The House Finance Committee recommends only \$4.0 million more than the FY 2011 enacted budget, which is \$6.0 million less than the Governor's recommendation.

157. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$113,419 to community service grants in Public Higher Education.

158. Higher Education Administration. The House Finance Committee recommends additional turnover savings of \$800,000 in FY 2012 for the reorganization of the Office of Higher Education. The Governor's recommendation includes \$2.6 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.1 million in turnover savings.

159. Capital - RIC - New Art Center Renovation/Addition. The Governor's recommendation includes \$18.8 million for a new art center at Rhode Island College. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

160. Capital - URI - New Chemistry Building. The Governor's recommendation includes \$4.8 million from Rhode Island Capital Plan funds to study and plan construction of a new chemistry building at the University. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013.

161. Capital - URI - Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

162. Capital - CCRI - Asset Protection. The House Finance Committee recommends an additional \$1.8 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at the Community College of Rhode Island. This includes an additional \$350,000 in each FY 2012 through FY 2016.

163. Capital - RIC - Asset Protection. The House Finance Committee recommends an additional \$2.3 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at Rhode Island College. This includes an additional \$450,000 in each FY 2012 through FY 2016.

164. Capital - URI - Asset Protection. The House Finance Committee recommends an additional \$6.0 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects

at the University of Rhode Island. This includes an additional \$1.2 million in each FY 2012 through FY 2016.

State Council on the Arts

165. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$40,248 in the Council on the Arts.

166. Grant Restoration. The House Finance Committee restores \$0.1 million of general revenues the Governor's budget removed from discretionary grants. These grants are awarded to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community.

Higher Education Assistance Authority

167. Needs Based Grants to College Bound Funds. The CollegeBound*fund* is projecting an FY 2011 year-end operating balance of \$0.5 million. The House Finance Committee recommends reducing general revenues for need based scholarships and grants by \$250,000 and using tuition savings fees instead. Total funding for scholarships and grants would not change.

Historical Preservation and Heritage Commission

168. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$17,844 for the Historical Preservation and Heritage Commission.

169. RICAP for Eisenhower. The House Finance Committee recommends eliminating general revenue funding for repairs to the building and utilizing \$272,800 from Rhode Island Capital Plan funds for the FY 2012 through FY 2016 period for these expenses.

RI Public Telecommunications Authority

170. Turnover (1.0 FTE). The House Finance Committee recommends turnover savings of \$150,000 from a continued vacancy.

Attorney General

171. Federal Grant Adjustments (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$1.5 million from federal funds for a new long-term care grant to provide background checks for healthcare workers.

172. Telephone (GBA). Consistent with a Governor's budget amendment, the House Finance Committee increases operating expenditures by \$12,501 to reflect new telephone expenses transferred from the Judiciary to the Office of the Attorney General.

173. Tobacco Litigation. The House Finance Committee recommends reducing general revenue funding used for tobacco litigation by \$150,000 to reflect anticipated expenses.

Department of Corrections

174. Capital - Administration HVAC. The Governor's FY 2012 capital budget includes \$150,000 from Rhode Island Capital Plan funds for a feasibility study on the construction of an interdepartmental weapons range for use by multiple state departments. Subsequently, the Governor requested an amendment to transfer the funds from the Department of Corrections to the Department of Administration. The House Finance Committee concurs.

175. Capital - Asset Protection. The Governor's capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

176. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

177. Facility Consolidation and Population Reduction. The House Finance Committee recommends a population of 3,239 inmates and general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing available community placements, including the phasing out of use of the Donald Price Medium Security facility. This recommendation assumes a reduction in overtime and population related expenses calculated on a per diem basis. Based on the current population and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the recommended savings.

Judicial

178. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$37,825 in the Judiciary.

179. Federal Grant Adjustments (GBA). The House Finance Committee recommends adding \$282,837 from federal funds consistent with the Governor's budget amendment.

180. Personnel. The Governor's FY 2012 budget includes \$67.4 million from general revenues for personnel expenses. The House Finance Committee recommends reducing this by \$1.0 million.

Military Staff

181. Armory Closure. The House Finance Committee does not concur with the nine month temporary closure of several armories and restores \$109,900.

182. Capital - Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter

report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

183. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

184. Capital - Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

185. Capital - State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

186. Federal Grant Adjustments. The Governor requested an amendment to add \$104,452 to reflect available federal grants in FY 2012. He also includes a shift of \$0.4 million from FY 2012 to FY 2011 due to accelerated grant spending. Funds will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

187. Indirect Cost Recovery. The Governor's FY 2011 revised budget and FY 2012 recommendation restore \$489,742 from general revenues. The 2010 Assembly included general revenue savings of \$489,742 assuming an indirect rate of not less than 5.0 percent on federal grants from the Emergency Management Agency complying with current law and applying for and receiving a negotiated indirect rate. It is important to note that currently the Military utilizes a 5.0 percent rate for management and administration costs. The House Finance Committee assumes general revenue savings for FY 2012 and imposes an indirect rate on federal grants which will generate \$220,000 of available resources.

188. Turnover Savings. The Governor includes turnover savings of \$0.2 million, which reflects 2.0 vacant positions. The House Finance Committee recommends additional general revenue turnover savings of \$37,000, which is equivalent to 0.5 positions.

Department of Public Safety

189. Federal Fund Adjustments. The Governor requested an amendment to add \$0.3 million from federal funds in FY 2011 for seven different grants. A review of projected spending indicates that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends \$0.2 million in FY 2011 with the remainder budgeted in FY 2012. The Governor subsequently requested an amendment to his FY 2012 budget that includes \$0.1 million more from federal funds for two grants. The House Finance Committee concurs.

190. Homeland Security Grants. Subsequent to his budget submission, the Governor requested an amendment to add \$839,641 from new federal homeland security grant awards to upgrade and purchase

bomb detection robots for the State Fire Marshal and purchase equipment for the State Police dive team. The House Finance Committee concurs.

191. Capital - Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 due to project delays.

Department of Environmental Management

192. Capital - Fort Adams Rehabilitation. The Governor's FY 2012 budget includes \$0.3 million from Rhode Island Capital Plan funds for rehabilitation projects at Fort Adams State Park in Newport. The House Finance Committee recommends increasing this amount by \$1.3 million to reflect a revised project schedule, which involves additional phases of the fort's rehabilitation and asset protection projects in the area surrounding the Fort.

193. Capital - Recreational Facilities Improvements. The House Finance Committee recommends \$0.5 million more from Rhode Island Capital Plan funds for improvements at Rhode Island recreational facilities, including parks and management areas. Funding is used for bridges, restroom improvements and replacements, as well as design and construction of additional camping and recreational facilities throughout the state.

194. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$11,987 to community service grants in the Department of Environmental Management.

195. Turnover. The Governor's FY 2012 budget includes \$1.0 million of turnover savings for the Department, which is the equivalent of approximately 10.0 positions. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 to reflect the projected number of filled positions.

196. Tourism Asset Protection Fund. The Governor's budget includes \$1.7 million for the Department of Environmental Management from the Tourism Asset Protection Fund for tourism related improvements. After FY 2012, use of the funds would be at the discretion of the Department of Administration; however, funds are assumed to be used for projects at Fort Adams State Park in Newport in FY 2012. The House Finance Committee does not concur with the establishment of this fund and removes the funding from the Department's budget.

Coastal Resources Management Council

197. Capital - South Coast Restoration Project. The Governor's FY 2012 budget includes \$0.4 million for dredging and habitat restoration projects as part of the South Coast Restoration Project. The funding was recommended to be used as a match for federal funds for projects at Winnepaug Pond. Due to a delay in this project, the House Finance Committee is shifting the \$0.4 million to FY 2013, and providing \$0.3 million from Rhode Island Capital Plan funds in FY 2012 to maintain the previous dredging of the Charlestown Breachway.

Water Resources Board

198. Merge into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the

Water Resources Board Corporate. The merger would remove \$1.2 million of general revenue expenditures.

Department of Transportation

199. Capital - Paratransit Vehicles. The Governor's capital budget includes a total of \$190,400 from Rhode Island Capital Plan funds in FY 2012 to match federal funds and funds from the Rhode Island Public Transit Authority for the replacement of paratransit vehicles, software upgrades and surveillance equipment. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project.

200. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

201. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.8 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

202. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million which was due to a downward revision of the gasoline tax yield estimate.

Section III

Special Reports

State Aid to Local Governments

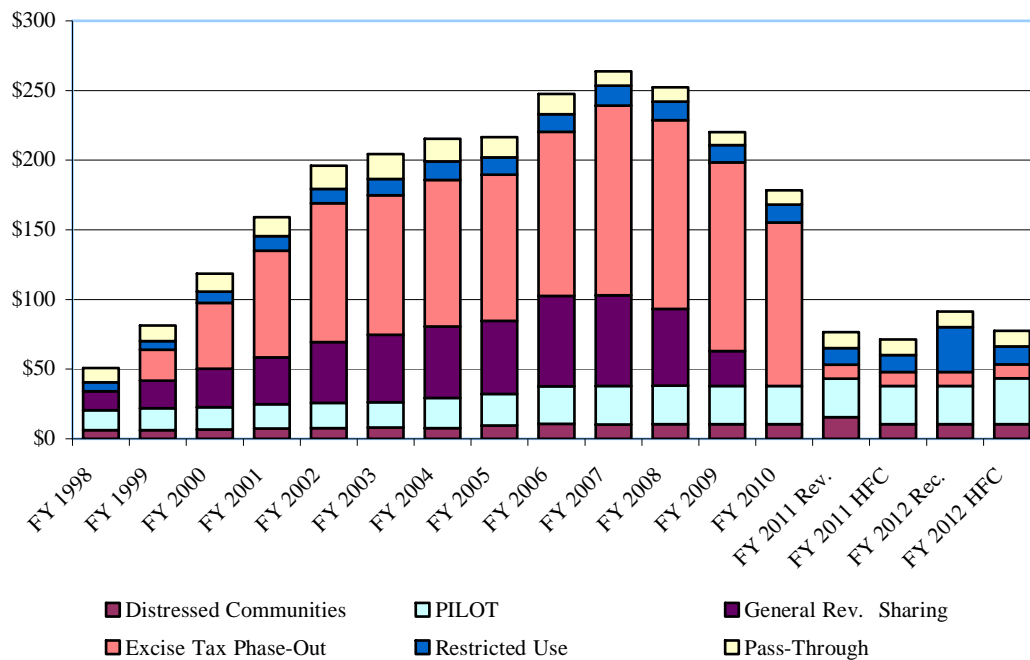
Introduction

The House Finance Committee provides state aid to cities and towns totaling \$60.0 million for FY 2011 and \$66.2 million for FY 2012 from state general revenues. Funding in FY 2011 includes \$48.0 million for general aid programs and \$12.1 million for restricted use programs. Local communities will also receive \$11.4 million in public service corporation property taxes that the state collects and passes through to the communities in both FY 2011 and FY 2012.

The revised general aid recommendation for FY 2011 is consistent with the enacted budget and is \$5.2 million less than the Governor’s budget, which recommended increased funds for the Distressed Communities Relief, provided eligible communities meet certain financial reporting requirements.

The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes program.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through FY 2012.



The programs are discussed on the following pages, followed by tables that show the distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations’ tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes.

- **General.** The House Finance Committee recommends \$48.0 million in FY 2011 and \$53.5 million in FY 2012. Distributions to communities reflect updated data.

Fiscal Year	2000	2005	2008	2009	2010	2011 Enacted	2011 Gov. Rev.	2011 HFC	HFC to Gov. Rev.	2012 Gov. Rec.	2012 HFC	HFC Gov. Rec.
General Aid - State Sources												
Distressed Communities*	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ 15.6	\$ 10.4	\$ (5.2)	\$ 10.4	\$ 10.4	\$ -
PILOT	16.1	22.7	27.8	27.6	27.6	27.6	27.6	27.6	-	27.6	33.1	5.5
General Rev. Sharing	27.6	52.4	55.1	25.0	-	-	-	-	-	-	-	-
Excise Tax Phase-Out	47.3	105.0	135.3	135.4	117.2	10.0	10.0	10.0	-	10.0	10.0	-
Subtotal	\$ 97.5	\$ 189.7	\$ 228.6	\$ 198.3	\$ 155.1	\$ 48.0	\$ 53.2	\$ 48.0	\$ (5.2)	\$ 48.0	\$ 53.5	\$ 5.5
Restricted Use Aid - State Sources												
State Aid for Libraries	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ 8.8	\$ -
Library Const. Aid	1.6	2.5	2.8	2.6	2.6	2.5	2.5	2.5	-	2.8	2.8	-
Police & Fire Incentive	0.9	1.1	0.7	-	-	-	-	-	-	-	-	-
Prop. Reval. Reimb.	0.0	0.6	1.1	1.1	1.6	1.0	0.8	0.8	-	1.1	1.1	-
MAST Fund										19.3	-	(19.3)
Subtotal	\$ 8.2	\$ 12.3	\$ 13.4	\$ 12.5	\$ 13.0	\$ 12.3	\$ 12.1	\$ 12.1	\$ -	\$ 32.1	\$ 12.7	\$ (19.3)
Total - State Sources	\$ 105.7	\$ 202.0	\$ 241.9	\$ 210.8	\$ 168.2	\$ 60.2	\$ 65.2	\$ 60.0	\$ (5.2)	\$ 80.0	\$ 66.2	\$ (13.8)
Other Aid - Pass-Through												
Public Service Corp.	\$ 12.8	\$ 14.6	\$ 10.3	\$ 9.2	\$ 10.2	\$ 10.2	\$ 11.4	\$ 11.4	\$ -	\$ 11.4	\$ 11.4	\$ -

*FY 2007 reflects recapture of \$230,272 overpayment from FY 2006.

- Distressed Communities Relief Fund.** The Governor's FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.
- Payment in Lieu of Taxes Program.** The Committee provides \$27.6 million in FY 2011 and \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program. The FY 2012 recommendation represents a reimbursement of 23.4 percent, which is 4.0 percent and \$5.5 million more than the Governor's recommendation. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The appropriation for the program has been level funded since FY 2008 when funds represented 25.0 percent of the amount that would have been due. With no additional funding, that has fell to 21.1 percent in FY 2011. The Governor's budget reflected a reimbursement of 19.4 percent for FY 2012.
- General Revenue Sharing.** The budget does not include any funding for the General Revenue Sharing Program. The 2009 Assembly adopted the Governor's recommendation to subject the program permanently to appropriation, deleted the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter, and deleted the two-thirds requirement for repealing or amending the statute relating to the apportionment of aid.
- Motor Vehicle Excise Tax Phase-Out.** The Committee recommends level funding the program in FY 2011 and FY 2012 at the \$10.0 million enacted amount.
- Library Resource Sharing Aid.** The Committee provides \$8.8 million in both FY 2011 and FY 2012 for library operating aid. Community distributions in FY 2012 reflect updated data and a ratable reduction to the appropriation.
- Library Construction Aid.** The Committee provides \$2.5 million in FY 2011 and \$2.8 million in FY 2012 for library construction aid. The state reimburses libraries up to half of the total cost for eligible projects on an installment basis for a period of up to 20 years. It also imposes a three-year moratorium on any library construction project, effective July 1, 2011.

- ***Property Valuation Reimbursement.*** The Committee provides \$0.8 million in FY 2011 and \$1.1 million in FY 2012 to fully fund reimbursements to communities conducting property valuation updates.
- ***Public Service Corporation Tax.*** The FY 2011 and FY 2012 budgets assume the state will collect \$11.4 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.
- ***Municipal Accountability, Stability and Transparency Fund.*** The Governor's budget proposed the establishment of the Municipal Accountability, Stability and Transparency Fund to encourage municipalities to address unfunded liabilities for pensions and other-post employment benefits. His recommended budget includes \$19.3 million and will be available from a 1.0 percent sales tax on meals and beverages with his proposal to rollback the regular sales tax to 6.0 percent, taxpayers would not see a change in the tax paid in meals and beverage. The funds will be distributed based on per capita income and local tax burdens using FY 2009 data from the General Revenue Sharing Program. The House Finance Committee does not concur; it does include some increased financial reporting requirements.

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 327,240	\$ 294,192	\$ (33,048)	\$ 294,192	\$ -
Bristol	695,172	697,446	2,274	697,446	-
Burrillville	763,769	989,970	226,201	769,016	(220,954)
Central Falls	371,587	467,121	95,534	371,025	(96,096)
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	5,191,475	21,950	5,191,475	-
Cumberland	213,801	216,622	2,821	216,622	-
East Greenwich	130,306	131,077	771	131,077	-
East Providence	1,295,314	1,650,388	355,074	1,293,740	(356,648)
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,750	1,324	69,750	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	971,841	(1,333)	971,841	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	234,003	4,804	234,003	-
North Providence	1,324,652	1,317,007	(7,645)	1,317,007	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	3,364,174	797,199	2,559,462	(804,712)
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	28,670,683	2,750,633	25,827,727	(2,842,956)
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	711,000	3,062	711,000	-
South Kingstown	293,327	296,393	3,066	296,393	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,114,127	83,672	2,114,127	-
Westerly	339,542	340,736	1,194	340,736	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,618,602	465,741	1,149,433	(469,169)
Woonsocket	1,318,582	1,716,499	397,917	1,314,806	(401,693)
Total	\$ 47,964,867	\$ 53,157,095	\$ 5,192,228	\$ 47,964,867	\$ (5,192,228)

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 327,240	\$ 290,438	\$ (36,802)	\$ 299,458	\$ 9,020
Bristol	695,172	713,610	18,438	832,543	118,933
Burrillville	763,769	554,681	(209,088)	573,846	19,165
Central Falls	371,587	397,762	26,175	401,735	3,973
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	4,959,452	(210,073)	5,758,680	799,228
Cumberland	213,801	216,616	2,815	216,637	21
East Greenwich	130,306	130,752	446	132,203	1,451
East Providence	1,295,314	1,330,451	35,137	1,355,956	25,505
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,729	1,303	69,808	79
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	916,474	(56,700)	1,071,593	155,119
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	229,852	653	230,181	329
North Providence	1,324,652	1,395,562	70,910	1,479,595	84,033
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	2,561,954	(5,021)	2,634,322	72,368
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	26,029,369	109,319	29,871,643	3,842,274
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	726,516	18,578	815,173	88,657
South Kingstown	293,327	306,088	12,761	332,795	26,707
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,191,425	160,970	2,397,800	206,375
Westerly	339,542	338,015	(1,527)	359,417	21,401
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,124,125	(28,736)	1,124,125	-
Woonsocket	1,318,582	1,388,007	69,425	1,413,369	25,362
Total	\$ 47,964,867	\$ 47,964,867	\$ -	\$ 53,464,867	\$ 5,500,000

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	708,688	221,068	487,734	(220,954)
Central Falls	267,573	363,633	96,060	267,537	(96,096)
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	1,114,116	356,511	757,468	(356,648)
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	510,516	-	510,516	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	2,321,986	804,431	1,517,274	(804,712)
Portsmouth	-	-	-	-	-
Providence	5,111,263	7,954,890	2,843,627	5,111,934	(2,842,956)
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	1,394,669	468,984	925,500	(469,169)
Woonsocket	806,641	1,208,188	401,547	806,495	(401,693)
Total	\$ 10,384,458	\$ 15,576,686	\$ 5,192,228	\$ 10,384,458	\$ (5,192,228)

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	243,867	(243,753)	243,867	-
Central Falls	267,573	293,509	25,936	293,509	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	757,468	(137)	757,468	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	624,043	113,527	624,043	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	1,534,272	16,717	1,534,272	-
Portsmouth	-	-	-	-	-
Providence	5,111,263	5,143,906	32,643	5,143,906	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	900,192	(25,493)	900,192	-
Woonsocket	806,641	887,201	80,560	887,201	-
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ 10,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 85,188	\$ 48,984	\$ (36,204)	\$ 48,984	\$ -
Bristol	579,478	580,241	763	580,241	-
Burrillville	66,485	66,573	88	66,573	-
Central Falls	19,133	19,158	25	19,158	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,239,850	5,575	4,239,850	-
Cumberland	109	109	-	109	-
East Greenwich	7,589	7,599	10	7,599	-
East Providence	91,068	91,188	120	91,188	-
Exeter	-	-	-	-	-
Foster	417	417	-	417	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	833,229	1,096	833,229	-
New Shoreham	-	-	-	-	-
North Kingstown	5,795	5,803	8	5,803	-
North Providence	455,764	456,364	600	456,364	-
North Smithfield	-	-	-	-	-
Pawtucket	376,910	377,406	496	377,406	-
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,097,871	25,113	19,097,871	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	429,064	564	429,064	-
South Kingstown	124,067	124,230	163	124,230	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	957,595	1,260	957,595	-
Westerly	109,895	110,040	145	110,040	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	134,688	178	134,688	-
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 27,580,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 85,188	\$ 45,230	\$ (36,204)	\$ 54,250	\$ 9,020
Bristol	579,478	596,405	763	715,338	118,933
Burrillville	66,485	96,105	88	115,270	19,165
Central Falls	19,133	19,923	25	23,896	3,973
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,007,827	5,575	4,807,055	799,228
Cumberland	109	103	-	124	21
East Greenwich	7,589	7,274	10	8,725	1,451
East Providence	91,068	127,899	120	153,404	25,505
Exeter	-	-	-	-	-
Foster	417	396	-	475	79
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	777,862	1,096	932,981	155,119
New Shoreham	-	-	-	-	-
North Kingstown	5,795	1,652	8	1,981	329
North Providence	455,764	421,392	600	505,425	84,033
North Smithfield	-	-	-	-	-
Pawtucket	376,910	362,900	496	435,268	72,368
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,267,541	25,113	23,109,815	3,842,274
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	444,580	564	533,237	88,657
South Kingstown	124,067	133,925	163	160,632	26,707
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	1,034,893	1,260	1,241,268	206,375
Westerly	109,895	107,319	145	128,720	21,401
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	127,183	178	152,545	25,362
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 33,080,409	\$ 5,500,000

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 323,140	\$ -
Bristol	106,449	106,449	-	106,449	-
Burrillville	124,196	124,196	-	124,196	-
Central Falls	76,712	76,712	-	76,712	-
Charlestown	46,444	46,444	-	46,444	-
Coventry	198,364	198,364	-	198,364	-
Cranston	564,855	564,855	-	564,855	-
Cumberland	242,455	242,455	-	242,455	-
East Greenwich	107,800	107,800	-	107,800	-
East Providence	454,240	454,240	-	454,240	-
Exeter	32,685	32,685	-	32,685	-
Foster	34,283	34,283	-	34,283	-
Glocester	68,546	68,546	-	68,546	-
Hopkinton	28,903	28,903	-	28,903	-
Jamestown	76,368	76,368	-	76,368	-
Johnston	96,481	96,481	-	96,481	-
Lincoln	179,391	179,391	-	179,391	-
Little Compton	26,702	26,702	-	26,702	-
Middletown	123,398	123,398	-	123,398	-
Narragansett	113,169	113,169	-	113,169	-
Newport	364,548	364,548	-	364,548	-
New Shoreham	94,072	94,072	-	94,072	-
North Kingstown	246,625	246,625	-	246,625	-
North Providence	154,613	154,613	-	154,613	-
North Smithfield	61,584	61,584	-	61,584	-
Pawtucket	398,156	398,156	-	398,156	-
Portsmouth	99,917	99,917	-	99,917	-
Providence*	2,276,903	2,276,903	-	2,276,903	-
Richmond	21,874	21,874	-	21,874	-
Scituate	92,532	92,532	-	92,532	-
Smithfield	254,642	254,642	-	254,642	-
South Kingstown	205,999	205,999	-	205,999	-
Tiverton	90,485	90,485	-	90,485	-
Warren	51,162	51,162	-	51,162	-
Warwick	657,409	657,409	-	657,409	-
Westerly	287,122	287,122	-	287,122	-
West Greenwich	24,649	24,649	-	24,649	-
West Warwick	171,415	171,415	-	171,415	-
Woonsocket	195,110	195,110	-	195,110	-
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended**</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 332,622	\$ 9,482
Bristol	106,449	106,449	-	119,255	12,806
Burrillville	124,196	124,196	-	124,048	(148)
Central Falls	76,712	76,712	-	62,301	(14,411)
Charlestown	46,444	46,444	-	47,345	900
Coventry	198,364	198,364	-	203,149	4,785
Cranston	564,855	564,855	-	530,519	(34,337)
Cumberland	242,455	242,455	-	266,209	23,754
East Greenwich	107,800	107,800	-	111,399	3,599
East Providence	454,240	454,240	-	395,804	(58,436)
Exeter	32,685	32,685	-	40,392	7,708
Foster	34,283	34,283	-	31,425	(2,857)
Glocester	68,546	68,546	-	70,178	1,632
Hopkinton	28,903	28,903	-	29,512	609
Jamestown	76,368	76,368	-	77,618	1,250
Johnston	96,481	96,481	-	110,371	13,890
Lincoln	179,391	179,391	-	186,608	7,217
Little Compton	26,702	26,702	-	28,295	1,592
Middletown	123,398	123,398	-	126,526	3,129
Narragansett	113,169	113,169	-	123,812	10,643
Newport	364,548	364,548	-	377,002	12,454
New Shoreham	94,072	94,072	-	73,576	(20,496)
North Kingstown	246,625	246,625	-	257,813	11,188
North Providence	154,613	154,613	-	163,008	8,395
North Smithfield	61,584	61,584	-	63,053	1,468
Pawtucket	398,156	398,156	-	365,315	(32,841)
Portsmouth	99,917	99,917	-	102,565	2,648
Providence*	2,276,903	2,276,903	-	2,337,393	60,490
Richmond	21,874	21,874	-	22,762	887
Scituate	92,532	92,532	-	94,735	2,203
Smithfield	254,642	254,642	-	267,131	12,489
South Kingstown	205,999	205,999	-	203,044	(2,956)
Tiverton	90,485	90,485	-	76,399	(14,087)
Warren	51,162	51,162	-	52,283	1,120
Warwick	657,409	657,409	-	638,711	(18,698)
Westerly	287,122	287,122	-	269,310	(17,812)
West Greenwich	24,649	24,649	-	26,493	1,844
West Warwick	171,415	171,415	-	173,748	2,333
Woonsocket	195,110	195,110	-	191,671	(3,439)
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

FY 2012 Education Aid

The House Finance Committee funds the first year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2012 uses March 14, 2011 student enrollment data adjusted for FY 2012 projected charter school enrollments, a per pupil core instruction amount of \$8,333 and census data released in December 2010. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less funding will have that loss phased in over ten years. The budget includes \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues.

Total Funding to Districts

A. Column **A** is the amount that districts would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

B. Column **B** is the amount of group home aid districts will receive in FY 2012. Group home aid will be paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional funding from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Column **C** shows the House Finance Committee recommendation that provides funding for transportation and the regionalization bonus.

D. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **D** shows the amount of the general revenue reduction.

E. Column **E** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

F. Column **F** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that districts will carry forward their FY 2011 allocation for use in FY 2012.

G. Column **G** shows the House Finance Committee's total FY 2012 recommended aid from general revenues and federal education jobs funds.

H. Column **H** is the FY 2011 enacted aid from all sources including group home aid.

I. Column **I** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the FY 2011 enacted budget in Column **H**.

J. Column **J** is the Governor's FY 2012 recommended budget. It was based on June 30, 2010 student enrollment data.

K. Column **K** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the Governor's FY 2012 recommendation shown in Column **J**.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>FY 2012 HFC Formula Aid</i>	<i>Group Home Aid</i>	<i>All Categoricals</i>	<i>Education Jobs Fund</i>
Barrington	\$ 2,362,934	\$ -	\$ 11,920	\$ (80,453)
Burrillville	12,585,056	420,000	3,716	(598,764)
Charlestown	1,670,987	-	33,462	-
Coventry	18,550,838	120,000	-	(829,477)
Cranston	34,041,838	-	106,220	(1,530,264)
Cumberland	12,644,415	-	18,664	(542,840)
East Greenwich	1,502,848	-	4,350	(60,142)
East Providence	24,736,571	636,000	3,037	(1,124,364)
Foster	1,241,245	-	1,069	(59,261)
Glocester	2,860,166	-	2,667	(135,039)
Hopkinton	5,613,789	-	112,406	-
Jamestown	369,267	-	-	(17,559)
Johnston	9,937,661	120,000	74,255	(440,076)
Lincoln	6,864,255	135,000	301	(288,938)
Little Compton	313,858	-	-	(13,144)
Middletown	8,927,808	480,000	-	(438,250)
Narragansett	1,488,608	-	-	(64,722)
Newport	10,221,213	480,000	-	(495,479)
New Shoreham	61,851	-	-	(2,501)
North Kingstown	10,674,839	-	-	(486,804)
North Providence	12,460,586	255,000	35,970	(554,729)
North Smithfield	4,500,714	120,000	10,011	(198,918)
Pawtucket	63,745,780	855,000	-	(2,878,291)
Portsmouth	5,072,149	690,000	-	(273,250)
Providence	183,074,948	2,730,000	-	(8,683,552)
Richmond	5,537,977	-	110,889	-
Scituate	3,150,369	-	5,573	(133,191)
Smithfield	4,718,805	240,000	8,115	(223,988)
South Kingstown	8,441,331	375,000	16,139	(420,852)
Tiverton	5,329,648	-	-	(241,531)
Warwick	33,436,513	360,000	65	(1,533,605)
Westerly	5,982,372	-	-	(261,313)
West Warwick	19,131,939	-	11,765	(864,504)
Woonsocket	44,843,051	165,000	4,472	(2,034,796)
Bristol-Warren	17,880,233	210,000	534,814	(866,462)
Chariho	344,882	-	297,200	(616,626)
Exeter-West Greenwich	6,306,153	210,000	302,195	(307,172)
Foster-Glocester	5,157,169	-	215,809	(239,219)
Central Falls	41,131,440	-	13,997	(1,969,619)
Total	\$ 636,916,106	\$ 8,601,000	\$ 1,939,081	\$ (29,509,695)
<i>Adjusted Chariho</i>	13,167,634	-	553,957	(616,626)

<i>District</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
	<i>FY 2012 HFC</i>			
	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>	<i>FY 2011 Enacted</i>
Barrington	\$ 2,294,401	\$ 80,453	\$ 2,374,854	\$ 1,777,692
Burrillville	12,410,008	598,764	13,008,772	13,049,312
Charlestown	1,704,449	-	1,704,449	1,708,264
Coventry	17,841,361	829,477	18,670,838	18,106,570
Cranston	32,617,794	1,530,264	34,148,058	31,729,746
Cumberland	12,120,239	542,840	12,663,079	11,853,639
East Greenwich	1,447,056	60,142	1,507,198	1,327,711
East Providence	24,251,244	1,124,364	25,375,608	24,531,957
Foster	1,183,053	59,261	1,242,314	1,293,021
Glocester	2,727,794	135,039	2,862,833	2,946,000
Hopkinton	5,726,195	-	5,726,195	5,695,888
Jamestown	351,708	17,559	369,267	386,846
Johnston	9,691,840	440,076	10,131,916	9,609,655
Lincoln	6,710,618	288,938	6,999,556	6,320,677
Little Compton	300,714	13,144	313,858	288,570
Middletown	8,969,558	438,250	9,407,808	9,562,746
Narragansett	1,423,886	64,722	1,488,608	1,423,684
Newport	10,205,734	495,479	10,701,213	10,812,053
New Shoreham	59,350	2,501	61,851	56,081
North Kingstown	10,188,035	486,804	10,674,839	10,633,129
North Providence	12,196,827	554,729	12,751,556	12,107,544
North Smithfield	4,431,807	198,918	4,630,725	4,342,683
Pawtucket	61,722,489	2,878,291	64,600,780	62,743,324
Portsmouth	5,488,899	273,250	5,762,149	5,968,097
Providence	177,121,396	8,683,552	185,804,948	179,813,040
Richmond	5,648,866	-	5,648,866	5,669,397
Scituate	3,022,751	133,191	3,155,942	2,913,522
Smithfield	4,742,932	223,988	4,966,920	4,899,277
South Kingstown	8,411,618	420,852	8,832,470	9,198,692
Tiverton	5,088,117	241,531	5,329,648	5,275,223
Warwick	32,262,973	1,533,605	33,796,578	33,493,714
Westerly	5,721,059	261,313	5,982,372	5,721,304
West Warwick	18,279,200	864,504	19,143,704	18,855,252
Woonsocket	42,977,727	2,034,796	45,012,523	44,356,033
Bristol-Warren	17,758,585	866,462	18,625,047	18,896,443
Chariho	25,456	616,626	642,082	383,667
Exeter-West Greenwich	6,511,176	307,172	6,818,348	6,708,949
Foster-Glocester	5,133,759	239,219	5,372,978	5,219,945
Central Falls	39,175,818	1,969,619	41,145,437	42,865,644
Total	\$ 617,946,492	\$ 29,509,695	\$ 647,456,187	\$ 632,544,990
<i>Adjusted Chariho</i>	13,104,965	616,626	13,721,591	13,457,216

<i>District</i>	<i>I</i> <i>Total FY 2012</i> <i>Change to</i> <i>Enacted</i>	<i>J</i> <i>FY 2012</i> <i>Governor</i>	<i>K</i> <i>FY 2012 Total</i> <i>Change to Gov</i>
Barrington	\$ 597,162	\$ 2,358,427	\$ 16,427
Burrillville	(40,540)	13,009,609	(838)
Charlestown	(3,816)	1,696,758	7,690
Coventry	564,268	18,690,799	(19,961)
Cranston	2,418,312	34,056,094	91,964
Cumberland	809,440	12,701,212	(38,133)
East Greenwich	179,487	1,504,606	2,593
East Providence	843,651	25,475,858	(100,249)
Foster	(50,708)	1,237,402	4,912
Glocester	(83,167)	2,866,365	(3,532)
Hopkinton	30,306	5,735,135	(8,940)
Jamestown	(17,579)	368,955	312
Johnston	522,261	10,155,696	(23,779)
Lincoln	678,879	6,949,637	49,919
Little Compton	25,289	314,727	(869)
Middletown	(154,938)	9,442,812	(35,004)
Narragansett	64,924	1,481,749	6,859
Newport	(110,840)	10,717,477	(16,264)
New Shoreham	5,770	61,803	48
North Kingstown	41,710	10,667,391	7,449
North Providence	644,012	12,729,686	21,870
North Smithfield	288,042	4,648,180	(17,455)
Pawtucket	1,857,456	64,576,209	24,572
Portsmouth	(205,948)	5,767,514	(5,365)
Providence	5,991,908	185,990,614	(185,666)
Richmond	(20,531)	5,642,629	6,237
Scituate	242,420	3,154,451	1,490
Smithfield	67,643	4,974,687	(7,767)
South Kingstown	(366,222)	8,828,084	4,386
Tiverton	54,425	5,343,549	(13,900)
Warwick	302,864	33,920,827	(124,250)
Westerly	261,069	5,970,828	11,545
West Warwick	288,452	19,171,353	(27,649)
Woonsocket	656,490	45,304,983	(292,459)
Bristol-Warren	(271,395)	18,622,094	2,954
Chariho	258,415	641,957	125
Exeter-West Greenwich	109,399	6,816,998	1,350
Foster-Glocester	153,033	5,380,618	(7,641)
Central Falls	(1,720,208)	40,468,382	677,054
Total	\$ 14,911,197	\$ 647,446,154	\$ 10,033
<i>Adjusted Chariho</i>	264,375	13,716,480	5,112

Total Funding to Charter and State Schools

A. Column **A** is the amount that charter and state schools would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that schools that will receive more state funding will have the additional funding phased in over seven years and schools that are going to receive less state funding will have that loss phased in over ten years.

B. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **B** shows the amount of the general revenue reduction.

C. Column **C** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

D. Column **D** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that charter and state schools will carry forward their FY 2011 allocation for use in FY 2012.

E. Column **E** shows the House Finance Committee's FY 2012 recommended formula aid from general revenues and federal education jobs funds.

F. Column **F** shows the Governor's FY 2012 recommendation. It is based on June 30, 2010 enrollment data. The Department of Elementary and Secondary Education provided March 14, 2011 enrollment data at the beginning of April.

G. Column **G** is the difference between the total House Finance Committee's FY 2012 recommended funding in Column **E** and the Governor's FY 2012 recommendation in Column **F**.

H. Column **H** is the starting point for calculating FY 2011 base formula aid. It is the FY 2011 enacted aid plus an adjustment done by the Department of Elementary and Secondary Education based on Budget Office target instructions sent out in July 2010. The reason for this adjustment is unclear.

I. Column **I** is the difference between the House Finance Committee's total FY 2012 recommended funding in Column **E** and the FY 2011 base amounts in Column **H**.

<i>School</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY 2012 HFC</i>				
	<i>FY 2012 HFC Formula Aid</i>	<i>Education Jobs Fund</i>	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>
Beacon	\$ 1,722,314	\$ (85,927)	\$ 1,636,387	\$ 85,927	\$ 1,722,314
Blackstone	1,552,492	(71,435)	1,481,056	71,435	1,552,491
Compass	608,800	(29,362)	579,438	29,362	608,800
Greene School	667,150	(26,637)	640,513	26,637	667,150
Highlander	2,716,793	(125,425)	2,591,368	125,425	2,716,793
International	2,896,237	(134,076)	2,762,161	134,076	2,896,237
Kingston Hill	727,276	(35,188)	692,088	35,188	727,276
Learning Community	5,954,782	(230,278)	5,724,504	230,278	5,954,782
New England Laborers	1,648,397	-	1,648,397	-	1,648,397
Nurses Institute	1,130,376	-	1,130,376	-	1,130,376
Paul Cuffee	6,805,659	(279,528)	6,526,131	279,528	6,805,659
Mayoral Academies Blackstone Valley	4,050,453	(93,285)	3,957,168	93,285	4,050,453
Segue Institute	2,562,049	(79,612)	2,482,437	79,612	2,562,049
Textron	2,323,795	-	2,323,795	-	2,323,795
Times2 Academy	7,111,479	-	7,111,479	-	7,111,479
Trinity	726,533	(18,714)	707,819	18,714	726,533
<i>Charter Schools Subtotal</i>	43,204,586	(1,209,467)	\$ 41,995,118	\$ 1,209,467	\$ 43,204,585
Davies Career and Tech	14,090,211	(673,955)	13,416,256	673,955	14,090,211
Met School	12,236,284	(593,721)	11,642,563	593,721	12,236,284
Total	\$ 69,531,081	\$ (2,477,143)	\$ 67,053,937	\$ 2,477,143	\$ 69,531,080

<i>School</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>
	<i>FY 2011 For</i>			
	<i>FY 2012 Gov Rec</i>	<i>HFC Change to Gov</i>	<i>Base Calculation</i>	<i>Change to Base Funding</i>
Beacon	\$ 1,732,711	\$ (10,397)	\$ 1,755,873	\$ (33,559)
Blackstone	1,553,291	(800)	1,563,108	(10,617)
Compass	609,710	(910)	642,210	(33,410)
Greene School	681,222	(14,072)	521,480	145,670
Highlander	2,713,276	3,517	2,741,436	(24,643)
International	2,887,024	9,213	2,932,501	(36,264)
Kingston Hill	724,215	3,061	769,530	(42,254)
Learning Community	5,786,707	168,075	5,267,909	686,873
New England Laborers	1,645,409	2,988	1,697,870	(49,473)
Nurses Institute	1,126,220	4,156	-	1,130,376
Paul Cuffee	6,719,793	85,866	6,259,303	546,356
Mayoral Academies Blackstone Valley	3,942,777	107,676	2,163,075	1,887,378
Segue Institute	2,541,835	20,214	1,740,632	821,417
Textron	2,314,584	9,211	2,341,876	(18,081)
Times2 Academy	7,107,590	3,889	7,217,958	(106,479)
Trinity	727,112	(579)	397,647	328,886
<i>Charter Schools Subtotal</i>	\$ 42,813,476	\$ 391,109	\$ 38,012,408	\$ 5,192,177
Davies Career and Tech	13,984,084	106,127	14,820,328	(730,117)
Met School	12,165,708	70,576	13,013,531	(777,247)
Total	\$ 68,963,268	\$ 567,812	\$ 65,846,267	\$ 3,684,813

Section IV

Adjustments to Governor's Revised Budget

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Revenue Changes					
1	May Revenue Conference	51,408,835	-	-	-	51,408,835
2	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
	Total	51,424,942	73,747,284	2,697,879	(39,518,816)	88,351,289
	Expenditures Changes					
	Administration					
3	Capital - Cranston Street Armory	-	-	-	(72,658)	(72,658)
4	Capital - Fire Code Compliance	-	-	-	(400,000)	(400,000)
5	Capital - Old State House	-	-	-	(200,000)	(200,000)
6	Capital - Pastore Buildings Demolition	-	-	-	(1,000,000)	(1,000,000)
7	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	(670,000)	(670,000)
8	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(120,000)	(120,000)
9	Capital - State Office Building	-	-	-	(400,000)	(400,000)
10	Capital - Washington County Government Center	-	-	-	(1,000,000)	(1,000,000)
11	Capital - William Powers Administration Building	-	-	-	(97,000)	(97,000)
12	Capital - Zambarano Utilities and Infrastructure	-	-	-	325,000	325,000
13	Central Falls Deficit	(1,800,000)	-	-	-	(1,800,000)
14	Centralized IT Savings (GBA)	(92,696)	-	-	-	(92,696)
15	Community Development Block Grant Adjustments	-	653,000	-	-	653,000
16	Distressed Enhancement	(5,192,229)	-	-	-	(5,192,229)
17	DoIT Victims of Crime Act Grant Adjustments	-	50,000	-	-	50,000
18	DOT Debt Service - Operating Deficit	(3,400,000)	-	-	3,400,000	-
19	DOT Debt Service BAB funds (GBA)	(1,688,447)	1,688,447	-	-	-
20	Fidelity Job Rent Credits (GBA)	(733,053)	-	-	-	(733,053)
21	New Positions (2.0 FTE)	(127,987)	-	-	-	(127,987)
22	Purchasing Website Delay (GBA)	(30,000)	-	-	-	(30,000)
23	Rainy Day Fund Payback	22,000,000	-	-	-	22,000,000
24	Stimulus - Homelessness Prevention Fund	-	396,210	-	-	396,210
25	Stimulus - Weatherization Assistance Adjustments	-	1,237,950	-	-	1,237,950
26	Turnover and Operating Savings (3rd Quarter)	(427,357)	-	-	-	(427,357)
	Business Regulation					
27	Turnover (3rd Quarter)	(175,000)	-	-	-	(175,000)
28	Assessments for Rate Filings	-	-	25,000	-	25,000
	Labor and Training					
29	3rd Quarter Changes and Surplus	(74,824)	-	-	-	(74,824)
30	Capital - Center General Roof	-	-	-	(770,000)	(770,000)
31	Emergency TANF Grants (GBA)	-	398,000	-	-	398,000
32	Extension of Emergency Unemployment Compensation (GBA)	-	66,253,500	-	(11,782,000)	54,471,500
33	Trade Adjustment Grant Award (GBA)	-	1,072,000	-	-	1,072,000

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Department of Revenue						
34	Central Falls Receivership (3rd Quarter)	249,146	-	-	-	249,146
35	Turnover and Operations (3rd Quarter)	(243,000)	-	-	-	(243,000)
36	Central Falls Receivership Staffing	(195,267)	-	-	-	(195,267)
37	Capital - Tax Data Warehouse	-	-	-	155,000	155,000
38	DMV RIMS Computer Project	-	250,000	-	-	250,000
Lieutenant Governor						
39	Health Policy Director (GBA)	35,698	-	-	-	35,698
40	Turnover Savings	(26,698)	-	-	-	(26,698)
Office of the General Treasurer						
41	Build Out Costs for Move to Warwick (GBA)	88,588	15,416	232,360	15,416	351,780
42	Unclaimed Property	-	-	1,664,663	-	1,664,663
Board of Elections						
43	HAVA Fund Expenditure from FY 2010 (GBA)	-	109,694	-	-	109,694
Governor's Office						
44	Turnover and Operating Savings (3rd Quarter)	(71,207)	-	-	-	(71,207)
Commission for Human Rights						
45	COLA Deferral Correction	(8,101)	(2,598)	-	-	(10,699)
Office of Health and Human Services						
46	Turnover and Operating Savings (3rd Quarter)	(14,295)	-	-	-	(14,295)
Children, Youth and Families						
47	Byrne Formula Grant (GBA)	-	20,343	-	-	20,343
48	Capital - NAFI Center	-	-	-	(450,000)	(450,000)
49	Capital - Sprinkler Head Retrofit	-	-	-	(25,360)	(25,360)
50	Capital - Training School Repairs/Improvements	-	-	-	(49,500)	(49,500)
51	Nurse and Family Partnership Grant (GBA)	-	90,000	-	-	90,000
52	Olmstead Grant (GBA)	20,000	-	-	-	20,000
Elderly Affairs						
53	Home and Community Care	451,773	(77,400)	-	-	374,373
54	Pharmaceutical Assistance	(400,000)	-	400,000	-	-
Health						
55	Turnover and Operating Savings (3rd Quarter)	(350,000)	-	-	-	(350,000)
56	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
57	Federal Fund Adjustments (GBA)	-	377,130	-	-	377,130
58	Women, Infants and Children Nutrition Program	-	(19,642,672)	-	-	(19,642,672)
Human Services						
59	Hardship	(37,500)	-	-	-	(37,500)
60	May Caseload Adjustments	4,766,407	(5,544,902)	-	-	(778,495)
61	Ride Program Gas Tax adjustment (GBA)	-	-	-	(41,761)	(41,761)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
62	Women, Infants and Children Nutrition Program	-	19,642,672	-	-	19,642,672
BHDDH						
63	Behavioral Health - 3rd Quarter Surplus	(835,203)	-	-	-	(835,203)
64	Capital - DD Private Waiver Community Facilities Fire Code Upgrades	-	(820,829)	-	(500,000)	(1,320,829)
65	Capital - Eleanor Slater Hospital Consolidation	-	-	-	(1,900,000)	(1,900,000)
66	Capital - Mental Health Community Facilities	-	-	-	(100,000)	(100,000)
67	Capital - MR Community Facilities	-	-	-	(200,000)	(200,000)
68	Capital - Regional Center Repair\Rehabilitation	-	-	-	(550,000)	(550,000)
69	Capital - Zambarano Buildings	-	-	-	(900,000)	(900,000)
70	Developmental Disabilities 3rd Quarter Deficit	835,203	(124,501)	-	-	710,702
71	Hospital Turnover	(500,000)	(734,872)	-	-	(1,234,872)
Governor's Commission on Disabilities						
72	New England ADA Grant Adjustment	-	2,282	-	-	2,282
Office of the Mental Health Advocate						
73	Turnover	(29,000)	-	-	-	(29,000)
Elementary & Secondary Education						
74	Capital - Cranston Career and Technical	-	-	-	(280,000)	(280,000)
75	Capital - Davies Lighting	-	-	-	(375,453)	(375,453)
76	Capital - Met School East Bay	-	-	-	(580,000)	(580,000)
77	Formula Aid Adjustments (GBA)	(60,577)	-	-	-	(60,577)
78	FY 2010 Central Falls Balance to FY 2012	(2,000,000)	-	-	-	(2,000,000)
79	Perkins Tuition	(13,216)	-	-	-	(13,216)
80	Stabilization Funds Reduction	729,663	(729,663)	-	-	-
81	Turnover Savings - Third Quarter Report	(100,000)	-	-	-	(100,000)
Public Higher Education						
82	Office of Higher Education Turnover	(240,000)	-	-	-	(240,000)
83	Capital - RIC - New Art Center Renovation/Addition	-	-	-	(1,300,000)	(1,300,000)
84	Capital - URI - New Chemistry Building	-	-	-	(2,000,000)	(2,000,000)
85	Capital - URI - Biotechnology Center	-	-	-	(4,500,000)	(4,500,000)
Arts Council						
86	Third Quarter Personnel and Operating	(26,903)	-	-	-	(26,903)
87	Percent for Arts Adjustment (GBA)	-	-	-	500,000	500,000
Higher Education Assistance Authority						
88	LEAP Funds	-	6,385	-	-	6,385
Historical Preservation and Heritage Commission						
89	Turnover	(26,000)	-	-	-	(26,000)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	RI Public Telecommunications Authority					
90	Turnover	(50,000)	-	-	-	(50,000)
	Attorney General					
91	Federal Grant Adjustments	-	21,810	-	-	21,810
92	Turnover (3rd Quarter)	(180,000)	-	-	-	(180,000)
	Corrections					
93	Capital - Asset Protection	-	-	-	(1,000,000)	(1,000,000)
94	Capital - Women's Plumbing and Bathroom Renovations	-	-	-	(1,235,000)	(1,235,000)
95	Third Quarter Personnel and Operating	(900,000)	-	-	-	(900,000)
96	Capital - Women's Roof, Masonry and General Renovations	-	-	-	(2,800,000)	(2,800,000)
97	Victim Services - Parole Board (GBA)	-	11,090	-	-	11,090
	Judicial					
98	Federal Grant Adjustments (GBA)	-	(394,778)	-	-	(394,778)
	Military Staff					
99	Capital - Armory of Mounted Commands	-	-	-	(1,000,000)	(1,000,000)
100	Capital - Asset Protection	-	-	-	(100,000)	(100,000)
101	Capital - Federal Armories - Fire Code Compliance	-	-	-	(50,000)	(50,000)
102	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	(65,563)	(65,563)
103	Capital - State Armories Fire Code Compliance	-	-	-	(155,000)	(155,000)
104	Excess Flood Match	(200,000)	-	-	-	(200,000)
105	Federal Grant Adjustments (GBA)	-	607,964	-	-	607,964
106	Nuclear Mitigation Fund-Balance Forward	-	-	71,686	-	71,686
	Public Safety					
107	Capital - Statewide Microwave/IT Upgrade	-	-	-	(1,000,000)	(1,000,000)
108	Federal Fund Adjustments (GBA)	-	154,825	-	-	154,825
109	Fire Training Academy	-	-	50,000	-	50,000
110	General Revenue Expenses to Forfeiture Funds	(125,000)	-	55,448	-	(69,552)
111	JAG Interest	-	-	11,577	-	11,577
112	Polygraph Training	-	-	1,145	-	1,145
113	Stabilization Fund Correction - Audit Finding	-	404,916	-	-	404,916
114	Third Quarter Adjustment	100,000	-	-	-	100,000
	Environmental Management					
115	Capital - Blackstone Valley Bikepath/State Park	-	-	-	(250,000)	(250,000)
116	Capital - Dam Repair	-	-	-	(640,000)	(640,000)
117	Capital - Galilee Piers	-	-	-	(750,000)	(750,000)
118	Capital - Newport Piers	-	-	-	(150,000)	(150,000)
119	Environmental Protection Grant Adjustments	-	325,000	-	-	325,000
120	Natural Resources Grant Adjustments	-	372,356	186,000	261,007	819,363

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Water Resources Board					
121	Third Quarter Adjustment	(19,927)	-	-	-	(19,927)
	Department of Transportation					
122	DOT - Gasoline Tax Adjustment	-	-	-	(908,628)	(908,628)
123	NHTSA Grant Increase (GBA)	-	1,087,056	-	-	1,087,056
124	RIPTA - Gasoline Tax Adjustment	-	-	-	(407,316)	(407,316)
125	Stimulus Fund Shift	-	6,571,453	-	-	6,571,453
126	Winter Maintenance	-	-	-	(3,400,000)	(3,400,000)
	Total	8,899,098	73,747,284	2,697,879	(39,518,816)	45,825,445

FY 2011 Revised Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and revised the FY 2011 estimate to \$3,091.1 million, which is \$53.8 million more than the revenues included in the November estimate and \$51.4 million more than the Governor's budget revised for his changes included in the estimate.
- 2. Cancer Registries Research (GBA).** The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

Expenditure Changes

Department of Administration

- 3. Capital – Cranston Street Armory.** The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.
- 4. Capital – Fire Code Compliance.** The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003 and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.
- 5. Capital – Old State House.** The FY 2012 through FY 2016 Capital Budget includes \$1.5 million from Rhode Island Capital Plan funds for various renovations at the Old State House including repaving the parking lot and replacing the heating system. The House Finance Committee shifts \$0.2 million from FY 2011 to FY 2014 to reflect the Department's revised schedule.
- 6. Capital – Pastore Buildings Demolition.** The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 7. Capital – Pastore Central Power Plant Rehabilitation.** The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 8. Capital – Pastore Utility Systems Water Tanks and Pipes.** The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would

not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

9. Capital – State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

10. Capital – Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

11. Capital - William Powers Administration Building. The FY 2011 revised budget includes \$0.5 million from Rhode Island Capital Plan funds for repairs and renovations at the William Powers Building. General renovations include bathroom repairs, painting and security upgrades. Subsequently, the Department indicated that it would only spend \$0.4 million of its FY 2011 appropriation. The House Finance Committee reduces the project costs to reflect the savings.

12. Capital – Zambarano Utilities and Infrastructure. The FY 2011 revised budget includes \$1.0 million for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The Governor requested an amendment to provide \$0.3 million of additional funds to reflect actual expenditures. The House Finance Committee concurs.

13. Central Falls Deficit. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively, to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

14. Centralized IT Savings (GBA). The revised budget includes \$363,237 from general revenues for the Department of Human Services use of contractors in the Division of Information Technology. Subsequently, the Governor requested an amendment to include \$92,696 in general revenue savings due to enhanced federal match. The House Finance Committee concurs and includes the savings.

15. Community Development Block Grant Adjustments. The revised budget includes \$5.0 million from federal community development block grants, which provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities. The Governor subsequently requested an amendment to provide an additional \$653,000 to reflect anticipated increases. Due to the timing of payments, grant funds often overlap fiscal years. The House Finance Committee concurs.

16. Distressed Enhancement. The FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.

17. DoIT Victims of Crime Act Grant Adjustments. The FY 2011 budget includes \$47,500 from federal Victims of Crime Act funds for the Division of Information Technology to maintain an internet portal, which collects data from the Department of Corrections and the Judiciary. Subsequently, the Governor requested an amendment to provide an additional \$50,000 to make enhancements to the portal. The House Finance Committee concurs.

18. DOT Debt Service - Operating Deficit. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.6 million. This would allow the deficit to be covered with \$3.4 million less from general revenues, which would increase available general revenue proceeds by the same amount. The House Finance Committee includes this savings.

19. DOT Debt Service BAB Funds (GBA). The Governor's FY 2011 revised budget includes \$43.7 million for the Department of Transportation debt service costs including \$12.6 million from general revenues because of a projected shortfall in gasoline tax proceeds. Subsequently, the Governor requested an amendment to shift \$1.7 million of general revenue debt service expenditures to available federal Build America Bonds, which was created under the American Recovery and Reinvestment Act of 2009. The House Finance Committee concurs.

20. Fidelity Job Rent Credits (GBA). Subsequent to his budget submission, the Governor requested an amendment to decrease general revenue debt service payments by \$0.7 million in both FY 2011 and FY 2012 from the recommended \$3.4 million required payments under the Fidelity Job Rent Credits agreement. The reduction is based on actual average filled positions. Under the incentive based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base. The House Finance Committee concurs.

21. New Positions (2.0 FTE). The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding the positions and adjusts staffing accordingly.

22. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

23. Rainy Day Fund Payback. The FY 2011 enacted budget includes a one-time expenditure of \$22.0 million to pay back the Rhode Island Capital Plan Fund for funds borrowed from the state budget reserve and cash stabilization account in FY 2009. Rhode Island General Law requires that any amounts used must be replaced in the following year but the 2010 Assembly authorized a one-year delay. The Governor proposed legislation to further delay the repayment to FY 2013. The House Finance Committee recommends the repayment in FY 2011.

24. Stimulus - Homelessness Prevention Fund. The FY 2011 revised budget includes \$1.6 million from federal stimulus funds for homelessness prevention, which can be used for rental assistance, housing relocation and stabilization services to include housing search, security or utility deposits, utility payments and moving costs. Subsequently, the Governor requested an amendment to increase expenditures by \$0.4 million to reflect funds from FY 2010. The House Finance Committee concurs.

25. Stimulus - Weatherization Assistance Program Adjustments. The FY 2011 revised budget includes \$11.2 million from federal stimulus funds for the Weatherization Assistance Program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. Subsequently, the Governor requested an amendment to provide an additional \$1.2 million for grant expenditures. The House Finance Committee includes the adjustment.

26. Turnover and Operating Savings (3rd Quarter). The revised budget includes \$76.8 million from all funds, including \$60.5 million from general revenues to fund 873.6 full-time equivalent positions in the Department of Administration. The Department has an average of 802.7 positions filled, or 68.9 vacant positions since the beginning of the fiscal year. The House Finance Committee recommends savings of \$0.4 million, including \$0.3 million from turnover and \$0.1 million from operating to reflect the Department's projected expenses.

Department of Business Regulation

27. Turnover (3rd Quarter). The House Finance Committee recommends reducing general revenue expenditures by \$175,000 to reflect additional turnover savings projected in the Department's third quarter report.

28. Assessments for Rate Filings. The Governor's FY 2011 revised budget recommends expenditures of \$231,031 from assessments for the use of staff time to review rate filings of workers' compensation insurance. Subsequently, the Governor requested an amendment to add \$25,000 from restricted receipts based upon increased use of staff time. The House Finance Committee concurs.

Department of Labor and Training

29. 3rd Quarter Changes and Surplus. The Department's third quarter report reflects a general revenue surplus of \$74,824. The Governor requested an amendment to shift \$10,000 budgeted for legal expenses for the Labor Relations Board to address higher than anticipated teacher arbitration costs. The House Finance Committee recommends reducing the Department's budget by \$74,824 to capture the third quarter savings and included the requested funding shift.

30. Capital – Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

31. Emergency TANF Grants (GBA). The Governor requested an amendment to increase federal Emergency Temporary Assistance to Needy Families grant funds by \$398,000 to reflect expenditures made prior to September 30, 2010 that the Department inadvertently omitted from its revised request. The grants were made through the Governor's Workforce Board to the local workforce agencies. The House Finance Committee concurs.

32. Extension of Emergency Unemployment Compensation (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. For FY 2011, this is an increase of \$66.3 million from federal funds and a reduction of \$11.8 million from the Employment Security Trust Fund. The House Finance Committee concurs.

33. Trade Adjustment Grant Award (GBA). The Governor requested an amendment to increase federal Trade Adjustment Act grant funding by \$1.1 million, reflecting the receipt of an additional grant award in FY 2011. Grants are provided to help workers from Rhode Island companies who lost their jobs due to the adverse impact of foreign trade and include weekly benefit allowances and expenses related to training programs. The House Finance Committee concurs.

Department of Revenue

34. Central Falls Receivership (3rd Quarter). The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. This includes \$0.5 million in legal fees to be provided by Orson & Brusini and Edwards, Angell, Palmer and Dodge, as the constitutionality of the act was being questioned. The third quarter report projects additional expenditures of \$249,146. Subsequently, the Governor requested an amendment to provide the additional funding. The House Finance Committee concurs.

35. Turnover and Operations (3rd Quarter). The Department’s third quarter report projects a general revenue surplus of \$243,000, of which \$158,000 is from additional turnover savings and \$85,000 is from software maintenance costs pertaining to the new computer system for the Registry. The House Finance Committee reduces expenditures to include the savings.

36. Central Falls Receivership Staffing. The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

37. Capital – Tax Data Warehouse. The Governor’s capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

38. DMV RIMS Computer Project. The FY 2011 revised budget includes \$1.1 million from restricted receipts supported by a \$1.50 transaction surcharge. The funds will be used to modernize the computer system at the Registry, which would allow for more web site functionality to reduce wait times for transactions performed at the Registry such as titles and registrations. Subsequently, the Governor

requested an amendment to provide \$250,000 in expenditures from available federal funds. The House Finance Committee concurs.

Lieutenant Governor

39. Health Policy Director (GBA). The Governor requested an amendment to add \$35,698 from general revenues for 1.0 full-time health policy director to assist in the implementation of the federal health insurance reform. The House Finance Committee concurs.

40. Turnover Savings. The House Finance Committee recommends additional general revenue turnover savings of \$26,698 based on updated personnel projections.

Office of the General Treasurer

41. Build Out Costs for Move to Warwick (GBA). The current lease on Fountain Street expired on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.4 million from all sources including \$0.1 million from general revenues for build out costs for the offices in Warwick. This represents 66 percent of the total build out expense; the remainder is requested for FY 2012. The House Finance Committee concurs.

42. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$1.7 million for FY 2011 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$1.8 million transfer to the state General Fund.

Board of Elections

43. HAVA Fund Expenditure from FY 2010 (GBA). The Governor requested an amendment to include \$109,694 from federal Help America Vote Act funds for the Board of Elections for election expenditures made in FY 2010, but not paid until FY 2011. The House Finance Committee concurs.

Office of the Governor

44. Turnover and Operating Savings (3rd Quarter). The Office's third quarter report projected a \$71,207 surplus, primarily from turnover savings. The House Finance Committee reduces expenditures to reflect the projected savings.

Human Rights

45. COLA Deferral Correction. The House Finance Committee recommends additional savings of \$10,699, including \$8,101 from general revenues to reflect savings from the six month deferral of the cost-of-living adjustment, which was inadvertently excluded from the Governor's FY 2011 revised budget.

Office of Health and Human Services

46. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends general revenue personnel and operating savings of \$14,295 for the Office of Health and Human Services consistent with its third quarter report.

Department of Children, Youth and Families

47. Byrne Formula Grant (GBA). The Governor requested an amendment to add \$20,343 from federal funds for the Juvenile Corrections program to be used for an educational and vocational training program for youth at risk of recidivism. The House Finance Committee concurs.

48. Capital – NAFI Center. The Governor's FY 2012 through FY 2016 Capital Budget includes \$500,000 in FY 2011 from Rhode Island Capital Plan funds for repairs to the North American Family Institute on New London Avenue in Cranston. The Department of Children, Youth and Families indicates that this project has not started and that it plans to meet with engineers to discuss the accuracy of the estimates. The House Finance Committee recommends shifting \$450,000 of FY 2011 funding to FY 2013.

49. Capital – Sprinkler Head Retrofit. The Governor's FY 2012 through FY 2016 Capital Budget includes \$25,360 in FY 2011 from Rhode Island Capital Plan funds for new sprinkler heads to be installed at the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School.

50. Capital – Training School Repairs/Improvements. The Governor's FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

51. Nurse and Family Partnership Grant. The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

52. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

Department of Elderly Affairs

53. Home and Community Care. The Governor's revised budget inadvertently omitted \$0.5 million from general revenues for the home and community care program in an effort to properly reflect the Medicaid match rate. The House Finance Committee recommends \$0.5 million more from general revenues and \$0.1 million less from federal funds to correct the Medicaid match rate.

54. Pharmaceutical Assistance. The House Finance Committee recommends shifting \$0.4 million in expenses from general revenues to available drug rebate restricted receipts based on updated collections data.

Department of Health

55. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends savings of \$350,000, including \$100,000 from turnover savings and \$250,000 from operating expenses based on the Department's third quarter projections.

56. Cancer Registries Research (GBA). The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

57. Federal Fund Adjustments (GBA). The Governor requested an amendment to add \$1.1 million from nine separate federal grants. The Department subsequently indicated that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends adding \$0.4 million in FY 2011 with the balance in FY 2012.

58. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Department of Human Services

59. Hardship. The Governor's FY 2011 revised budget includes \$452,700 from general revenues for general public assistance hardship payments to individuals who do not qualify for any other form of assistance. The Department's third quarter report indicated a surplus of \$37,500 in this program, and the House Finance Committee recommends reducing expenditures by that amount to capture the savings.

60. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$0.8 million, which includes \$4.8 million more from general revenues and \$5.5 million less from federal funds to adjust the FY 2011 budget for the May Caseload Conference estimates for cash assistance and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

61. RIdE Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RIdE transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

62. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

63. Behavioral Health - 3rd Quarter Surplus. The House Finance Committee recommends reducing general revenue expenditures for behavioral health programs by \$835,203 based on a surplus identified in the Department's third quarter report.

64. Capital - DD Private Waiver Community Facilities Fire Code Upgrades. The Governor's FY 2012 through FY 2016 Capital Budget includes \$4.4 million to install and upgrade fire alarm and sprinkler systems in the private developmental disabilities residences. This includes \$2.1 million from Rhode Island Capital Plan funds and \$2.4 million from matching Medicaid funds. The House Finance Committee recommends reducing FY 2011 funding by \$1.3 million based on the Department's projected spending for fire code upgrades. This includes \$0.5 million less from Rhode Island Capital Plan funds in FY 2011 which the Committee shifts to FY 2015.

65. Capital – Eleanor Slater Hospital Consolidation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$28.2 million for the hospital consolidation plan. The House Finance Committee concurs with the total; however, shifts \$1.9 million to FY 2013 to reflect an updated schedule.

66. Capital – Mental Health Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million for repairs to mental health community facilities including \$0.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.1 million based on the Department's projected spending in its third quarter report.

67. Capital - MR Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$7.3 million for asset protection projects at the state's 270 group homes for the developmentally disabled in addition to \$1.1 million in FY 2011. The House Finance Committee recommends reducing FY 2011 funding by \$0.2 million based on the Department's projected spending in its third quarter report.

68. Capital - Regional Center Repair/Rehabilitation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$3.8 million for repairs and renovations to the state's 11 regional workshop centers in addition to \$1.0 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$550,000 based on the Department's projected spending in its third quarter report.

69. Capital - Zambarano Buildings. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for the ongoing maintenance at the Zambarano unit of Eleanor Slater Hospital located in Burrillville in addition to \$1.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.9 million to reflect updated spending consistent with the Department's third quarter report.

70. Developmental Disabilities 3rd Quarter Deficit. The House Finance Committee recommends adding \$835,203 from general revenues and reducing federal funds by \$124,501 to eliminate the deficit in programs that support adults with developmental disabilities based on the projection contained in the Department's third quarter report. The revised budget assumed the Department would find equal alternate savings for initiatives included in the enacted budget that the Department did not implement.

71. Hospital Turnover. The House Finance Committee recommends additional turnover savings of \$1.2 million, \$0.5 million from general revenues in the hospital program. The Governor's FY 2011 revised budget assumes 63.9 vacant positions throughout the Department and it averaged 140.0 vacant positions.

Governor's Commission on Disabilities

72. New England ADA Grant Adjustment. The Governor requested an amendment to add \$2,282 to reflect available federal funding from the New England Americans with Disabilities Act grant. The House Finance Committee concurs.

Office of the Mental Health Advocate

73. Turnover. The House Finance Committee recommends savings of \$29,000 to reflect updated staffing costs resulting from a vacant position.

Elementary & Secondary Education

74. Capital – Cranston Career and Technical School. The Governor recommends \$1.7 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to cover remaining miscellaneous life and fire safety repairs and the replacement of the HVAC system at the Cranston Career and Technical Center. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to FY 2013 based on current spending plans. Total funding is as recommended.

75. Capital - Davies Lighting. The Governor recommends \$0.4 million from Rhode Island Capital Plan funds and \$0.3 million from National Grid for a new project in FY 2011 to replace the lighting at the Davies Career and Technical Center with new energy efficient lighting fixtures. The Department has indicated that National Grid is offering to pay \$0.3 million of the total cost. The House Finance Committee includes this project as part of the school's asset protection project.

76. Capital – Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

77. Formula Aid Adjustments (GBA). The Governor requested an amendment to reduce formula education aid by \$60,577 to reflect current law requirements for two aid programs. Changes include savings of \$46,495 for school housing aid updates and \$14,082 in charter school aid based on updated enrollment data. The House Finance Committee concurs.

78. FY 2010 Central Falls Balance to FY 2012. The Central Falls School District ended FY 2010 with a \$2.0 million balance. The House Finance Committee recommends reducing the FY 2011 appropriation to the school district by this amount.

79. Perkins Tuition. The Department's third quarter report indicated that there are savings of \$13,216 for Perkins School for the Blind tuition. Most blind students are educated in their own districts with support from the state's vision services program, but in certain cases the Commissioner may authorize placement in an out-of-state institution. Local districts pay only their per-pupil special education cost towards tuition and the state pays the difference. The House Finance Committee adjusts general revenues accordingly.

80. Stabilization Funds Reduction. The revised budget includes a decrease of \$0.7 million in education aid to reflect less available fiscal stabilization funds based on the final allocation between higher and lower education. The FY 2011 enacted budget included \$16.4 million from fiscal stabilization funds in lieu of general revenues for distribution to districts through education aid. The Governor's budget inadvertently

omitted the federal funds reduction in the Department's budget and the Governor requested an amendment to correct that. The House Finance Committee concurs and adds \$0.7 million from general revenues in lieu of the unavailable fiscal stabilization funds.

81. Turnover Savings - Third Quarter Report. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 for the Department of Elementary and Secondary Education for FY 2011 based on the Department's third quarter report. This is equivalent to 0.7 vacant positions based on an average cost per position of \$152,000. The Governor's FY 2011 revised budget assumes 4.8 vacant positions; the Department has averaged 21.5 vacant positions though not all are funded from general revenues.

Public Higher Education

82. Office of Higher Education Turnover. The revised budget includes \$2.2 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.2 million in turnover savings, which is approximately 2.0 positions. The Department has averaged 13.6 filled positions for FY 2011. The House Finance Committee recommends additional turnover savings of \$0.2 million.

83. Capital – RIC New Art Center Renovation/Addition. The Governor recommends total funding of \$18.8 million programmed through FY 2013 for a new art center at Rhode Island College. The recommendation includes \$17.0 million from general obligation bond funds that were approved by the voters on the November 2010 ballot and \$1.8 million from Rhode Island Capital Plan funds. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

84. Capital – URI New Chemistry Building. The Governor recommends Rhode Island Capital Plan funding of \$4.8 million programmed through FY 2011 to study and plan construction of a new chemistry building at the University. The project will provide classrooms, research laboratories, faculty and administrative offices. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013. Total funding is as recommended.

85. Capital – URI Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

State Council on the Arts

86. Third Quarter Personnel and Operating. Based on the Council's third quarter report and revised spending projections, the House Finance Committee recommends general revenue savings of \$26,903.

87. Percent for Arts Adjustment (GBA). The Governor requested an amendment to increase the expenditure limit on the Art for Public Facilities program by \$0.5 million from Percent for Art funds for several large projects through the Council on the Arts. Rhode Island General Law requires that at least one percent of each capital construction appropriation be dedicated to the acquisition of works of art to be placed in the state facilities constructed, remodeled, or renovated. The House Finance Committee concurs.

Higher Education Assistance Authority

88. LEAP Funds. The Governor requested an amendment to add \$6,385 from federal “Leveraging Educational Assistance Partnerships” (LEAP) funds for scholarships. The federal government makes funds available to state scholarship or grant assistance agencies to make grants or provide work study financial assistance to students. The House Finance Committee concurs.

Historical Preservation and Heritage Commission

89. Turnover. The House Finance Committee recommends general revenue turnover savings of \$26,000 based on a vacancy that occurred during the fiscal year that was not filled.

RI Public Telecommunications Authority

90. Turnover. The House Finance Committee recommends additional turnover savings of \$50,000 from a continued vacancy.

Attorney General

91. Federal Grant Adjustments. The Governor requested an amendment to add \$26,810 from federal funds, including \$10,000 for a new long-term care grant to provide background checks for healthcare workers and \$16,810 for adult drug court expenses that occurred in FY 2010. The House Finance Committee recommends \$5,000 for the new long term care grant based on anticipated expenses and \$16,810 for drug court expenses.

92. Turnover (3rd Quarter). The House Finance Committee recommends additional general revenue turnover savings of \$180,000 for the Office of the Attorney General for FY 2011 based on the Office’s third quarter report. This is equivalent to approximately two vacant positions.

Department of Corrections

93. Capital – Asset Protection. The Governor’s capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and currently are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

94. Capital - Women’s Plumbing & Bathroom Renovations. The Governor’s capital budget includes a total of \$1.7 million from Rhode Island Capital Plan funds, of which \$1.3 million is in FY 2011 for plumbing and bathroom renovations at the Dix facility. The Department notes this project was delayed in order to redesign the original plan and move department staff into the Dix building. The House Finance Committee recommends shifting \$1.2 million of uncommitted funding from FY 2011 to FY 2013 based on updated project schedules and anticipated expenses.

95. Third Quarter Personnel and Operating. The House Finance Committee recommends additional general revenue savings of \$0.9 million from personnel and operating expenses for FY 2011 based on the Department’s third quarter report. This includes reduced overtime and population related expenditures based on fewer inmates than assumed in the Governor’s revised budget.

96. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

97. Victim Services – Parole Board (GBA). The Governor requested an amendment to add \$11,090 from federal funds to reflect a carried forward balance from FY 2010 for victim services in the Parole Board program. The funds are expected to pay for direct services to crime victims. The House Finance Committee concurs.

Judicial

98. Federal Fund Adjustments (GBA). The Governor's revised budget includes \$896,402 from federal funds for several programs within the Judiciary. Subsequent to his budget submission, he requested an amendment to adjust grants based on projected expenses. The House Finance Committee recommends a total reduction of \$394,778 based on updated projections.

Military Staff

99. Capital – Armory of Mounted Commands. The Governor's capital budget includes \$1.3 million from Rhode Island Capital Plan funds in FY 2011 for the Armory of Mounted Commands. The House Finance Committee reduces FY 2011 funding by \$1.0 million based on the Department's projected spending in its third quarter report.

100. Capital – Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

101. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

102. Capital – Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

103. Capital – State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

104. Excess Flood Match. The Governor's revised budget adds \$20.0 million from all sources, which includes \$0.5 million from general revenues for the state match for reimbursement of Federal Emergency

Management Agency funds to all state agencies, quasi-agencies and municipalities for projects submitted as a result of the March 2010 flood. The Department's third quarter projections indicate that approximately \$0.3 million from general revenues will be spent by June 30, 2011 for those projects that relate to state agencies. Therefore, the House Finance Committee recommends \$0.2 million less from general revenues in FY 2011.

105. Federal Grant Adjustments (GBA). The Governor requested an amendment to add \$607,964 from federal funds in FY 2011 for four separate grants. This includes funds carried forward from FY 2010 and funds advanced from FY 2012 due to accelerated grant spending. Grants will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

106. Nuclear Mitigation Fund-Balance Forward. The Governor requested an amendment to add \$71,686 from nuclear mitigation restricted receipt funds carried forward from FY 2010. Funds will be used to construct a vault in the Scituate facility to store radiological samples currently maintained in the sub-basement of the State House. The House Finance Committee concurs.

Department of Public Safety

107. Capital – Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1,000,000 from FY 2011 to FY 2012 due to project delays.

108. Federal Fund Adjustments (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$0.7 million from anticipated federal grant expenditures in FY 2011 for eight different grants. The House Finance Committee includes \$0.2 million based upon updated spending projections.

109. Fire Training Academy. Subsequent to his budget submission, the Governor requested an amendment to add \$50,000 from available restricted receipts to be used for trainings at the fire training academy. The House Finance Committee concurs.

110. General Revenue Expenses to Forfeiture Funds. The FY 2011 enacted budget includes \$102,761 from restricted receipts from available forfeiture funds. The House Finance Committee adds \$55,448 from available forfeiture funds and reduces general revenues by \$125,000 using forfeiture funds to purchase dispatch equipment.

111. JAG Interest. The Governor's FY 2011 revised budget includes \$2,737 from available restricted receipts for interest accrued from Edward M. Byrne Memorial and justice assistance grants. Subsequently, the Governor requested an amendment to add \$11,577 from available restricted receipts. The House Finance Committee concurs.

112. Polygraph Training. The Governor's FY 2011 revised budget includes \$4,000 from available restricted receipts for polygraph training. Subsequently, the Governor requested an amendment to add \$1,145 from available restricted receipts for the recertification of two polygraph examiners. The House Finance Committee concurs.

113. Stabilization Fund Correction - Audit Finding. The Governor requested an amendment to include \$404,916 from federal fiscal stabilization funds based upon an audit finding that determined that the 0.5 percent administrative charge to the Department of Public Safety had never been recorded. The Department's FY 2010 closing statements indicated that the Department spent \$9.6 million from federal

fiscal stabilization funds; however, did not include the administrative charge used to fund the Office of Economic Recovery and Reinvestment. The House Finance Committee concurs.

114. Third Quarter Adjustment. The Department's third quarter report projects a general revenue deficit of \$0.2 million, of which a portion relates to a billing error. The House Finance Committee provides an additional \$0.1 million from general revenues based on revised projections.

Department of Environmental Management

115. Capital – Blackstone Valley Bikepath/State Park. The Governor's FY 2011 budget includes \$0.5 million from Rhode Island Capital Plan funds for the Blackstone Valley Bikepath. The Blackstone Valley Bikepath is scheduled to be a 17.1 mile by 12-foot wide scenic bike-path that will connect to the East Bay Bikepath, eventually making a continuous 31.9 mile route for alternative transportation. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to the out-years to reflect delays in construction.

116. Capital – Dam Repair. The Governor's FY 2011 budget includes \$0.8 million from Rhode Island Capital Plan funds for repairs to state owned dams throughout the state. The Governor's plan includes funding for construction costs, but the Department notes it is in the design and engineering stage for its current project, the J.L. Curran Dam in Cranston. The House Finance Committee recommends reducing this amount by \$0.6 million to reflect revised expenditures for the project.

117. Capital – Galilee Piers. The House Finance Committee recommends shifting \$0.8 million of Rhode Island Capital Plan funds from FY 2011 to FY 2014 to reflect anticipated expenditures for construction projects at the state owned piers in Galilee.

118. Capital – Newport Piers. The House Finance Committee recommends removing \$0.2 million of Rhode Island Capital Plan funds from the Department of Environmental Management's FY 2011 budget to reflect anticipated expenditures for construction projects at the state owned piers in Newport. The Governor's recommendation includes \$0.3 million for FY 2011; however, the Department notes that actual expenditures will be \$0.1 million.

119. Environmental Protection Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase the Department of Environmental Management's federal funds by \$0.3 million to reflect increases in four separate grants in the Bureau of Environmental Protection. Funding is based on anticipated awards and expenditures for water quality planning, underground storage tank remediation, brownfields assessments and dam incident reporting. The House Finance Committee concurs.

120. Natural Resources Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase funding in the Department of Environmental Management's Bureau of Natural Resources. Increased funding includes \$0.4 million from federal funds, \$0.3 million from Department of Transportation funds and \$0.2 million from restricted receipts. The additional funds are based on anticipated awards and expenditures for vehicle purchases, animal disease monitoring and recreational projects. The House Finance Committee concurs.

Water Resources Board

121. Third Quarter Adjustment. The Water Resources Board's third quarter report reflects a general revenue surplus of \$19,927. The House Finance Committee recommends reducing the Department's budget by the same amount to capture the savings.

Department of Transportation

122. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.9 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

123. NHTSA Grant Increase (GBA). The Governor's FY 2011 revised budget includes \$2.0 million from federal funds in the Division of Central Management for two grants from the National Highway Traffic Safety Administration. Subsequent to his submission, the Governor requested an amendment to add \$1.1 million to reflect anticipated awards and expenditures for these grants. The House Finance Committee concurs.

124. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million to reflect a downward revision of the gasoline tax yield estimate.

125. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

126. Winter Maintenance. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.2 million. This would allow the deficit to be covered with \$3.4 million less from general revenues while lowering available gasoline tax by the same amount. The House Finance Committee includes these savings.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 499,299,809	\$ 537,086,462	\$ 415,042,687	\$ 377,716,331
Business Regulation	10,899,430	11,266,788	12,924,686	18,007,098
Labor and Training	833,558,439	919,053,019	495,678,123	571,666,655
Revenue	236,330,417	260,319,158	335,895,736	316,676,398
Legislature	39,049,144	38,545,405	38,697,252	38,197,252
Lieutenant Governor	924,479	898,100	997,002	1,090,172
Secretary of State	7,503,274	7,340,745	6,931,292	6,872,860
General Treasurer	33,018,358	29,369,293	32,677,673	33,200,576
Board of Elections	3,957,971	3,329,526	1,965,905	1,875,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	6,251,152	5,195,987	5,256,095	5,256,095
Human Rights	1,371,667	1,376,215	1,455,570	1,455,570
Public Utilities Commission	7,726,656	7,715,020	8,105,006	8,105,006
Subtotal - General Government	\$ 1,681,373,455	\$ 1,822,950,587	\$ 1,357,187,035	\$ 1,381,679,926
Human Services				
Health and Human Services	\$ 7,167,709	\$ 7,727,690	\$ 16,778,680	\$ 17,033,418
Children, Youth and Families	237,598,173	229,715,013	210,943,797	211,004,272
Elderly Affairs	26,712,596	32,588,121	27,486,148	-
Health	116,146,808	137,262,439	151,467,696	110,193,818
Human Services	2,285,305,550	2,241,419,981	2,239,993,085	2,368,062,307
BHDDH	446,750,327	448,934,619	441,952,625	441,122,327
Veterans' Affairs	-	-	28,688,112	-
Child Advocate	589,627	602,749	652,432	652,432
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	824,453	820,911	829,892	829,892
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 3,121,899,017	\$ 3,099,846,058	\$ 3,119,649,170	\$ 3,149,755,169
Education				
Elementary and Secondary	\$ 1,128,732,869	\$ 1,169,821,597	\$ 1,138,601,394	\$ 1,133,884,351
Higher Education	937,802,389	988,040,552	994,958,261	996,844,842
Arts Council	3,054,336	3,545,952	3,027,174	3,086,926
Atomic Energy	1,492,350	1,472,182	1,511,526	1,511,526
HEAA	25,789,109	27,523,158	27,412,147	27,412,147
Historical Preservation	2,663,971	2,693,579	2,826,017	2,869,173
Public Telecommunications	1,672,717	1,576,059	1,781,172	1,631,172
Subtotal - Education	\$ 2,101,207,741	\$ 2,194,673,079	\$ 2,170,117,691	\$ 2,167,240,137

Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 23,861,219	\$ 25,018,436	\$ 25,344,121	\$ 26,711,046
Corrections	187,181,519	188,071,176	198,975,598	194,625,598
Judicial	97,379,996	98,804,238	102,703,922	101,948,934
Military Staff	26,638,164	60,648,441	35,161,325	35,119,240
Public Safety	86,749,570	92,118,940	102,344,254	104,450,377
Public Defender	10,020,401	10,160,218	10,876,941	10,876,941
Subtotal-Public Safety	\$ 431,830,869	\$ 474,821,449	\$ 475,406,161	\$ 473,732,136
Natural Resources				
Environmental Management	\$ 93,120,711	\$ 100,019,007	\$ 97,582,385	\$ 97,520,399
CRMC	4,383,711	9,265,099	4,954,375	5,254,375
Water Resources	1,436,540	1,809,613	1,430,267	-
Subtotal-Natural Resources	\$ 98,940,962	\$ 111,093,719	\$ 103,967,027	\$ 102,774,774
Transportation				
Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Subtotal-Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Total	\$ 7,864,145,810	\$ 8,157,185,916	\$ 7,661,301,608	\$ 7,702,169,075

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 324,063,375	\$ 334,437,010	\$ 250,047,213	\$ 249,996,221
Business Regulation	9,156,047	8,744,355	9,696,378	9,436,378
Labor and Training	7,117,031	6,930,789	7,262,954	7,575,486
Revenue	35,479,085	35,941,529	91,720,012	92,610,905
Legislature	37,474,136	36,970,091	37,048,053	36,548,053
Lieutenant Governor	924,479	898,100	997,002	965,940
Secretary of State	6,908,707	6,754,217	6,434,744	6,376,312
General Treasurer	2,270,649	2,342,202	2,240,128	2,300,852
Board of Elections	3,957,971	3,219,832	1,915,905	1,825,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	4,752,606	4,343,698	4,338,521	4,338,521
Human Rights	1,014,978	1,214,446	1,154,038	1,154,038
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 434,601,723	\$ 443,251,138	\$ 414,414,956	\$ 414,688,619
Human Services				
Health and Human Services	\$ 3,420,163	\$ 3,526,817	\$ 9,623,834	\$ 9,878,572
Children, Youth and Families	153,046,095	152,893,449	139,413,049	145,198,983
Elderly Affairs	10,100,599	9,700,012	9,319,591	-
Health	27,624,903	27,988,683	26,748,244	24,248,025
Human Services	715,328,654	741,295,264	864,108,853	891,480,061
BHDDH	163,684,244	170,429,040	190,519,884	184,249,569
Veterans' Affairs	-	-	19,039,528	-
Child Advocate	543,822	556,047	603,384	603,384
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	367,229	363,308	388,786	388,786
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 1,074,919,483	\$ 1,107,527,155	\$ 1,260,621,856	\$ 1,256,904,083
Education				
Elementary and Secondary	\$ 856,068,541	\$ 845,970,065	\$ 869,014,643	\$ 863,077,600
Higher Education	163,606,843	162,333,194	173,400,638	166,487,219
Arts Council	1,668,346	1,660,383	1,619,110	1,678,862
Atomic Energy	875,781	861,031	879,592	879,592
HEAA	6,723,347	7,320,186	6,163,104	5,913,104
Historical Preservation	1,348,717	1,376,519	1,501,641	1,469,797
Public Telecommunications	1,035,967	929,325	1,097,960	947,960
Subtotal - Education	\$ 1,031,327,542	\$ 1,020,450,703	\$ 1,053,676,688	\$ 1,040,454,134

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 21,209,730	\$ 21,263,366	\$ 22,580,366	\$ 22,442,867
Corrections	178,329,401	177,661,565	188,141,365	182,141,365
Judicial	84,575,255	84,392,428	88,111,808	87,073,983
Military Staff	2,782,435	3,966,145	3,618,028	3,470,928
Public Safety	67,024,490	68,540,272	89,407,711	89,407,711
Public Defender	9,590,261	9,541,448	10,300,580	10,300,580
Subtotal-Public Safety	\$ 363,511,572	\$ 365,365,224	\$ 402,159,858	\$ 394,837,434
Natural Resources				
Environmental Management	\$ 34,403,329	\$ 34,268,194	\$ 35,495,587	\$ 35,383,601
CRMC	2,038,515	2,063,203	2,236,814	2,236,814
Water Resources	1,316,540	1,278,435	1,230,267	-
Subtotal-Natural Resources	\$ 37,758,384	\$ 37,609,832	\$ 38,962,668	\$ 37,620,415
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,942,118,704	\$ 2,974,204,052	\$ 3,169,836,026	\$ 3,144,504,685

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 79,572,545	\$ 107,645,920	\$ 69,057,151	\$ 30,315,187
Business Regulation	-	758,454	1,460,861	6,803,273
Labor and Training	181,957,663	221,153,642	49,345,402	99,763,402
Revenue	2,289,770	2,615,000	2,636,059	2,636,059
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	124,232
Secretary of State	100,000	127,092	-	-
General Treasurer	1,108,180	1,131,024	1,117,483	1,128,051
Board of Elections	-	109,694	50,000	50,000
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	132,605	139,898	139,898
Human Rights	356,689	161,769	301,532	301,532
Public Utilities Commission	296,330	296,330	309,373	309,373
Subtotal - General Government	\$ 265,681,177	\$ 334,131,530	\$ 124,417,759	\$ 141,571,007
Human Services				
Health and Human Services	\$ 2,873,533	\$ 3,309,016	\$ 6,250,134	\$ 6,250,134
Children, Youth and Families	77,855,163	72,879,472	62,869,525	59,625,993
Elderly Affairs	15,936,066	21,743,018	17,769,466	-
Health	63,259,111	83,287,872	97,985,313	59,124,539
Human Services	1,556,245,695	1,484,547,658	1,359,554,881	1,458,150,370
BHDDH	259,918,758	262,742,172	220,049,930	225,489,947
Veterans' Affairs	-	-	8,005,072	-
Child Advocate	45,805	46,702	49,048	49,048
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	193,598	198,495	181,842	181,842
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,976,327,729	\$ 1,928,754,405	\$ 1,772,715,211	\$ 1,808,871,873
Education				
Elementary and Secondary	\$ 239,980,896	\$ 298,689,173	\$ 238,146,015	\$ 238,146,015
Higher Education	15,004,667	32,657,457	4,594,756	4,594,756
Arts Council	950,990	950,569	973,064	973,064
Atomic Energy	300,159	314,104	324,104	324,104
HEAA	12,044,337	13,182,313	13,508,323	13,508,323
Historical Preservation	835,804	841,508	846,195	846,195
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 269,116,853	\$ 346,635,124	\$ 258,392,457	\$ 258,392,457

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,248,830	\$ 2,000,143	\$ 1,391,520	\$ 2,895,944
Corrections	2,794,860	3,706,708	2,914,545	2,914,545
Judicial	2,326,527	3,542,233	3,293,751	3,576,588
Military Staff	22,150,754	55,402,213	29,933,986	29,418,438
Public Safety	7,131,554	12,414,738	6,541,865	7,647,988
Public Defender	430,140	618,770	576,361	576,361
Subtotal-Public Safety	\$ 36,082,665	\$ 77,684,805	\$ 44,652,028	\$ 47,029,864
Natural Resources				
Environmental Management	\$ 35,386,175	\$ 43,028,188	\$ 38,356,542	\$ 38,356,542
CRMC	2,095,196	6,951,896	2,038,461	2,038,461
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 37,481,371	\$ 49,980,084	\$ 40,395,003	\$ 40,395,003
Transportation				
Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Subtotal-Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Total	\$ 2,903,497,922	\$ 3,084,960,483	\$ 2,557,164,416	\$ 2,606,255,783

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 17,140,339	\$ 25,689,655	\$ 19,898,084	\$ 19,059,071
Business Regulation	1,743,383	1,763,979	1,767,447	1,767,447
Labor and Training	17,529,145	18,004,845	17,104,361	17,104,361
Revenue	824,191	1,966,459	21,191,727	1,861,496
Legislature	1,575,008	1,575,314	1,649,199	1,649,199
Lieutenant Governor	-	-	-	-
Secretary of State	494,567	459,436	496,548	496,548
General Treasurer	29,420,614	25,653,498	29,103,041	29,544,084
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	1,498,546	719,684	777,676	777,676
Human Rights	-	-	-	-
Public Utilities Commission	7,430,326	7,418,690	7,795,633	7,795,633
Subtotal - General Government	\$ 77,656,119	\$ 83,251,560	\$ 99,783,716	\$ 80,055,515
Human Services				
Health and Human Services	\$ 874,013	\$ 891,857	\$ 904,712	\$ 904,712
Children, Youth and Families	2,306,915	2,485,137	5,571,223	3,389,296
Elderly Affairs	675,931	1,145,091	397,091	-
Health	25,082,953	25,869,684	26,670,739	26,757,854
Human Services	9,446,201	10,587,200	11,873,994	14,014,597
BHDDH	10,688,634	8,049,478	7,997,979	7,997,979
Veterans' Affairs	-	-	1,643,512	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	13,626	9,108	9,264	9,264
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 49,088,273	\$ 49,037,555	\$ 55,068,514	\$ 53,073,702
Education				
Elementary and Secondary	\$ 23,930,750	\$ 19,019,883	\$ 24,039,421	\$ 26,334,421
Higher Education	930,000	930,000	941,338	941,338
Arts Council	-	-	-	-
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	479,450	475,552	478,181	478,181
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 25,340,200	\$ 20,425,435	\$ 25,458,940	\$ 27,753,940

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,202,659	\$ 1,317,657	\$ 1,122,235	\$ 1,122,235
Corrections	87,134	124,774	34,371	34,371
Judicial	9,628,214	10,018,790	10,198,363	10,198,363
Military Staff	842,475	448,468	389,311	609,311
Public Safety	803,106	502,583	335,749	335,749
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 12,563,588	\$ 12,412,272	\$ 12,080,029	\$ 12,300,029
Natural Resources				
Environmental Management	\$ 14,136,916	\$ 14,860,427	\$ 15,831,035	\$ 14,131,035
CRMC	250,000	250,000	250,000	250,000
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 14,386,916	\$ 15,110,427	\$ 16,081,035	\$ 14,381,035
Transportation				
Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 180,035,096	\$ 181,237,249	\$ 209,472,234	\$ 188,564,221

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 78,523,550	\$ 69,313,877	\$ 76,040,239	\$ 78,345,852
Business Regulation	-	-	-	-
Labor and Training	626,954,600	672,963,743	421,965,406	447,223,406
Revenue	197,737,371	219,796,170	220,347,938	219,567,938
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	218,915	242,569	217,021	227,589
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 903,434,436	\$ 962,316,359	\$ 718,570,604	\$ 745,364,785
Human Services				
Health and Human Services	-	-	-	-
Children, Youth and Families	4,390,000	1,456,955	3,090,000	2,790,000
Elderly Affairs	-	-	-	-
Health	179,841	116,200	63,400	63,400
Human Services	4,285,000	4,989,859	4,455,357	4,417,279
BHDDH	12,458,691	7,713,929	23,384,832	23,384,832
Veterans' Affairs	-	-	-	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	250,000	250,000	250,000	250,000
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 21,563,532	\$ 14,526,943	\$ 31,243,589	\$ 30,905,511
Education				
Elementary and Secondary	\$ 8,752,682	\$ 6,142,476	\$ 7,401,315	\$ 6,326,315
Higher Education	758,260,879	792,119,901	816,021,529	824,821,529
Arts Council	435,000	935,000	435,000	435,000
Atomic Energy	316,410	297,047	307,830	307,830
HEAA	7,021,425	7,020,659	7,740,720	7,990,720
Historical Preservation	-	-	-	75,000
Public Telecommunications	636,750	646,734	683,212	683,212
Subtotal - Education	\$ 775,423,146	\$ 807,161,817	\$ 832,589,606	\$ 840,639,606

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 200,000	\$ 437,270	\$ 250,000	\$ 250,000
Corrections	5,970,124	6,578,129	7,885,317	9,535,317
Judicial	850,000	850,787	1,100,000	1,100,000
Military Staff	862,500	831,615	1,220,000	1,620,563
Public Safety	11,790,420	10,661,347	6,058,929	7,058,929
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 19,673,044	\$ 19,359,148	\$ 16,514,246	\$ 19,564,809
Natural Resources				
Environmental Management	\$ 9,194,291	\$ 7,862,198	\$ 7,899,221	\$ 9,649,221
CRMC	-	-	429,100	729,100
Water Resources	120,000	531,178	200,000	-
Subtotal-Natural Resources	\$ 9,314,291	\$ 8,393,376	\$ 8,528,321	\$ 10,378,321
Transportation				
Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Subtotal-Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Total	\$ 1,838,494,088	\$ 1,916,784,132	\$ 1,724,828,932	\$ 1,762,844,386

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	871.6	871.6	693.6	686.4
Business Regulation	90.0	93.0	93.0	96.0
Labor and Training	519.4	512.2	470.2	470.2
Revenue	426.0	426.5	428.5	434.5
Legislature	295.9	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	7.0	8.0
Secretary of State	57.0	57.0	57.0	57.0
General Treasurer	82.0	82.0	82.0	82.0
Board of Elections	12.0	11.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	46.0	46.0	46.0
Subtotal - General Government	2,479.4	2,477.3	2,259.3	2,262.1
Human Services				
Health and Human Services	75.6	77.6	149.0	150.0
Children, Youth and Families	691.0	691.0	662.5	662.5
Elderly Affairs	31.0	31.0	32.0	-
Health	410.7	424.7	473.3	426.3
Human Services	963.6	1,000.2	674.0	991.4
BHDDH	1,372.2	1,372.2	1,376.2	1,378.2
Veterans' Affairs	-	-	268.2	-
Child Advocate	5.8	5.8	5.8	5.8
Deaf and Hard of Hearing	3.0	3.0	3.0	3.0
Commission on Disabilities	4.0	4.0	4.0	4.0
Mental Health Advocate	3.7	3.7	3.7	3.7
Subtotal - Human Services	3,560.6	3,613.2	3,651.7	3,624.9
Education				
Elementary and Secondary	325.4	348.4	348.4	348.4
Higher Education	4,152.1	4,202.1	4,234.6	4,214.6
Arts Council	8.6	8.6	8.6	8.6
Atomic Energy	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	41.6	41.6	41.6	41.6
Historical Preservation	16.6	16.6	16.6	16.6
Public Telecommunications	16.0	16.0	16.0	15.0
Subtotal - Education	4,568.9	4,641.9	4,674.4	4,653.4

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	231.1	231.1	231.1	231.1
Corrections	1,419.0	1,419.0	1,419.0	1,419.0
Judicial	723.3	723.3	723.3	723.3
Military Staff	111.0	117.0	117.0	117.0
Public Safety	423.1	423.2	603.2	605.8
Public Defender	93.0	93.0	93.0	93.0
Subtotal-Public Safety	3,000.5	3,006.6	3,186.6	3,189.2
Natural Resources				
Environmental Management	410.0	410.0	410.0	410.0
CRMC	30.0	30.0	30.0	30.0
Water Resources	6.0	6.0	6.0	-
Subtotal-Natural Resources	446.0	446.0	446.0	440.0
Transportation				
Transportation	772.2	772.6	772.6	772.6
Subtotal-Transportation	772.2	772.6	772.6	772.6
Total Positions	14,827.6	14,957.6	14,990.6	14,942.2

Section VI

Article Explanations

Explanations of Budget Articles

2011-H 5894 Substitute A

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2012.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section of Article 1 authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section of Article 1 allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. Section 5 of Article 1 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 6. Legislative Intent. This section of Article 1 authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. Section 7 of Article 1 appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2012. This section appears annually.

Section 8. Employment Security Funds. Section 8 of Article 1 appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2012. This section appears annually.

Section 9. Rhode Island Housing and Mortgage Finance Corporation. This section of Article 1 requires that the Rhode Island Housing and Mortgage Finance Corporation provide \$1.5 million from its resources to fund the Neighborhood Opportunities Program for FY 2012.

Section 10. Lottery. This section of Article 1 appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 11. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2012. It also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides

Explanations of Budget Articles

that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,942.2 full-time equivalent positions, which are 114.6 more than the FY 2011 enacted budget.

Section 12. Multi Year Appropriations. Section 12 of Article 1 makes multi-year appropriations for a number of capital projects included in the FY 2012 through FY 2016 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2012 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2011 Appropriations Act.

Section 13. Reappropriations. This section of Article 1 provides for automatic reappropriation of unexpended balances from FY 2011 Rhode Island Capital Plan fund projects over \$500. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Balances of less than \$500 can be reappropriated at the discretion of the State Budget Officer. The provision for the Budget Officer's discretion over balances less than \$500 appeared for the first time in FY 2006.

Section 14. Extension of Previous Authorizations. This section authorizes the extension of the issuance of \$1.2 million of Preservation, Recreation and Heritage general obligation bonds until June 30, 2014, and \$5.0 million of Emergency Water Interconnect general obligation bonds and \$21.9 million of Open Space Recreation, Bay and Watershed Protection general obligation bonds until November 2, 2013.

Section 15. Resource Recovery Transfer. This section would mandate the transfer of \$3.5 million from insurance settlement proceeds from the Resource Recovery Corporation to general revenues by June 30, 2012.

Section 16. Effective Date. This section of Article 1 establishes July 1, 2011 as the effective date of the article.

Article 2. FY 2011 Revised Appropriations

Section 1. FY 2011 Appropriations. This section of Article 2 contains the revised appropriations for FY 2011.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 2 constitutes an appropriation.

Section 3. Internal Service Funds. Section 3 of Article 2 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section of Article 2 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2011. This section also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings, recommendations by the Budget Office and State Director of Personnel and determination of need by the Director of Administration. In

Explanations of Budget Articles

addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,957.6 full-time equivalent positions, 130.0 more than the FY 2011 enacted budget.

Section 5. Effective Date. This section establishes that this article is effective upon passage.

Article 3. Tipping Fees

This article mandates that any municipality entering into contracts with the Resource Recovery Corporation must include plans explaining how those municipalities will divert 50 percent of its solid waste, 35 percent of which must be recycled, beginning with the contracts currently in place. The article also extends the current municipal tipping fees through FY 2014. This includes \$32.00 per ton for any municipalities recycling between zero and 24.99 percent, \$31.00 per ton for municipalities recycling between 25 and 29.99 percent, \$30.00 per ton for those recycling between 30 and 34.99 percent and \$29.00 per ton for those recycling 35 percent or more of its solid waste at the Corporation's materials recycling facility.

Article 4. Unemployment Insurance

This article makes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It makes two changes to taxes. First, it changes the method of determining the taxable wage base and increases it from \$19,000 to 46.5 percent of 2010 wages and all future wages, which is an estimated \$19,600 in CY 2012 for all employers. Secondly, it increases the new taxable wage base by \$1,500 for employers who have the highest negative reserve account balances, since these employers pay less into the fund than their former employees receive in benefits.

The article also makes three changes to reduce benefit rates through incremental changes over the next four years. It reduces the percent of wages used to determine benefits from 36 percent to 33 percent of wages earned, reduces the percent of wages replaced from 4.62 percent to 3.85 percent of the average quarterly wage and reduces the maximum weekly benefit from 67.5 percent to 57.5 percent of the average weekly wage. Finally the article makes two eligibility changes. The first of which increases the earnings needed to overcome disqualifications from misconduct, refusal of suitable work and voluntarily leaving work, while the second change delays the receipt of benefits by any amount received from severance pay.

Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The article assumes additional tax revenues of \$2.5 million into the Trust Fund in FY 2012 and assumes the Trust Fund will become solvent in FY 2015.

Article 5. Education Aid

Article 5 makes changes to FY 2011 and FY 2012 education aid to districts. Section 1 adds \$0.7 million from general revenues for FY 2011 education aid to districts in lieu of \$0.7 million less available from state fiscal stabilization funds based on the final allocation between elementary and secondary education and

Explanations of Budget Articles

higher education and adjusts group home beds consistent with current law requirements. Section 2 uses \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues to fund education aid for FY 2012.

Section 3 imposes a three-year moratorium on the approval of new school housing aid projects with exception for projects necessitated by health and safety reasons effective July 1, 2011. It also requires the Department of Elementary and Secondary Education to develop recommendations for cost containment strategies in the school housing aid program

Article 6. Host Beach Community Reimbursement

This article decreases the reimbursement rate for the distribution of beach revenue collections to the four host beach communities of Charlestown, Westerly, Narragansett and South Kingstown from 27.0 percent to 16.0 percent. The Department of Environmental Management collects fees for daily and seasonal parking at seven facilities across the state and reimburses the host communities. The budget assumes the Department would raise the fees through its administrative rules process, and the article decreases the reimbursement rate to maintain communities' payments at their current level, while capturing the additional \$1.5 million of revenue for state use.

Article 7. Tax Anticipation Notes

Article 7 allows the state to borrow a maximum of \$350.0 million during FY 2012 for cash flow purposes in anticipation of tax receipts. The note must be repaid by June 30, 2012.

Article 8. Longevity Payments

Article 8 ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

Article 9. Government Restructuring

Section 1. Crime Lab. This section of Article 9 shifts the enacted level of \$775,000 from general revenues for the Rhode Island State Crime Lab from the Department of Health to the University of Rhode Island's budget into its own appropriation line.

Section 2. Elderly Affairs. This section of Article 9 merges the Department of Elderly Affairs with the Department of Human Services effective July 1, 2011. The budget includes general revenue savings of \$0.1 million from the merger.

Sections 3 through 7. Veterans Affairs. Sections 3 through 7 of Article 9 maintain the Division of Veterans' Affairs in the Department of Human Services, instead of creating a new Department of Veterans' Affairs on July 1, 2011. It also creates the position of Undersecretary for Veterans' Affairs in the Executive Office of Health and Human Services whose duties are to periodically review the procedures at

Explanations of Budget Articles

the Veterans' Home, review complaints and investigate conditions at the Home, and appear to and produce an annual report to the House and Senate Finance Committees each January.

Section 8. HIV. Section 8 of Article 9 shifts the HIV/AIDS direct service programs and all resources from the Department of Health to the Department of Human Services. This reflects the transfer of 4.0 full-time staff and FY 2012 recommended funding of \$13.1 million from all sources, including \$2.6 million from general revenues.

Sections 9 through 13. Water Resources Board. These sections of Article 9 merge the Water Resources Board into the Department of Administration's Division of Statewide Planning, effective July 1, 2011. The merger would transfer three of the six positions from the Board to the Division, while maintaining the Water Resources Board Corporate. The merger will more closely align the water planning aspects of the Board with the statewide planning process.

Section 14. Weatherization and LIHEAP. This section of Article 9 transfers the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources in the Department of Administration to the Department of Human Services, effective July 1, 2011. This includes the transfer of \$38.8 million from federal funds and 8.2 full-time equivalent positions.

Section 15. Fraud and Abuse. This section of Article 9 requires the auditor general to chair a task force of state and local officials to develop and implement a plan that identifies and coordinates programs that prevent fraud, waste, abuse, and mismanagement of public funds.

Section 16. Public Safety Communications Dispatch. This section of Article 9 delays the transfer of the dispatch functions of the Division of Enforcement from the Department of Environmental Management to the Department of Public Safety, until January 1, 2012.

Section 17. Higher Education. Section 17 of Article 9 directs the Department of Administration to submit a revised plan for the organizational structure for higher education administration, staff support and resource allocation. The plan shall address the goal of improving affordability and accessibility to public higher education and maximizing efficiencies while providing sufficient support to the governance structure of public higher education.

Section 18 through 24. Sheriffs. These sections of Article 9 transfer the funding, positions, and responsibilities of the Division of Sheriffs from the Department of Administration to the Department of Public Safety. These sections of Article 9 maintain the 10-year appointment of the Executive High Sheriff, the Sheriffs and the Chief Deputy Sheriffs; however, converts the employees from the unclassified service to the classified service. These sections will take effect on July 1, 2011.

Article 10. Education

Article 10 makes technical changes to the statewide transportation statutes to clarify the intent of the legislation. It also allows districts to use small vans to transport students if the vans meet certain safety requirements.

Explanations of Budget Articles

Article 10 authorizes the School for the Deaf to rent or lease space in its school building and retain the rental fees in a restricted receipt account to support its operations. The Budget assumes savings of \$67,500 from offsetting expenditures with rental income.

The article adds language clarifying the legislative intent when it established a fee for service program in FY 2010 to the section of law that describes the mechanism for payment of certain education services at the School for the Deaf.

Article 10 creates a restricted receipt account for local tuition payments to the Davies Career and Technical School from local school districts in accordance with the new education funding formula.

Article 11. Children's Health Account

The article changes the method of the annual assessment applied to all insurers for home health services, children and adolescent intensive treatment services and Comprehensive Evaluation, Diagnosis, Assessment, Referral and Re-evaluation services by charging the assessment for each individual service provided. Currently, the assessment is charged on the aggregate costs of services within one of the three expense categories. The article also increases the maximum assessment from \$6,000 to \$7,500 per child per service per year, effective upon passage.

Article 12. Municipal Accountability, Stability and Transparency

Section 1. School Committees. This section of this article removes the requirement that school committees publish notice of meetings in the newspaper.

Section 2. Retiree Health. This section allows municipalities to require its retirees to enroll in Medicare upon eligibility as a condition of receiving or continuing to receive retirement and other post employment benefits.

Sections 3 through 8. IOD/Disability. These sections give the Workers' Compensation court the power and authority to hear and decide appeals relating to injuries on duty and accidental disability claims. It requires individuals receiving injured on duty benefits to apply for an accidental disability retirement within 18 months of being injured. It also allows individuals that have been denied a disability pension and municipalities or the state that believe the Retirement Board erred in granting a disability pension the right to appeal.

Sections 9 through 11. Distressed. These sections specify that \$784,458 of the appropriation in FY 2011 and FY 2012 from the Distressed Communities Relief Fund shall be distributed equally to each qualifying distressed community in the FY 2011 and FY 2012 budgets. This provision was inadvertently omitted from the FY 2011 enacted budget, though the distribution reflects that. Currently, eight communities receive funding from this program. The article takes effect upon passage.

Section 12. Library Construction. This section imposes a three-year moratorium on library construction aid projects.

Sections 13 through 18. Municipal Reporting. These sections amend current law to require that municipalities notify the auditor general and the Division of Municipal Finance within 30 days after the end

Explanations of Budget Articles

of the fiscal year if it is likely to incur a deficit. It also requires municipalities to submit the certified tax roll to the Division of Municipal Finance no later than the next succeeding August 15.

Article 13. Vehicle Registration

This article allows the Division of Motor Vehicles to assess a fee up to \$25 for each temporary registration plate. Current law allows car dealers to purchase temporary registration plates in a packet of 10 at a fee of \$200, which equates to \$20 each. The amount charged above \$20 would be retained by a vendor for a convenience fee.

The article also delays the requirement for a general reissuance plate by two years from September 1, 2011 to September 1, 2013. The act takes effect July 1, 2011.

Article 14. Nursing Home Reimbursement Rates

This article eliminates the current nursing home principles of reimbursement and replaces it with a methodology to pay a base rate to each nursing home continuing to recognize patient acuity and the minimum occupancy requirements beginning January 1, 2012.

Article 15. Hospital Payments

Article 15 restricts the rates used by the Department of Human Services to pay hospitals for both inpatient and outpatient services through the state's managed care plans, which cannot be higher than national growth rates set by the Centers for Medicare and Medicaid Services. The current restriction on outpatient rates is set to expire on January 1, 2012 with the inpatient restriction expiring January 1, 2013. This article also specifies that fee-for-service outpatient rates will be equal to what Medicare pays for similar services.

Article 15 also adds language to end hospitals year end settlement reports for payments for outpatient and inpatient services, beginning in FY 2010 and FY 2011 respectively, with FY 2010 inpatient claims between October 1, 2009 and June 30, 2010 subject to the settlement process. This action coincides with the new hospital rate reimbursement system that pays closer to cost. The article also increases the thresholds that trigger hospital compliance with the certificate of need process adjusted annually for the consumer price index.

The Article instructs the secretary of the Office of Health and Humans Services, along with the health insurance commissioner, replacing the director of the Department of Health, to appoint the health services council by September 30, 2011. The article replaces the health insurance commissioner with the Director of the Department of Health as a council member and allows for certain designees. The council has the authority to develop ongoing assessments of state's health care needs and health care system, including the capacity of health care providers, services, including transportation and equipment. The article provides that an annual report be submitted every July to the Governor and General Assembly on the implementation of the plan that was adopted by the council. The budget includes \$150,000 to support this.

Article 16. Medicaid Global Waiver

Article 16 is a resolution to notify the Assembly and seek approval to make ten changes to the Medicaid global waiver for programs through the Department of Human Services, the Department of Behavioral

Explanations of Budget Articles

Healthcare, Developmental Disabilities and Hospitals, and the Department of Children, Youth and Families. The changes affect reimbursement methodologies for services provided by nursing homes, hospitals, and agencies serving adults with developmental disabilities. The article also makes changes to programs provided to adults with mental health and substance abuse issues and children through the Department of Children, Youth and Families and increasing monthly cost sharing requirement for RIte Care families. These are considered category 2 because the changes are statutory with potential changes to the state's rules and regulations.

The article also requires a review of managed care plans with a report to be submitted to the Assembly and encourages the Department of Human Services to enter into a contract by July 1, 2012 to manage the long term care and acute care benefits of Medicaid eligible individuals and those eligible for both Medicare and Medicaid, also called dual eligibles.

Article 17. Department of Children, Youth and Families

Section 1. Abused and Neglected Children. This section of Article 17 amends the definition of child abuse and neglect to conform with federal standards in the Child Abuse and Prevention Act. Currently, the Department may remove a child from the home if child protective investigators feel that a child has suffered abuse or neglect and that continued care and custody by the parents may result in further harm to the child. This article amends current law to define child abuse as any recent act or failure to act on the part of a parent or caretaker which results in death, serious physical or emotional harm, sexual abuse or exploitation. The budget assumes savings of \$0.6 million from general revenues from reduced investigations and removals from homes.

Section 2. Rules and Regulations. This section of Article 17 authorizes the Department of Children, Youth and Families to promulgate rules and regulations to impose fees or charges for background checks on individuals who are seeking to operate a facility which is required to be licensed by the Department, who is seeking employment at the Department which involves supervisory or disciplinary power over a child and involves routine contact with a child without the presence of other employees, or who is seeking employment at the Training School. The budget includes savings of \$0.1 million from assessing a \$10 fee for background checks done through the Child Abuse and Neglect Tracking System.

Sections 3 and 4. Electronic Monitoring. Sections 3 and 4 of Article 17 add language to authorize the Family Court to place a youth detained at the Training School in an appropriate community based setting where he or she shall be supervised by a probation officer. During the period of time that the youth is in a community based setting or on probation, the Family Court may include the use of electronic surveillance or monitoring devices. This budget includes general revenue savings of \$0.4 million from this initiative.

Article 18. Hospital Uncompensated Care

This article extends the uncompensated care payments to the community hospitals with the state making a payment for FY 2013 that does not exceed \$129.8 million. This article also includes a \$12.1 million outpatient upper payment limit reimbursement to the community hospitals.

Article 19. Fees

Sections 1 through 3. LP and LLP. Sections 1 and 2 of this article subject limited partnership and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500. These entities are

Explanations of Budget Articles

currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State. The budget assumes \$0.8 million in new revenues from both limited partnership and limited liability partnerships paying this tax. The annualized revenue increase would be \$1.6 million.

Section 4. Combined Reporting. This section of Article 19 requires a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return for three years. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

Sections 5 through 10. Tax Incentives. These sections of Article 19 require tax credit recipients to report to the tax administrator the number of full-time, part-time and seasonal employee’s name, social security number, date of hire and hourly wage. It further requires that the Department of Revenue compile and publish an annual unified report by January 15 of each fiscal year. This report must include a summary of jobs created or retained, an overview of benefits offered and the amount of the tax credit. Currently, the Division of Taxation annually reports the names, addresses and amount of tax credits received during the previous fiscal year.

Section 11. Hospital Licensing Fee. This section includes an FY 2012 hospital licensing fee at 5.43 percent of hospitals’ net patient services revenue for the hospital fiscal year ending on or after September 30, 2010. It also includes the due date for filing returns and making the payment.

The total revenue collected from the hospitals will be \$144.0 million including \$138.0 million from the community hospitals and \$6.0 million from Eleanor Slater Hospital at the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This article appears annually in the Appropriations Act.

Section 12. Department of Business Regulation. This section of Article 19 amends Rhode Island General Law to increase fees for the application and/or the renewal of two specific professional licenses. The security sales representative licensing fee would increase by \$15 from \$60 to \$75 and the federal covered advisor licensing fee by \$50 per year from \$250 to \$300. These increases will yield \$1.2 million in additional revenues for FY 2012.

Section 13. Commercial Drivers License. This section of Article 19 authorizes the Board of Governors for Higher Education to establish a fee of up to \$100 for the Community College of Rhode Island to administer a skill test examination for a commercial driver’s license. Currently, there is a \$50 fee for a skill test examination administered by the division, which is dedicated to the Community College of Rhode Island to offset administrative costs of conducting the driving skills examination.

Section 14. Lottery Winnings. This section of Article 19 would allow for the garnishing of lottery winnings over \$600 when unpaid state taxes are owed. The FY 2012 Budget assumes \$141,457 in revenues from this action.

Section 15. Estate Filing Fee. This section of Article 19 increases the estate filing fee from \$25 to \$50. The fee has been \$25 since it was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$108,915.

Explanations of Budget Articles

Section 16. Letter of Good Standing. This section of Article 19 increases the fee to obtain a letter of good standing from the Division of Taxation from \$25 to \$50. This fee was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$122,925.

Section 17. Compassion Center. This section of Article 19 imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. The Budget assumes revenues of \$0.7 million which will be deposited into the general fund.

Section 18. Lists of Tax Delinquents. This section of Article 19 allows the Division of Taxation to list the top 100 individuals and the top 100 businesses that are delinquent in paying taxes in excess of 90 days. The Division of Taxation currently posts a list of the top 100 tax delinquents. The FY 2012 Budget assumes revenues of \$1.8 million from passage of this section.

Section 19. Return Checks Fee. This section of Article 19 authorizes the Division of Motor Vehicles to assess a fee up to \$50 on returned checks. The Division of Motor Vehicles indicates that it incurs \$3.71 in various fees whenever a check is returned for insufficient funds. The FY 2012 Budget includes \$18,720 in revenues assuming a fee of \$25.

Sections 21 and 22. EDC and Industrial Facilities Corporation. These sections of Article 19 rescind the authority for the Economic Development Corporation and the Industrial Facilities Corporation to grant project status, effective July 1, 2011. These projects are exempt from the sales tax. Eliminating the authority for the corporations to grant project status would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016. The 2009 Assembly enacted legislation returning the authority to grant “project status” to the Economic Development Corporation and the Rhode Island Industrial Facilities Corporation and removed the requirement for Assembly approval. The legislation also required that the sales tax exemption be reimbursed rather than an up-front purchase exemption.

Sections 23 through 26. Sales Tax. These sections apply sales and use tax to over-the-counter or nonprescription drugs, the trade-in allowance of proceeds for motor vehicles that have been declared a loss, damaged or stolen, medical marijuana and package tours and prewritten computers software, effective October 1, 2011. It also stipulates that in the event that Congress enacts legislation to require remote sellers to collect and remit taxes, the sales tax would decrease from 7.0 percent to 6.5 percent; the hotel and local meals and beverage taxes would increase from 1.0 percent to 1.5 percent.

Article 20. Corrections

This article allows certain inmates with chronic and incurable illnesses to be eligible for medical parole, particularly when incarceration is no longer punitive and/or rehabilitative. It also authorizes the Parole Board to determine when psychiatric reports are required rather than having the state psychiatrist examine every prisoner applying for parole. Lastly, it includes a provision that requires the director of the Department of Corrections to submit a quarterly report to the chairs of the House and Senate Finance Committees and their respective advisors on the progress of consolidating inmates out of the Donald Price Medium Security facility into available bed spaces in the rest of the system.

Article 21. Retiree Healthcare Trust Fund

Explanations of Budget Articles

Article 21 amends the retiree health care trust fund statute based on recommendations made by the Other Post Employment Benefits (OPEB) Board. It clarifies that the board may collect contributions from quasi-public agencies that are part of the Trust Fund. It also removes the Board's authority to interpret or decide claims for benefits or resolve disputes and gives the Board the right to research, question, investigate and make recommendations of findings to the Department of Administration. It also delays the submission of the first report of the Board to October 2012; it had been January 2011. It also changes the requirement for actuarial valuation and experience study from every year to every two years. Finally, it modifies the method of payment of administration costs from the Fund. This article also requires anyone entitled to post employment benefits offered by the state to enroll in Medicare upon eligibility as a condition or receiving or continuing to receive access to post-employment benefits.

Article 22. Transportation Funding

This article creates a transportation trust fund and provides that incremental increases of transportation related surcharges will be dedicated to the fund. Article 22 will reduce the Department of Transportation's reliance on borrowing while transitioning to a pay-go system. Beginning on July 1, 2013 there will be a \$10.00 surcharge on biannual vehicle registrations that will increase in \$10.00 increments to a total of \$30.00, the annual registration surcharge will increase in \$5.00 increments to a total of \$15.00 and the license surcharge will increase in \$10.00 increments to a total of \$30.00.

The incremental increases will begin in FY 2014 and end in FY 2016, where they will generate approximately \$20 million annually. These funds will be combined with a dedicated annual stream of \$20 million from Rhode Island Capital Plan funds, which will be provided in Section 12 of Article 1 in future appropriations acts. Together the funds will provide the \$80 million of state matching funds for transportation funding that is currently generated through debt issuance.

Article 23. Human Services

Article 23 makes three changes relating to human services. First, it reduces the state's portion of the supplemental security income monthly payment made to assisted living residents to its federally required minimum payment of \$332. Secondly, it mandates that any medical benefit claim first be submitted to commercial insurers, Medicare and/or a Medicaid managed care plan before a state agency pays the claim. Thirdly, it also allows Rhode Island Works clients to immediately enter into intensive education and training programs if the client needs these services in order to obtain gainful employment instead of requiring the individual to seek employment first.

Article 24. Job Training Funds

This article requires the Human Resource Investment Council to provide a funding plan outlining resources necessary to achieve the Council's priorities and to serve the anticipated number of participants within the biennial employment and training plan submitted to the Governor and General Assembly. It also requires the Council develop and maintain a comprehensive inventory and analysis of all workforce development activities in the state, establish an advisory group to assist in the analysis and requires all departments and agencies to provide information that is necessary or desirable by the Council for this analysis.

Article 25. Effective Date

Explanations of Budget Articles

Article 25 provides that the act shall take effect upon passage, except where a provision within the article specifies a retroactive or prospective effective date.

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State Water Resources Board
RI Clean Water Finance Agency
Narragansett Bay Commission
RI Resource Recovery Corporation
Department of Transportation
RI Public Transit Authority
Turnpike and Bridge Authority
RI Airport Corporation

House Fiscal Advisory Staff

2011-H 5894 Substitute A As Recommended by the House Finance Committee



Submitted to the 2011 House of Representatives

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Chair

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Deputy Chair
*Chair, Subcommittee on
Human Services*

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Table of Contents

Introduction	1
Section I. Overview	3
Section II. Adjustments to Governor’s FY 2012 Budget	
FY 2012 Expenditure Changes Table	9
Changes to Governor’s FY 2012 Budget	17
Section III. Special Reports	
State Aid to Cities and Towns.....	41
FY 2012 Education Aid	57
Section IV. Adjustments to Governor’s Revised Budget	
FY 2011 Expenditure Changes Table	63
Changes to Governor’s FY 2011 Revised Budget.....	69
Section V. Summary Tables	
Expenditures by All Funds.....	86
Expenditures from General Revenue	88
Expenditures from Federal Grants	90
Expenditures from Restricted Receipts.....	92
Expenditures from Other Funds	94
Full-Time Equivalent Positions.....	96
Section VI. Article Explanations	99

Introduction

Introduction

This document provides information concerning the FY 2012 budget contained in 2011-H 5894, Substitute A as passed out of House Finance Committee on June 17. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I, beginning on page 3, is a short summary of the budget.

Section II, beginning on page 9, presents the changes to the Governor's recommendations for FY 2012 introduced and referred to House Finance on March 9. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III, beginning on page 41, contains State Aid to Cities and Towns and Education Aid. Both of these reports contain comparison tables to FY 2011 as well as descriptions of the major aid components.

Section IV, beginning on page 63, contains the changes to the Governor's revised budget which was included as Article 2 of 2011-H 5894. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V, beginning on page 86, contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2011 enacted budget, the final FY 2011 budget as reported by the House Finance Committee, the Governor's FY 2012 recommendations and the House Finance Committee's recommendations.

Section VI, beginning on page 99, contains brief descriptions of the articles contained in 2011-H 5894, Substitute A.

The names and telephone numbers of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

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Department of Environmental Management.....	John-Paul Verducci (2014)
Coastal Resources Management Council.....	John-Paul Verducci (2014)
State Water Resources Board	John-Paul Verducci (2014)
Clean Water Finance Agency.....	John-Paul Verducci (2014)
Narragansett Bay Commission.....	John-Paul Verducci (2014)
Rhode Island Resource Recovery Corporation.....	John-Paul Verducci (2014)

Transportation Agencies

Department of Transportation.....	John-Paul Verducci (2014)
Rhode Island Public Transit Authority	John-Paul Verducci (2014)
Rhode Island Airport Corporation.....	John-Paul Verducci (2014)

Section I

Overview

Summary

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Expenditures by Function*				
General Government	\$ 1,681.4	\$ 1,823.0	\$ 1,357.2	\$ 1,381.7
Human Services	3,121.9	3,099.8	3,119.6	3,149.8
Education	2,101.2	2,194.7	2,170.1	2,167.2
Public Safety	431.8	474.8	475.4	473.7
Natural Resources	98.9	111.1	104.0	102.8
Transportation	428.9	453.8	435.0	427.0
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Expenditures by Category*				
Salaries and Benefits	\$ 1,439.6	1,451.8	\$ 1,502.8	\$ 1,475.9
Contracted Services	222.5	248.5	231.7	235.5
Subtotal	\$ 1,662.0	\$ 1,700.3	\$ 1,734.5	\$ 1,711.4
Other State Operations	633.2	670.9	669.8	669.8
Aid to Local Units of Government	1,053.9	1,096.1	1,097.2	1,076.2
Assistance, Grants, and Benefits	3,864.1	4,018.7	3,532.8	3,603.3
Capital	266.9	280.3	244.0	256.1
Capital Debt Service	233.8	230.4	240.7	243.7
Operating Transfers	150.1	160.4	142.3	141.7
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Sources of Funds*				
General Revenue	\$ 2,942.1	\$ 2,974.2	\$ 3,169.8	\$ 3,144.5
Federal Aid	2,903.5	3,085.0	2,557.2	2,606.3
Restricted Receipts	180.0	181.2	209.5	188.6
Other	1,838.5	1,916.8	1,724.8	1,762.8
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
FTE Authorization	14,827.6	14,957.6	14,990.6	14,942.2

**Data in millions*

Note. Data in the "FY 2011 Enacted" column are not comparable to the other columns due to inclusion of adjustments in single categories or functions. Significant retirement adjustments are included as expenditures in the Department of Administration in General Government rather than distributed to the agencies and departments. There are similar aggregated adjustments in the FY 2012 Committee recommendation.

Summary

The Governor's budget recommendations for FY 2012, along with his revisions to the FY 2011 enacted budget, are contained in 2011-H 5894, introduced on March 9, 2011. The Governor signed 2011-H 5269 on February 18 that extended the submission date 35 days to March 10. Supporting documents were not published until late March.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February.

The Governor recommends a total FY 2012 budget of \$7,661.3 million. Total expenditures decrease \$202.8 million from the FY 2011 budget enacted by the 2010 Assembly, or 2.6 percent. His FY 2011 revised budget totals \$8,111.4 million; FY 2010 expenditures were \$7,708.9 million.

The Budget includes \$3,169.8 million of expenditures funded from general revenues, \$227.7 million, or 7.7 percent more than the enacted general revenue funded budget. They are also \$204.5 million more than his revised recommendations.

The House Finance Committee recommends total expenditures of \$7.702 billion, which is \$40.9 million more than the Governor recommended. It contains \$3.145 billion from general revenues, which is \$25.3 million less than the Governor recommended.

FY 2012	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2011 Enacted	\$ 2,942.1	\$ 2,903.5	\$ 180.0	\$ 1,838.5	\$ 7,864.1
Governor	3,169.8	2,557.2	209.5	1,724.8	7,661.3
Change to Enacted	\$ 227.7	\$ (346.3)	\$ 29.4	\$ (113.7)	\$ (202.8)
Percent Change	7.7%	-11.9%	16.4%	-6.2%	-2.6%
House Finance Committee	3,144.5	2,606.3	188.6	1,762.8	7,702.2
Change to Enacted	202.4	(297.2)	8.5	(75.6)	(162.0)
Percent Change	6.9%	-10.2%	4.7%	-4.1%	-2.1%
Change to Governor	\$ (25.3)	\$ 49.1	\$ (20.9)	\$ 38.0	\$ 40.9
HFC Change to FY 2011	\$ 170.3	\$ (478.7)	\$ 7.3	\$ (153.9)	\$ (455.0)
Percent Change to FY 2011	5.7%	-15.5%	4.0%	-8.0%	-5.6%
HFC Change to FY 2010	\$ 280.9	\$ (206.9)	\$ 36.3	\$ (117.1)	\$ (6.8)
Percent Change to FY 2010	9.8%	-7.4%	23.8%	-6.2%	-0.1%

General revenue expenditures recommended by the Committee are \$202.4 million, or 6.9 percent more than general revenues appropriated for FY 2011 by the 2010 Assembly. That budget contained over \$230 million in federal stimulus funds substituting for general revenues. General revenue expenditures are \$170.3 million more than the FY 2011 revised budget also contained in 2011-H 5894, Substitute A.

A significant portion of the changes in the budget relate to large adjustments for payments of unemployment benefits, which are reflected in both federal and other funds.

House Fiscal Staff estimates that in preparing the FY 2012 budget, the Governor faced a projected revenue-expenditure gap of \$300 million, which would grow to about \$400 million by FY 2016. This was somewhat lower than Staff's FY 2011 forecast in the enacted FY 2011 budget, mainly because of revisions at the November 2010 Revenue and Caseload Estimating Conference. The Governor's budget resolved this

gap largely with increased revenues and one-time savings. The Budget Office projected a \$128.8 million gap for FY 2013, 3.9 percent of useable revenues, that grows to \$411.4 million in FY 2016, 12.0 percent of useable revenues. The FY 2013 gap is largely due to the Governor's proposed use of one-time items in the resolution of the current budget gap and the phase in of the business tax reductions and transportation funding increases. That amount more than triples largely because expenditure growth rates outpace the revenue growth projections with average deficits of \$294.0 million including \$480.0 million for FY 2016.

The gap narrowed by \$46.6 million for FY 2011 and \$62.7 million for FY 2012 due to stronger than expected revenue estimates and caseload changes adopted at the May 2011 Revenue and Caseload Estimating Conference.

House Finance Committee used these additional resources along with additional expenditure reductions to close the budget gap without the significant increase in new revenues as proposed by the Governor. The Committee's budget also includes a number of initiatives that do not reflect a full year's savings or revenue or do not produce savings until FY 2013 or later. This is necessary to offset the use of FY 2011 surplus funds and other one-time savings in FY 2012 without exacerbating out year deficits. Examples of this include the October 1 effective date for most of the sales tax items, the action to end new longevity payments, the school construction aid moratorium and a number of human services initiatives.

The House Finance Committee's budget does not entirely resolve the out year budget gaps, though its actions provide a considerable reduction compared to the Governor's initial budget submission. The table below shows those changes excluding the impact on retirement costs based on action taken by the Retirement Board in April and May regarding retirement assumptions and out year pension costs.

<i>Excluding Retirement Board Action</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	\$ (128.8)	\$ (224.7)	\$ (342.5)	\$ (480.0)	\$ (294.0)
FY 2012 Budget as passed by House Finance Committee	(58.9)	(100.6)	(164.7)	(218.8)	(135.8)
Difference	\$ (69.9)	\$ (124.1)	\$ (177.8)	\$ (261.2)	\$ (158.2)
% difference	-54.3%	-55.2%	-51.9%	-54.4%	-53.8%

**As adjusted for technical correction*

Staff estimates that the Retirement Board's actions to lower investment return assumptions and other key factors affecting the unfunded liability and state contribution would add approximately \$80 million to the structural deficit annually. The Governor, Assembly and Treasurer have committed to addressing this issue before the 2012 Legislative Session. The table below shows the out-year deficits with that issue factored into both estimates. If no action is taken, the FY 2013 out year deficit would be \$140.3 million.

Out-Year Forecasts

<i>Adjusted for Retirement Board Action Impact</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	(210.2)	(304.8)	(416.3)	(557.6)	(372.2)
FY 2012 Budget as passed by House Finance Committee	(140.3)	(180.7)	(238.5)	(296.3)	(214.0)
% difference	-33.3%	-40.7%	-42.7%	-46.9%	-42.5%

**As adjusted for technical correction*

The items that follow represent a selection of items of interest regarding the budget. Additional information is contained in the sections describing the changes to the Governor's budget, budget article explanations and aid reports.

- ***Rainy Day Fund Repayment.*** The Committee does not further delay the \$22.0 million repayment of the Budget Stabilization and Cash Reserve Account for funds borrowed in FY 2009 to close the projected budget gap. Governor Chafee initially proposed that be delayed until FY 2013. He subsequently requested an amendment reversing that recommendation following the May Revenue Conference results.

- ***Governor's Sales Tax Plan.*** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items for a total of \$17.2 million in FY 2012.

- ***Combined Reporting.*** The House Finance Committee does not concur with the Governor's recommendation to impose combined reporting and adjusts revenues accordingly. The Committee does include legislation requiring a corporation that is part of a "unitary business" to file returns as if combined reporting were required along with their regular returns. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

- ***Driving Record Abstracts.*** The House Finance Committee does not concur with the Governor's proposed legislation to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement.

- ***Telecomm Access Fund.*** The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012 and reduces revenues by \$74,160.

- ***Central Falls Stabilization Payment.*** The Governor recommends \$1.8 million in FY 2011 and \$4.9 million in FY 2012 to eliminate the projected deficits for Central Falls. The House Finance Committee does not concur.

- ***Payment in Lieu of Taxes Program.*** The House Finance Committee recommends \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program, \$5.5 million more than FY 2011 and the Governor's recommendation.

- ***Funding Formula.*** The House Finance Committee concurs with the Governor's recommendation to fund the first year of the education funding formula adopted by the 2010 Assembly.
- ***Longevity.*** The House Finance Committee includes Article 8 to end new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract and estimates \$4.0 million in FY 2013 savings from this action.

- ***Neighborhood Opportunities Program.*** The House Finance Committee concurs with the Governor's proposal to dedicate \$1.5 million from Rhode Island Housing and Mortgage Finance Corporation resources to the Neighborhood Opportunities program.

- **Pharmaceutical Assistance.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the Pharmaceutical Assistance to the Elderly program and restores \$0.3 million from general revenues and \$0.1 million from drug rebates to fully fund the program.
- **Unemployment Trust Fund.** The Budget includes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It includes changes to the taxable wage base and benefits. Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The changes are designed to make the Trust Fund solvent by FY 2015.
- **Public Higher Education.** The House Finance Committee includes \$4.0 million in new general revenue funding for Public Higher Education, which is \$6.0 million less than the Governor's proposal to add \$10.0 million. The Committee did include an increased commitment of \$2.0 million annually for the asset protection projects at the institutions.
- **Hardship Program.** The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.
- **Nursing Home Rate Reduction.** The Governor's budget includes a five percent reduction to the rate paid to nursing homes beginning October 1, 2011 for savings of \$12.8 million, including \$6.1 million from general revenues. He also revises the nursing home principles of reimbursement. The House Finance Committee does not concur with the rate reduction and restores roughly half the funding by not allowing the scheduled cost of living increase. The Committee does concur with the change in payment methodology.
- **Community Service Grants** The House Finance Committee includes a ten percent reduction to community service grants for a savings of \$0.9 million.
- **Facility Consolidation and Population Reduction.** The House Finance Committee recommends general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing community-based placements. Based on the current population level and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the savings. These savings would annualize to over \$12 million in FY 2013.
- **Transportation.** The Governor proposed dedicating \$12.0 million to transportation expenses in FY 2012 by transferring 20.0 percent of certain transportation related fees previously deposited as general revenues. He proposed to increase the transfer of these fees by 20.0 percent each year until FY 2016, when 100 percent of the fees will be dedicated to the Department. The purpose of the proposal is to eventually lower the amount of debt service paid by the Department with gasoline tax proceeds, which will then allow these proceeds to be used for other purposes. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal, which utilizes newly created and incrementally increasing transportation related surcharges beginning in FY 2014 along with Rhode Island Capital Plan funds to reduce the Department's borrowing.

General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2012 surplus of \$0.3 million, and has an operating deficit of \$57.0 million reflecting use of the FY 2011 surplus. The FY 2012 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and

expenditures. The budget reserve and cash stabilization account, the “rainy day fund” would have an FY 2012 balance of \$148.8 million.

	FY 2010	FY 2011 HFC	FY 2012 HFC
Opening Surplus			
Free Surplus	(62,286,104)	17,889,522	57,361,498
Reappropriated Surplus	998,144	3,364,847	-
Subtotal	(61,287,960)	21,254,369	57,361,498
Revenues			
Enacted/Actual/Estimated	3,017,031,203	3,020,646,545	2,938,040,000
Governor	-	19,074,620	307,809,191
Assembly	-	51,424,942	(67,798,390)
Total Revenues	3,017,031,203	3,091,146,107	3,178,050,801
To Cash Stabilization Fund	(70,913,882)	(80,834,926)	(90,591,544)
Total Available Resources	2,884,829,361	3,031,565,550	3,144,820,755
Expenditures			
Actual/Enacted/Estimated	2,863,574,992	2,942,118,704	3,327,178,688
Reappropriations	-	3,364,847	-
Governor	-	19,821,403	(157,342,662)
Assembly	-	8,899,098	(25,331,341)
Total Expenditures	2,863,574,992	2,974,204,052	3,144,504,685
Total Surplus	21,254,369	57,361,498	316,070
Reappropriations	(3,364,847)	-	-
Free Surplus	\$ 17,889,522	\$ 57,361,498	\$ 316,070
<i>Operating Surplus/(Deficit)</i>	<i>83,540,473</i>	<i>39,471,976</i>	<i>(57,045,428)</i>
Rainy Day Fund	112,280,314	130,579,496	148,828,966

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$112.3 million in FY 2010, \$130.6 million in FY 2011, and \$148.8 million in FY 2012. The account received 2.4 percent of general revenues plus free surplus in FY 2010, 2.6 percent in FY 2011, and will receive 2.8 percent in FY 2012.

Section II

Adjustments to Governor's FY 2012 Budget

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					-
1	May Revenue Conference	66,645,142	-	-	-	66,645,142
2	Governor's Sales Tax Plan	(165,821,740)	-	-	-	(165,821,740)
3	Sales Tax - End Exemption for Insurance Proceeds	776,903	-	-	-	776,903
4	Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1	6,668,600	-	-	-	6,668,600
5	Sales Tax -Nonprescription Drugs eff Oct 1	8,615,000	-	-	-	8,615,000
6	Sales Tax - Rescind Project Status Prospectively	100,000	-	-	-	100,000
7	Sales Tax - Sightseeing Package Tours	1,050,000	-	-	-	1,050,000
8	No Corporate Income Tax Rate Reduction Phase-In	7,704,627	-	-	-	7,704,627
9	No Jobs Development Act Three Year Phase-Out	(4,845,502)	-	-	-	(4,845,502)
10	No Corporate Minimum Tax Restructure	6,117,310	-	-	-	6,117,310
11	Add LP, LLPs at \$500	794,250	-	-	-	794,250
12	Combined Reporting - Three Year Study	(8,035,640)	-	-	-	(8,035,640)
13	Beach Fees Correction	(428,128)	-	-	-	(428,128)
14	Compassion Centers Correction (GBA)	137,601	-	-	-	137,601
15	DMV: Driving Record Abstracts	(2,965,689)	-	-	-	(2,965,689)
16	Fire Code Violation Fees	(40,000)	-	-	-	(40,000)
17	Health Services Council	371,320	-	-	-	371,320
18	Hospital Licensing Fee	2,175,350	-	-	-	2,175,350
19	Lottery Revenues Correction	982,593	-	-	-	982,593
20	Motion Picture Tax Credit Restoration	(1,627,201)	-	-	-	(1,627,201)
21	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
22	Nursing Home Rate Changes	355,241	-	-	-	355,241
23	Transportation Funding Plan	12,081,981	-	-	-	12,081,981
24	Taxation - Enhanced Audit & Compliance	2,000,000	-	-	-	2,000,000
25	Telecomm Access Fund Indirect Cost	(74,160)	-	-	-	(74,160)
26	Veterans' Home Assessment	(786,248)	-	-	-	(786,248)
	Total	(67,798,390)	-	-	-	(67,798,390)
	<i>Expenditures Changes</i>					
	Statewide					
27	Prospective Longevity Elimination	-	-	-	-	-
28	Statewide Medical Benefits Holiday (GBA)	(3,000,000)	-	-	-	(3,000,000)
	Administration					
29	Capital - Cannon Building	-	-	-	1,000,000	1,000,000
30	Capital - Cranston Street Armory	-	-	-	(300,000)	(300,000)
31	Capital - DoIT Operations Center	-	-	-	288,000	288,000
32	Capital - Fire Code Compliance	-	-	-	400,000	400,000
33	Capital - Pastore Buildings Demolition	-	-	-	1,000,000	1,000,000
34	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	670,000	670,000
35	Capital - Pastore Fire Code Compliance	-	-	-	300,000	300,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
36	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(150,000)	(150,000)
37	Capital - RIFANS Implementation	-	-	-	(2,500,000)	(2,500,000)
38	Capital - State Office Building	-	-	-	400,000	400,000
39	Capital - Washington County Government Center	-	-	-	700,000	700,000
40	Community Service Grants	(133,563)	-	-	-	(133,563)
41	Debt Service Adjustments	2,995,946	-	-	-	2,995,946
42	Director/Budget Office Savings	(653,905)	-	-	-	(653,905)
43	DOA New Positions	(334,259)	-	-	-	(334,259)
44	Facilities Mgt Correction (GBA)		27,056	81,167	297,613	405,836
45	Facilities Mgt Group Homes from DOA to BHDDH (GBA)	(355,211)	-	-	-	(355,211)
46	IT Revolving Fund	2,000,000	-	-	-	2,000,000
47	Library Construction Aid Moratorium		-	-	-	-
48	Merge Water Resources into Statewide Planning	700,000	-	-	200,000	900,000
49	Purchasing Website Delay (GBA)	30,000	-	-	-	30,000
50	Technology Initiative Increase	(1,300,000)	-	-	-	(1,300,000)
51	Tourism Asset Protection Fund	-	-	(920,180)	-	(920,180)
52	Weatherization/LIHEAP Transfer from DOA to DHS	-	(38,769,020)	-	-	(38,769,020)
						-
	Business Regulation					-
53	Healthcare Reform Grants and 3.0 FTE (GBA)	-	5,342,412	-	-	5,342,412
54	Turnover	(260,000)	-	-	-	(260,000)
						-
	Labor and Training					-
55	Capital - Center General Roof	-	-	-	770,000	770,000
56	Emergency Unemployment Compensation Extension (GBA)	-	50,418,000	-	24,488,000	74,906,000
57	Labor Relations Board (GBA)	(18,595)	-	-	-	(18,595)
58	Police and Fire Relief Staffing (GBA)	42,832	-	-	-	42,832
59	Workforce Regulation and Safety Staffing (GBA)	288,295	-	-	-	288,295
	Revenue					
60	Capital - Corporate Tax Model	-	-	-	(125,000)	(125,000)
61	Capital - Tax Data Warehouse	-	-	-	(655,000)	(655,000)
62	Central Falls	(4,900,000)	-	-	-	(4,900,000)
63	Central Falls Receivership Staffing	(199,669)	-	-	-	(199,669)
64	DMV - Middletown Lease Adjustment (GBA)	22,500	-	-	-	22,500
65	DMV - Motor Vehicle Computer System (GBA)	404,862	-	-	-	404,862
66	DMV - Overtime for Computer Training	(375,000)	-	-	-	(375,000)
67	DMV - Strategic Plan & Capacity Enhancement (2.0 FTE)	300,000	-	-	-	300,000
68	DMV - Westerly Branch	37,800	-	-	-	37,800
69	Municipal Accountability, Stability & Transparency Fund	-	-	(19,330,231)	-	(19,330,231)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
70	Municipal Pension Study	(250,000)	-	-	-	(250,000)
71	PILOT	5,500,000	-	-	-	
72	Revenue Analysis -Turnover	(60,000)	-	-	-	(60,000)
73	Taxation - Revenue Agents for Audit & Compliance (4.0 FTE)	260,400	-	-	-	260,400
74	Taxation - Sales Tax Administration (2.0 FTE)	150,000	-	-	-	150,000
Legislature						
75	Personnel	(500,000)	-	-	-	(500,000)
Lieutenant Governor						
76	Health Policy Director (1.0 FTE)	-	124,232	-	-	124,232
77	Turnover Savings	(31,062)	-	-	-	(31,062)
Secretary of State						
78	Personnel and Operating	(43,400)	-	-	-	(43,400)
79	Community Service Grants	(15,032)	-	-	-	(15,032)
Office of the General Treasurer						
80	Moving Expenses and Build Out (GBA)	60,724	10,568	159,275	10,568	241,135
81	Unclaimed Property	-	-	401,768	-	401,768
82	Retirement System Legal Expenses	-	-	(120,000)	-	(120,000)
Board of Elections						
83	Turnover	(90,000)	-	-	-	(90,000)
Office of Health and Human Services						
84	Statewide Health Plan	150,000	-	-	-	150,000
85	Veterans' Affairs Administration	104,738	-	-	-	104,738
Children, Youth and Families						
86	Capital - Training School Repairs/Improvements	-	-	-	(300,000)	(300,000)
87	Caseload Savings Overstatement (GBA)	3,515,459	(3,408,532)	(106,927)	-	-
88	Community Service Grants	(26,525)	-	-	-	(26,525)
89	Nurse and Family Partnership Grant (GBA)	-	165,000	-	-	165,000
90	Olmstead Grant (GBA)	(20,000)	-	-	-	(20,000)
91	Parental Contributions Savings Initiative Overstatement (GBA)	442,000	-	-	-	442,000
92	Training School Education Expenses	2,075,000	-	(2,075,000)	-	-
93	Turnover	(200,000)	-	-	-	(200,000)
Elderly Affairs						
94	Maintain Pharmaceutical Assistance Program	349,000	-	100,000	-	449,000
95	Merge Elderly Affairs with Human Services	(9,668,591)	(17,769,466)	(497,091)	-	(27,935,148)
Health						
96	Community Service Grants	(58,372)	-	-	-	(58,372)
97	Enhance Food Inspector Staffing (3.0 FTE)	247,000	-	-	-	247,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
98	Federal Grant Adjustments	-	757,267	-	-	757,267
99	Health Services Council	380,515	-	125,000	-	505,515
100	HIV/AIDS Program Shift to DHS	(2,594,683)	(10,536,211)	-	-	(13,130,894)
101	Non Inspector New Positions	(102,138)	(2,794,822)	(37,885)	-	(2,934,845)
102	Tobacco Programs	(372,541)	-	-	-	(372,541)
103	Women Infants and Children Nutrition Program	-	(26,287,008)	-	-	(26,287,008)
	Human Services					
104	CEDARR Health Homes	-	1,278,887	-	-	1,278,887
105	Community Service Grants - Elderly Affairs	(108,555)	-	-	-	(108,555)
106	Community Service Grants - Human Services	(269,167)	-	-	-	(269,167)
107	Dual Eligible Benefits to Managed Care by 2013 - Out year savings only	-	-	-	-	-
108	Eliminate Personal Choice Waiver Program - Jan 1	(423,006)	(464,394)	-	-	(887,400)
109	Eleanor Slater Hospital Payment	(1,367,122)	(1,538,773)	-	-	(2,905,895)
110	End Payment of RIte Share client co-pays, Oct 1	(143,004)	(156,996)	-	-	(300,000)
111	Hardship Program	(420,000)	-	-	-	(420,000)
112	HIV/AIDS FMAP and Stimulus Correction	53,474	(53,474)	-	-	-
113	HIV/AIDS Transfer from DOH to DHS	2,594,683	10,536,211	-	-	13,130,894
114	Maintain Veterans' Affairs as a Division	18,568,043	8,005,072	1,643,512	-	28,216,627
115	Managed Care High Cost	(600,000)	(658,653)	-	-	(1,258,653)
116	May Caseload Adjustments	(3,959,165)	(6,875,366)	-	-	(10,834,531)
117	Merge Elderly Affairs with Human Services	9,568,591	17,769,466	497,091	-	27,835,148
118	Money Follows the Person (GBA)	-	149,693	-	-	149,693
119	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
120	Nursing Homes - No Scheduled Rate Increase	(3,007,463)	(3,301,458)	-	-	(6,308,921)
121	Nursing Homes Restore Rate Reduction	6,100,000	6,700,000	-	-	12,800,000
122	RI Works Positions	-	389,856	-	-	389,856
123	RIde Program Gas Tax adjustment (GBA)	-	-	-	(38,078)	(38,078)
124	RIte Care Co-Share Increases	(670,000)	(735,496)	-	-	(1,405,496)
125	SSI State Residential Payment to Federal Requirement effective Oct 1, 2011	(964,080)	-	-	-	(964,080)
126	Transportation Stricter Standards by Jan 1	(1,500,000)	(1,646,633)	-	-	(3,146,633)
127	Transportation in Project Sustainability Rates	(2,000,000)	(2,195,511)	-	-	(4,195,511)
128	Upper Payment Limit	5,772,717	6,337,030	-	-	12,109,747
129	Veterans' Affairs Administration	(104,738)	-	-	-	(104,738)
130	Weatherization and LIHEAP Transfer from DOA to DHS	-	38,769,020	-	-	38,769,020
131	Women, Infants and Children Nutrition Program	-	26,287,008	-	-	26,287,008
						-
	BHDDH					-
132	Community Service Grants	(24,118)	-	-	-	(24,118)
133	DD - Medicare/Medicaid Plans First Payor	(500,000)	(548,878)	-	-	(1,048,878)
134	Facilities Management Group Homes Transfer from DOA to BHDDH (GBA)	355,211	-	-	-	355,211

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
135	Health Homes Initiative (GBA)	-	12,686,432	-	-	12,686,432
136	Hospital Turnover Savings	(1,000,000)	(1,097,755)	-	-	(2,097,755)
137	Licensing Fee	11,092	12,492	-	-	23,584
138	Project Sustainability Further Adjustments	(5,000,000)	(5,488,777)	-	-	(10,488,777)
139	RICLAS Group Homes Transition to Private Providers	(112,500)	(123,497)	-	-	(235,997)
Department of Veterans' Affairs						
140	Maintain Veterans' Affairs as a Division	(19,039,528)	(8,005,072)	(1,643,512)	-	(28,688,112)
Elementary & Secondary Education						
141	Adult Literacy from HRIC	(2,295,000)	-	2,295,000	-	-
142	Capital - Davies School Asset Protection	-	-	-	275,000	275,000
143	Capital - East Providence Career and Tech	-	-	-	150,000	150,000
144	Capital - Met School East Bay	-	-	-	(2,000,000)	(2,000,000)
145	Capital - Newport Career and Tech	-	-	-	500,000	500,000
146	Community Service Grants	(71,524)	-	-	-	(71,524)
147	Early Childhood	(700,000)	-	-	-	(700,000)
148	Education Aid Data Update (GBA)	577,844	-	-	-	577,844
149	Education Aid - Construction Aid Moratorium	-	-	-	-	-
150	Education Telecommunications Access Fund	350,000	-	-	-	350,000
151	Progressive Support and Intervention	(2,687,512)	-	-	-	(2,687,512)
152	School for the Deaf Rental Income Offset	(67,500)	-	-	-	(67,500)
153	Supplant Education Jobs Fund - Admin at RIDE	(248,000)	-	-	-	(248,000)
154	Teacher Retirement Savings (GBA)	(1,035,351)	-	-	-	(1,035,351)
155	Textbook Reimbursement	240,000	-	-	-	240,000
Public Higher Education						
156	Additional State Support	(6,000,000)	-	-	-	(6,000,000)
157	Community Service Grants	(113,419)	-	-	-	(113,419)
158	Higher Education Administration	(800,000)	-	-	-	(800,000)
159	Capital - RIC - New Art Center Renovation/Addition	-	-	-	1,300,000	1,300,000
160	Capital - URI - New Chemistry Building	-	-	-	1,000,000	1,000,000
161	Capital - URI - Biotechnology Center	-	-	-	4,500,000	4,500,000
162	Capital - CCRI- Asset Protection	-	-	-	350,000	350,000
163	Capital- RIC- Asset Protection	-	-	-	450,000	450,000
164	Capital- URI- Asset Protection	-	-	-	1,200,000	1,200,000
Arts Council						
165	Community Service Grants	(40,248)	-	-	-	(40,248)
166	Grant Restoration	100,000	-	-	-	100,000
Higher Education Assistance Authority						
167	Needs Based Grants to College Bound Funds	(250,000)	-	-	250,000	-

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Historical Preservation and Heritage Commission					-
168	Community Service Grants	(17,844)	-	-	-	(17,844)
169	RICAP for Eisenhower	(14,000)	-	-	75,000	61,000
	RI Public Telecommunications Authority					
170	Turnover (1.0 FTE)	(150,000)	-	-	-	(150,000)
	Attorney General					
171	Federal Grant Adjustments (GBA)	-	1,504,424	-	-	1,504,424
172	Telephone (GBA)	12,501	-	-	-	12,501
173	Tobacco Litigation	(150,000)	-	-	-	(150,000)
	Corrections					
174	Capital - Administration HVAC	-	-	-	(150,000)	(150,000)
175	Capital - Asset Protection	-	-	-	500,000	500,000
176	Capital - Women's Roof, Masonry & General Renovations	-	-	-	1,300,000	1,300,000
177	Facility Consolidation and Population Reduction	(6,000,000)	-	-	-	(6,000,000)
	Judicial					
178	Community Service Grants	(37,825)	-	-	-	(37,825)
179	Federal Grant Adjustments (GBA)	-	282,837	-	-	282,837
180	Personnel	(1,000,000)	-	-	-	(1,000,000)
	Military Staff					
181	Armory Closure	109,900	-	-	-	109,900
182	Capital - Asset Protection	-	-	-	130,000	130,000
183	Capital - Federal Armories - Fire Code Compliance	-	-	-	50,000	50,000
184	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	65,563	65,563
185	Capital - State Armories Fire Code Compliance	-	-	-	155,000	155,000
186	Federal Grant Adjustments	-	(295,548)	-	-	(295,548)
187	Indirect Cost Recovery	(220,000)	(220,000)	220,000	-	(220,000)
188	Turnover Savings	(37,000)	-	-	-	(37,000)
	Public Safety					
189	Federal Fund Adjustments	-	266,482	-	-	266,482
190	Homeland Security Grants	-	839,641	-	-	839,641
191	Capital - Statewide Microwave/IT Upgrade	-	-	-	1,000,000	1,000,000
	Environmental Management					
192	Capital - Fort Adams Rehabilitation	-	-	-	1,250,000	1,250,000
193	Capital - Recreational Facilities Improvements	-	-	-	500,000	500,000
194	Community Service Grant Reduction	(11,986)	-	-	-	(11,986)
195	Turnover	(100,000)	-	-	-	(100,000)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
196	Tourism Asset Protection Fund	-	-	(1,700,000)	-	(1,700,000)
	Coastal Resources Management Council					
197	Capital - South Coast Restoration Project	-	-	-	300,000	300,000
	Water Resources Board					
198	Merge into Statewide Planning	(1,230,267)	-	-	(200,000)	(1,430,267)
	Transportation					
199	Capital - Paratransit Vehicles	-	-	-	(190,400)	(190,400)
200	Stimulus Fund Shift	-	(6,596,379)	-	-	(6,596,379)
201	DOT - Gasoline Tax Adjustment	-	-	-	(829,132)	(829,132)
202	RIPTA - Gasoline Tax Adjustment	-	-	-	(371,680)	(371,680)
	Total	(25,331,341)	49,091,367	(20,908,013)	38,015,454	35,367,467

FY 2012 Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and increased the FY 2012 forecast to \$3,003.9 million, which is \$65.9 million more than November, and \$251.4 million less than the Governor's budget which includes several changes to current law. Adjusting his revenue proposals for the new estimates further increases his budget recommendation by \$0.7 million for a total increase of \$66.6 million.
- 2. Governor's Sales Tax Plan.** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items as noted below for a total of \$17.2 million in FY 2012.
- 3. Sales Tax - End Exemption for Insurance Proceeds.** The Governor's FY 2012 budget includes \$0.9 million in revenues from repealing the sales tax exemption towards the purchase of a car as a trade-in allowance on the value of a stolen or totaled vehicle. The House Finance Committee recommends adding this to the sales tax at 7.0 percent and assumes \$0.8 million in revenues.
- 4. Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1.** Current law exempts prewritten computer software from the sales and use tax. The House Finance Committee recommends the repeal of this exemption and includes \$6.7 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$8.8 million.
- 5. Sales Tax - Nonprescription Drugs.** Current law exempts over the counter drugs from the sales and use tax. The House Finance Committee recommends the repeal of this exemption, adding medical marijuana and includes \$8.6 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$11.5 million.
- 6. Sales Tax - Rescind Project Status Prospectively.** The House Finance Committee recommends repealing the Rhode Island Economic Development Corporation and the Rhode Island Industrial Facilities Corporation's authorities to grant project status, effective July 1, 2011. The Corporations currently have the authority to exempt certain projects from the sales tax. Eliminating this authority prospectively would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016.
- 7. Sales Tax - Sightseeing Package Tours.** The House Finance Committee recommends \$1.1 million in revenues from adding a 7.0 percent sales and use tax on the purchase of sightseeing package tours.
- 8. No Corporate Income Tax Rate Reduction Phase-In.** The Governor proposes to decrease the Corporate Income Tax rate from 9.0 percent by 0.5 percent per year until reaching 7.5 percent for tax year 2014. His budget assumes a revenue loss of \$7.7 million in FY 2012. The House Finance Committee does not concur with his proposal and adjusts revenues accordingly.
- 9. No Jobs Development Act Three Year Phase-Out.** The Governor's FY 2012 budget assumes \$4.8 million in revenues from phasing out the Jobs Development Act rate reduction over three years beginning in tax year 2012. The Jobs Development Act provides for rate reductions of one quarter of one percent (0.25

percent) for each 50 new jobs created by eligible companies for three years past the base year. The reduction cannot be more than six percent. The amounts for the tax credit were \$16.2 million in FY 2008, \$14.2 million in FY 2009 and \$21.3 million in FY 2010. The House Finance Committee does not concur with this proposal and adjusts revenues accordingly.

10. No Corporate Minimum Tax Restructure. The Governor proposes to restructure the Corporate Minimum Tax to subject limited partnerships and limited liability partnerships to the tax; they are currently exempt from the tax but are required to pay a filing fee with the Secretary of State. He also proposes to replace the corporate minimum and minimum franchise taxes with a tiered system through which businesses would be taxed based on their Rhode Island gross receipts. The maximum amount of tax paid would be \$2,000 for a business with gross receipts of \$5.0 million or more. His budget assumes a revenue loss of \$6.1 million in FY 2012. The corporate minimum tax has been \$500 since January 2004 and 48,597 corporations paid this in tax year 2008. The House Finance Committee does not concur with this proposal and maintains the minimum tax at the current amount.

11. Add LP, LLPs at \$500. The House Finance Committee recommends legislation to subject limited partnerships and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500 and assumes \$0.8 million in new revenues. The annualized revenue increase would be \$1.6 million. These entities are currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State.

12. Combined Reporting - Three Year Study. The Governor proposes legislation requiring business corporation tax filers to file as a “unitary business” or single enterprise, commonly referred to as combined reporting, effective January 1, 2012 and includes \$8.9 million in revenues. The House Finance Committee does not concur and adjusts revenues accordingly. The House Finance Committee proposes legislation requiring a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

13. Beach Fees Correction. The Governor’s budget includes \$1.9 million of additional general revenues derived from an increase in parking fees at state beaches. This estimate was revised when changes were made to the proposed increases, but did not include the \$0.4 million that would be transferred to the vendor collecting these fees, pursuant to the current contract. The House Finance Committee reduces general revenue by \$428,128 to reflect a revised projection of additional revenue.

14. Compassion Centers Correction (GBA). The Governor’s budget includes legislation that imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. In FY 2012 it is estimated to generate \$0.6 million which will be deposited into the general fund. Subsequently, the Governor requested an amendment to increase revenues by \$0.1 million from a recalculated surcharge. It is important to note that currently the awarding of the Compassion Centers licenses are on hold and estimates for FY 2012 may need revision based on actual award dates. The House Finance Committee includes the revenue.

15. DMV: Driving Record Abstracts. The Governor proposes legislation to amend current law to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement. The cost to obtain the record is \$17.50, including the \$1.50 technology surcharge. There is an additional convenience fee if records are obtained online. The House Finance Committee does not concur and reduces revenues by \$3.0 million.

16. Fire Code Violation Fees. The Governor's FY 2012 budget includes \$40,000 in additional revenue from increasing the fire code inspection fee from \$100 to \$125, based on the Department's estimate of 1,600 annual fire code inspections. The House Finance Committee does not concur and adjusts revenues accordingly.

17. Health Services Council. The House Finance Committee does not recommend the elimination of the health services council and adjusts revenues and program expenses accordingly.

18. Hospital Licensing Fee. The House Finance Committee recommends adding \$2.2 million from revenues resulting from updating the hospital's base year from 2009 to 2010 and reducing the licensing fee for FY 2012 from 5.465 percent to 5.430 percent of net patient services revenue. Total license fees collected will be \$144.0 million including \$138.0 million from community hospital payments and \$6.0 million from state payments for Eleanor Slater Hospital.

19. Lottery Revenues Correction. The House Finance Committee recommends \$1.0 million in additional revenue available from reduced operating expenses at the Lottery that was not included in the Governor's recommendation.

20. Motion Picture Tax Credit Restoration. The House Finance Committee does not concur with the Governor's proposal to amend current law to end the Motion Picture Tax Credit and reduces recommended revenues by \$1.6 million to account for the change.

21. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

22. Nursing Home Rate Changes. The House Finance Committee includes \$0.4 million in additional revenue from the increased funding provided to nursing homes in FY 2012. The Committee does not recommend the five percent reduction, but does recommend eliminating the cost-of-living adjustment for additional funding of \$6.5 million subject to the 5.5 percent tax applied to nursing home revenues.

23. Transportation Funding Plan. The Governor's FY 2012 Budget recommends an additional \$12.1 million for transportation expenses by transferring 20.0 percent of certain transportation related fees currently deposited as general revenues to the Department of Transportation for use as the state match for general obligation bonds. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal. That alternate proposal involves a combination of fee increases and use of Rhode Island Capital Plan funds beginning in FY 2014.

24. Taxation - Enhanced Audit & Compliance. The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues based on the amount currently collected by each officer.

25. Telecomm Access Fund Indirect Cost. The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The

House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012. It also reduces revenues by \$74,160.

26. Veterans' Home Assessment. The House Finance Committee does not recommend the proposed increase in the monthly maintenance fee assessed to residents at the Veterans' Home and reduces revenues by \$786,248.

Expenditures Changes

Statewide

27. Prospective Longevity Elimination. The House Finance Committee recommends legislation that ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

28. Statewide Medical Benefit Holiday (GBA). The House Finance Committee recommends general revenue savings of \$3.0 million from one medical benefit holiday in FY 2012. Subsequent to the Governor's budget submission, it was determined that the estimated health insurance premium will generate more funding than is required.

Department of Administration

29. Capital - Cannon Building. The capital budget includes \$1.3 million from Rhode Island Capital Plan funds through FY 2015 for ongoing repairs and renovations to include the replacement of the roof and carpet at the Cannon Building. The Department indicates that a preliminary study of the roof cap identified numerous structural issues that could cost as much as \$3.0 million to repair. Subsequently, the Governor requested an amendment to provide \$1.0 million in FY 2012 to demolish the overhang. The House Finance Committee concurs.

30. Capital - Cranston Street Armory. The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.

31. Capital - DoIT Operations Center. The FY 2011 revised budget includes \$4.3 million from Rhode Island Capital Plan funds to renovate the acquired state of the art facility to house the state's computer center. In FY 2010, the Department purchased the 70,000 square foot building on Jefferson Boulevard. The Department is currently in the process of renovating the facility. Subsequently, the Governor requested an amendment to provide \$288,000 in FY 2012 to bring the HVAC system up to par and to fix the elevators in the building. In addition to housing information technology operations, the Office of the General Treasurer and the State Police will also occupy space in the facility. The House Finance Committee concurs.

32. Capital - Fire Code Compliance. The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003

and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.

33. Capital - Pastore Buildings Demolition. The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

34. Capital - Pastore Central Power Plant Rehabilitation. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

35. Capital - Pastore Fire Code Compliance. The capital budget includes \$5.5 million from Rhode Island Capital Plan funds through FY 2016 to install and upgrade existing fire alarm and sprinkler systems on the Pastore Center and the Zambarano Campus of Eleanor Slater Hospital. Subsequently, the Governor requested an amendment to provide an additional \$0.3 million in FY 2012 to reflect anticipated costs for fire alarm installation at Wallum Lake and fire sprinklers at Adolph Meyer and the Louis Pasteur buildings on the Pastore Center. The House Finance Committee concurs.

36. Capital - Pastore Utility Systems Water Tanks & Pipes. The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

37. Capital - RIFANS Implementation. The Governor's FY 2012 through FY 2016 capital plan includes \$11.5 million from Rhode Island Capital Plan funds, to begin the implementation of the time and attendance, projects and grants modules as part of the Rhode Island Financial Accounting Network System. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project. Rhode Island Capital Plan funds have been limited to use on physical assets.

38. Capital - State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

39. Capital - Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

40. Community Service Grants. The House Finance Committee recommends a reduction of \$133,563 to community service grants in the Department of Administration. The House Finance Committee recommends the elimination of the Westerly/Pawcatuck Joint Development Task Force community service grant for savings of \$7,211. It also includes a ten percent reduction of \$126,352 to all community service grants.

41. Debt Service Adjustments. The House Finance Committee includes \$3.0 million to reflect updated adjustments for debt service costs.

42. Director/Budget Office Savings. The House Finance Committee recommends savings of \$653,905 from the Department of Administration management and budget operations.

43. DOA New Positions. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding these as new positions.

44. Facilities Mgt Correction (GBA). The FY 2012 recommended budget includes \$20.9 million from all funds, \$1.7 million less than enacted for operating expenditures for the Division of Facilities Management, which supports building operations, maintenance and repairs for 365 state properties, including the Pastore Campus. Subsequently, the Budget Office indicated that the recommendation inadvertently lowered expenditures by \$0.6 million instead of shifting them to other sources. The Governor requested an amendment to correct this. The House Finance Committee recommends \$0.4 million.

45. Facilities Mgt Group Homes from DOA to BHDDH (GBA). Consistent with the Governor's budget amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

46. IT Revolving Fund. The House Finance Committee recommends \$2.0 million from general revenues for an Information Technology Revolving Fund. The funds will be used for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. The proceeds from the repayment will be deposited into the funds, thereby making the fund self-sustaining.

47. Library Construction Aid Moratorium. The House Finance Committee recommends legislation to set a moratorium on any library construction project, effective July 1, 2011. This will produce out-year savings of \$1.3 million each in FY 2014 and FY 2015 and \$1.2 million in FY 2016. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.

48. Merge Water Resources into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the Water Resources Board Corporate. The House Finance Committee recommends \$0.7 million to support staffing and operating expenses and \$0.2 million from Rhode Island Capital Plan funds for the Big River Management Area project.

49. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

50. Technology Initiative Increase. The Governor's FY 2012 recommended budget includes \$2.9 million from general revenues for the Division of Information Technology's Technology Initiative Fund, \$1.3 million more than the enacted budget for capital purchases and equipment. The Fund is used for information technology projects that support other state agencies. The Division had planned to increase storage backup capability, create a plan to reduce power consumption and upgrade enterprise cyber security appliances. The House Finance Committee recommends funding consistent with the enacted budget.

51. Tourism Asset Protection Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Tourism Tax Fund and adjusts expenditures accordingly.

52. Weatherization/LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources from Department of Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

Department of Business Regulation

53. Healthcare Reform Grants and 3.0 FTE (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$5.3 million from two federal grants to support the implementation of the Affordability Care Act. The Governor includes 3.0 new full-time positions including a health care analyst, a delivery systems project manager, and an operations manager. The remaining funding will be to hire consultants to help design and implement a state health insurance exchange. The House Finance Committee concurs.

54. Turnover. The House Finance Committee recommends general revenue turnover savings of \$260,000 from maintaining 3.0 vacancies. The Governor's FY 2012 budget does not include any turnover savings.

Department of Labor and Training

55. Capital - Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

56. Emergency Unemployment Compensation Extension (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. The House Finance Committee concurs.

57. Labor Relations Board (GBA). The Governor requested an amendment decreasing general revenue funding by \$18,595 for the state's contribution for retirement for members of the Labor Relations Board, who receive a stipend, but do not receive medical or retirement benefits. The Governor's budget inadvertently included retirement benefits for the Board members when other benefit adjustments were made. The Governor's amendment removes the additional retirement funding. The House Finance Committee concurs.

58. Police and Fire Relief Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$42,832 from general revenues for a 0.5 full-time equivalent position in the Police and Fire Relief program; his recommendation included the position, but inadvertently omitted the funding.

59. Workforce Regulation and Safety Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$288,295 from general revenues for partial funding of 7.1 full-time equivalent positions in the Workforce Regulation and Safety division, which the Governor's recommendation inadvertently did not fully fund.

Department of Revenue

60. Capital - Corporate Tax Model. The Governor recommends \$125,000 in FY 2012 from Rhode Island Capital Plan funds for the purchase and development of a corporate income tax model, which would allow for comparing and contrasting impacts of different tax structures. It would also allow the Office of Revenue Analysis to evaluate the differential between taxation of regular income, investment income and capital gains. The system would also demonstrate the impact of changes on distribution of the tax burden. This project does not appear to meet the definition of a capital expense. The House Finance Committee does not recommend this project.

61. Capital - Tax Data Warehouse. The Governor's capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

62. Central Falls. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

63. Central Falls Receivership Staffing. The 2010 Assembly enacted the "Providing Financial Stability Act" to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

64. DMV - Middletown Lease Adjustment (GBA). The FY 2012 recommended budget includes \$82,000 for the Division of Motor Vehicles' lease expenses of 73 Valley Road in Middletown. The Department vacated that facility in February 2011. On May 24, 2011, the Governor requested approval for various long-term lease agreements including one that would allow the Division of Motor Vehicles to enter into a lease located at 52 Valley Road in Middletown. The Governor requested an amendment to provide \$22,500 from general revenues for the difference of the lease cost, including \$17,250 for the lease

payment and \$5,250 for utilities. The House Finance Committee concurs and provides the additional funds.

65. DMV - Motor Vehicle Computer System (GBA). The Governor's FY 2012 recommended budget includes \$19.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions and operating costs for the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to enhance customer service and reduce wait times. This includes \$404,862 from general revenues for the consultant costs for the new computer system. The House Finance Committee concurs.

66. DMV - Overtime for Computer Training. The FY 2012 recommended budget includes \$0.7 million from general revenues for overtime expenses at the Division of Motor Vehicles, of which \$0.4 million will be used for staff training on the new computer system, which will be done after work hours and on weekends. The Department indicates that the project won't be done until January 2013. The House Finance Committee eliminates the additional overtime expenditure.

67. DMV - Strategic Plan and Capacity Enhancement (2.0 FTE). The Governor's FY 2012 recommended budget includes \$12.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions in the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to fill 25.0 new full-time positions to enhance customer service and reduce wait times at headquarters in Cranston. The House Finance Committee does not concur with the Governor's plan to add 25.0 positions. It recommends \$0.3 million to fund 2.0 full-time equivalent positions and consultant services for the Division to develop a strategic plan to enhance customer services.

68. DMV - Westerly Branch. In addition to the headquarters in Cranston, there are four registry satellite offices. The Division of Motor Vehicles is looking to expand its branch locations into Westerly one day per week and looked into municipality space where no lease would be needed. It is assumed that the space would be available at no cost and utilities would be included. This branch would be fully staffed with three customer service representatives and one supervisor. The Wakefield branch, which is currently open five days, will closed one day a week and staff from Wakefield will cover the Westerly branch for that one day. The House Finance Committee recommends \$37,800 for operation expenses, including computer workstations and telephone and janitorial services.

69. Municipal Accountability, Stability & Transparency Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Municipal Accountability, Stability and Transparency Fund and adjusts expenditures accordingly.

70. Municipal Pension Study. The Governor's FY 2012 recommended budget includes \$250,000 from general revenues for the Division of Municipal Finance to conduct a municipal pension study. The result of the study shall be submitted to the Governor, the Speaker of the House, the Senate and the chairs of the House and Senate Finance Committee no later than December 31, 2011. The House Finance Committee does not recommend funding the study.

71. PILOT. The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes Program for total funding of \$33.1 million. This represents a reimbursement of 23.4 percent or 4.0 percent more than the Governor recommended. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law.

72. Revenue Analysis – Turnover. The House Finance Committee recommends \$60,000 in additional turnover savings by maintaining a vacant position in FY 2012.

73. Taxation - Revenue Agents for Audit & Compliance (4.0 FTE). The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues from increased enforcement and audits. The annualized revenue increase would be \$3.0 million.

74. Taxation - Sales Tax Administration (2.0 FTE). The House Finance Committee recommends several changes to the sales and use tax. Prior to the implementation of the changes, new regulations have to be issued; education and outreach will be needed. The House Finance Committee provides \$150,000 from general revenues to fund 2.0 full-time positions for the sales tax administration.

Legislature

75. Personnel. The House Finance Committee recommends \$500,000 in general revenue personnel savings.

Lieutenant Governor

76. Health Policy Director (1.0 FTE). The House Finance Committee adds a health policy director position to assist in the implementation of the federal health insurance reform, consistent with the Governor's requested amendment; however, it uses federal funds awarded to the Office of the Health Insurance Commissioner to support it.

77. Turnover Savings. The House Finance Committee recommends general revenue turnover savings of \$31,062 based on updated salary projections.

Secretary of State

78. Personnel and Operating. The House Finance Committee recommends reducing State Archives lease expenses by \$43,400 from general revenues, since an anticipated rent increase was not included in the recently signed lease contract, and shifts funds made available from maintaining one vacant position for the purchase of two new servers.

79. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$15,032 in the Office of the Secretary of State.

Office of the General Treasurer

80. Moving Expenses and Buildout (GBA). The current lease on Fountain Street expires on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.2 million from all sources including \$60,724 from general revenues for moving expenses and build out costs for the offices in Warwick for FY 2012. This represents 33 percent of the total build out expense; the remainder is requested for FY 2011. The House Finance Committee concurs.

81. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$0.4 million

for FY 2012 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$0.5 million in transfer to the state general fund.

82. Retirement System Legal Expenses. The Governor requested an amendment to reduce legal expenses by \$120,000 based on the Treasury's estimate of projected expenditures. This would provide \$377,000 for FY 2012. The House Finance Committee concurs.

Board of Elections

83. Turnover. The House Finance Committee recommends keeping a chief auditor position vacant and assumes general revenue savings of \$90,000. At the Board of Elections, the Chief Auditor position became vacant in April of 2009. The Board has successfully maintained operations without filling this position, though the Board has consistently requested to fill the position. The Governor includes \$89,421 from general revenues for the Board to fill this position for FY 2012.

Office of Health and Human Services

84. Statewide Health Plan. The House Finance Committee adds \$150,000 from general revenues to support the initiatives assigned to the health care planning and accountability advisory council to support an analysis of the state's health care system.

85. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office while keeping the Division of Veterans' Affairs in the Department of Human Services.

Department of Children, Youth and Families

86. Capital - Training School Repairs/Improvements. The Governor's FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, funding is provided as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

87. Caseload Savings Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$11.1 million from caseload reductions in the Child Welfare and Behavioral Health programs. Subsequent to his budget submission, the Department has indicated that the savings are overstated by \$3.5 million. The House Finance Committee recommends the restoration of savings.

88. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$26,525 in the Department of Children, Youth and Families.

89. Nurse and Family Partnership Grant (GBA). The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

90. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent

Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

91. Parental Contributions Savings Initiative Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$0.4 million from an initiative to increase child support collected for youth in state custody. Subsequent to his budget submission, he requested an amendment because the Department has indicated that the savings were double counted. The House Finance Committee recommends the restoration of savings.

92. Training School Education Expenses. The House Finance Committee does not concur with the Governor's recommendation to require Local Education Agencies to finance the educational expenses of children in the juvenile justice system and adds back \$2.1 million from general revenues.

93. Turnover. The Governor's FY 2012 budget includes \$4.0 million from all sources, including \$2.7 million from general revenues to fund 39.0 positions in the Central Management program. This includes \$0.2 million in turnover savings for 2.0 positions. The House Finance Committee recommends \$0.2 million in additional turnover savings by maintaining 2.0 additional positions vacant for the whole fiscal year.

Department of Elderly Affairs

94. Maintain Pharmaceutical Assistance Program. The House Finance Committee does not concur with the Governor's recommendation to eliminate the Rhode Island Pharmaceutical Assistance to the Elderly program and restores \$349,000 from general revenues to fully fund the program in FY 2012.

95. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

Department of Health

96. Community Service Grants. The House Finance Committee recommends a ten percent reduction to eleven community service grants and includes savings of \$58,372 in the Department of Health.

97. Enhance Food Inspector Staffing (3.0 FTE). The House Finance Committee adds \$0.2 million from general revenues for 3.0 additional food inspector positions for total staffing of 24.0 in the food protection program.

98. Federal Grant Adjustments. The Governor requested an amendment to add \$1.1 million from nine separate grants in FY 2011. Subsequently, the Department indicated that only a portion of the new funds will be used in FY 2011, therefore the House Finance Committee recommends \$0.8 million in FY 2012.

99. Health Services Council. The Governor includes Article 29 in his FY 2012 recommendation to eliminate the Health Services Council for general revenue savings of \$0.4 million. The House Finance Committee does not concur and restores the offsetting revenue and expenditure adjustments.

100. HIV/AIDS Program Shift to DHS. The House Finance Committee transfers the HIV/AIDS direct services programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

101. Non Inspector New Positions. The House Finance Committee does not recommend the 32.0 non inspector new positions for savings of \$2.9 million from all funds including \$0.1 million from general revenues.

102. Tobacco Programs. The Governor's FY 2012 budget includes \$2.0 million from all sources, of which \$0.7 million is from general revenues. The House Finance Committee recommends reducing state funding for tobacco programs by \$0.4 million.

103. Women Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$26.3 million from federal funds and 12.0 equivalent positions in the Department of Human Services.

Department of Human Services

104. CEDARR Health Homes. The Governor's FY 2012 budget includes general revenue savings of \$1.3 million from providing certain home and community based treatment services through a new health home model. His recommendation inadvertently omitted the corresponding federal fund increase. The House Finance Committee adds the federal funds.

105. Community Service Grants - Elderly Affairs. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$108,555 in the Division of Elderly Affairs.

106. Community Service Grants - Human Services. The House Finance Committee recommends eliminating the payment to the Focus Family Outreach Center, which closed in January 2011 and also recommends a ten percent reduction to the remaining community service grants, for total savings of \$269,167 in the Department of Human Services.

107. Dual Eligible Benefits to Managed Care by 2013 - Out Year Savings. The House Finance Committee includes legislation directing the Department of Human Services to enter into a contract to manage long-term care services and acute care benefits for individuals enrolled in Medicaid and Medicare by FY 2013 with savings anticipated in that fiscal year. The Department will also submit a report on the initiative to the Permanent Joint Legislative Committee on Health Care Oversight by December 31, 2011 on the progress of this initiative.

108. Eliminate Personal Choice Waiver Program - Jan 1. The House Finance Committee recommends eliminating the personal choices option under the global waiver for savings of \$0.9 million from all sources, including \$0.4 million from general revenues from the final half of FY 2012. The Department provides home and community care services through the option and gives a monthly stipend to eligible individuals so they can hire who they chose to help with daily activities allowing them to remain in their own home.

109. Eleanor Slater Hospital Payment. The House Finance Committee recommends a \$2.9 million reduction for the disproportionate share payment made to Eleanor Slater Hospital to reflect an updated payment of \$1.5 million for its uncompensated care costs.

110. End Payment of RIte Share Client Co-Pays, Oct 1. The House Finance Committee recommends savings of \$300,000, including \$143,004 from general revenues by eliminating co-payments for

prescriptions, doctor visits and deductibles made by the state on behalf of families receiving RIte Share benefits.

111. Hardship Program. The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.

112. HIV/AIDS FMAP and Stimulus Correction. The House Finance Committee adds \$112,091 from all sources, including \$53,474 from general revenues to correctly adjust program resources. The Governor's budget includes \$0.1 million from federal stimulus funds for AIDS case management services. Subsequently, the Governor submitted an amendment to eliminate this funding as it is no longer available after June 30, 2011.

113. HIV/AIDS Transfer from DOH to DHS. The House Finance Committee transfers the HIV/AIDS programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

114. Maintain Veterans' Affairs as a Division. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services and eliminates the five new positions included in the Governor's recommendation for the new Department.

115. Managed Care High Cost. The House Finance Committee includes legislation directing the Office of Health and Human Services to undertake a review of services provided through the Medicaid managed care plans to determine if the plans meet the goals of increased efficiency, reduced cost, curtailment of high cost services, and promote the utilization of primary care services and include savings of \$1.3 million, \$0.6 million from general revenues.

116. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$10.8 million, which includes \$4.0 million less from general revenues to adjust the FY 2012 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

117. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

118. Money Follows the Person (GBA). The Governor requested an amendment to increase federal funding for the state's Money Follows the Person planning grant for FY 2012. The Department anticipates carrying forward unspent funding of \$149,693 from FY 2011 to FY 2012. The House Finance Committee concurs.

119. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

120. Nursing Homes - No Scheduled Rate Increase. The House Finance Committee recommends savings of \$6.3 million, including \$3.0 million from general revenues by eliminating the October 1, 2011 rate increase for nursing homes.

121. Nursing Homes Restore Rate Reduction. The House Finance Committee does not recommend the 5.0 percent rate reduction included in the Governor's budget and restores \$12.8 million from all funds, including \$6.1 million from general revenues.

122. RI Works Positions. The House Finance Committee adds \$389,856 from federal temporary assistance to needy families block grant funds and six positions to assist the Department in evaluating and improving Rhode Island Works program operations.

123. RId Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RId transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

124. RIte Care Co-Share Increases. The House Finance Committee includes savings of \$1.4 million, including \$0.7 million from general revenues from the Department increasing the monthly RIte Care co-sharing requirement to five percent of a family's income for those at 150 to 250 percent of poverty, beginning October 1, 2011.

125. SSI State Residential Payment to Federal Requirement Effective Oct 1, 2011. The House Finance Committee recommends reducing the state monthly payment made to residents in assisted living facilities who receive supplemental security income to the federally required amount of \$332, \$206 less than the current payment, for savings of \$1.0 million.

126. Transportation Stricter Standards. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$3.1 million, including \$1.5 million from general revenues from the Department adhering to stricter transportation standards including non-emergency transport services, by January 1, 2012.

127. Transportation in Project Sustainability Rates. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$4.2 million, including \$2.0 million from general revenues from the Department no longer having to provide transportation services to those adults with developmental disabilities who receive services through Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Transportation expenses for those clients will be included in that department's new rates implemented through Project Sustainability.

128. Upper Payment Limit. The Governor's FY 2012 recommended budget eliminates the upper payment limit reimbursement paid to the community hospitals for outpatient services and assumes savings of \$18.1 million from all funds, including \$6.5 million from general revenues. The House Finance Committee adds \$12.1 million, including \$5.8 million from general revenues for that payment.

129. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office and removes a like amount of funding from the Department of Human Services.

130. Weatherization and LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources at the Department of

Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

131. Women, Infants and Children Nutrition Program. The Governor includes Article 9, Sections 1 through 3 of 2011-H 5894 that shifts the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. This includes \$26.3 million from federal funds and 12.0 full-time equivalent positions for FY 2012. The House Finance Committee does not concur and keeps the program with the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

132. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$24,118 in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

133. DD - Medicare/Medicaid Plans First Payor. The House Finance Committee recommends savings of \$1.0 million, \$0.5 million from general revenues from the Department first charging Medicare and Rhody Health for medical services provided to individuals in its developmental disabilities system. Approximately 66 percent of the 4,000 clients have access to Medicare with the remaining enrolled in the Rhody Health program through the Department of Human Services.

134. Facilities Management Group Homes Transfer from DOA to BHDDH (GBA). Consistent with the Governor's amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

135. Health Homes Initiative (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$12.7 million from federal health home funds that was not included in his recommendation.

136. Hospital Turnover Savings. The House Finance Committee recommends additional turnover savings of \$2.1 million, \$1.0 million from general revenues at the state hospital. The Governor's FY 2012 budget assumes 68.0 vacant positions and Department has averaged 140.0 vacant positions.

137. Licensing Fee. The House Finance Committee recommends adding \$23,584 from all funds including \$11,092 from general revenues to fund the hospital license fee at \$6.0 million for Eleanor Slater Hospital. The FY 2012 fee, paid by both the community hospitals and the state, is decreasing from 5.465 percent to 5.43 percent of net patient services revenue; however, the base year has been updated. There is also a corresponding revenue adjustment.

138. Project Sustainability Further Adjustments. The House Finance Committee recommends further savings of \$10.5 million, including \$5.0 million from general revenues from the Department implementing Project Sustainability, a redesign of the current system of services for adults with developmental disabilities to align resources with individual needs and to pay for service for specific periods of time. The Governor includes savings of \$4.6 million from all sources from this initiative.

139. RICLAS Group Homes Transition to Private Providers. The House Finance Committee recommends savings of \$235,997, \$112,500 from general revenues from transferring operations of five state run group homes to the privately operated system.

Department of Veterans' Affairs

140. Maintain Veterans' Affairs as a Division. The Governor's budget includes the creation of the new Department of Veterans' Affairs and shifts expenses and positions from the Department of Human Services. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services, shifting expenses and positions back to the Department of Human Services, excluding the five new positions the Governor recommended specifically for the creation of the new Department.

Elementary & Secondary Education

141. Adult Literacy from HRIC. The Governor's budget includes \$2.3 million from general revenues and \$3.5 million from Human Resource Investment Council funds for FY 2012. The Human Resource Investment Council Board determines the grant allocations from the funds. The appropriation from Human Resource Investment Council funds is shown as a separate line item in the appropriations act. The House Finance Committee recommends an additional \$2.3 million from Human Resource Investment Council funds in lieu of a like amount from general revenues.

142. Capital - Davies School Asset Protection. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for three new projects in FY 2011 through FY 2013 for the Davies Career and Technical School to replace the lighting, windows, and paving. The House Finance Committee recommends funding these projects as part of the school's asset protection project. It adds \$275,000 in FY 2012, FY 2013, FY 2014 and \$50,000 in FY 2015 and FY 2016.

143. Capital - East Providence Career and Tech. The Governor recommends \$950,000 from Rhode Island Capital Plan funds for FY 2011 to cover remaining fire, health, and life safety repairs at the East Providence Career and Technical Center. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$150,000 to purchase new boilers. The House Finance Committee recommends providing the additional \$150,000 for FY 2012 to complete the project.

144. Capital - Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

145. Capital - Newport Career and Tech. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for FY 2011 through FY 2013 to replace the roof at the Newport Career and Technical Center for the district to consider taking ownership of the facility. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$200,000 to complete Americans with Disability Act code repairs. The House Finance Committee recommends providing an additional \$200,000 and advancing the \$300,000 recommended for FY 2013 to FY 2012 to complete the project.

146. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$71,524 to community service grants in the Department of Elementary and Secondary Education.

147. Early Childhood. The Governor recommends the enacted level of \$0.7 million for early childhood programs. The new education funding formula allows for additional funding from the state for early childhood

education programs. Funding will be used to increase access to voluntary, free, high-quality pre-kindergarten programs. This pilot program began in FY 2010 with \$700,000. The House Finance Committee does not recommend funding this program in FY 2012.

148. Education Aid Data Update (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$0.6 million from general revenues for the first year of the education funding formula based on updated data. This includes redistribution among districts with some receiving more and some receiving less than the Governor's budget assumed. The Department of Elementary and Secondary Education provided updated student enrollment and free and reduced lunch eligibility data in April. The Governor's budget uses June 30, 2010 student enrollment data adjusted for FY 2012 projected charter school enrollments and census data released in December 2010.

149. Education Aid - Construction Aid Moratorium. Instituting a moratorium on the school housing aid program for projects that do not yet have Regents' approval would result in savings of \$7.7 million to the state beginning in FY 2013. This is based on 11 projects that are currently under review by Department of Elementary and Secondary Education staff that have not yet received Regents' approval. It assumes that all of these projects will receive Regents approval and complete by June 30, 2012 in order to be eligible for reimbursement in FY 2013. It also assumes FY 2012 school housing aid share ratios and a minimum of 40.0 percent pursuant to the new education funding formula.

150. Education Telecommunications Access Fund. The Governor proposes reducing the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012.

151. Progressive Support and Intervention. The FY 2012 recommended budget includes the enacted level of \$2.7 million from general revenues for support of reform efforts in selected school districts as part of the progressive support and intervention program. The budget funds experts to begin the design and development work for the transformation process contained in the Regents' new strategic plan. It appears that this work is also part of the Department's Race to the Top planned activities. The House Finance Committee recommends savings of \$2.7 million by eliminating the general revenue support for these activities and funding them through federal Race to the Top funds.

152. School for the Deaf Rental Income Offset. The Governor recommends legislation that authorizes the School for the Deaf to rent or lease space in its school building. It establishes a new restricted receipt account for the deposit of funds from rentals or leases to be used by the school to support its operations, and he includes \$90,000 from rental income in the FY 2012 budget. The House Finance Committee concurs with the proposed legislation and recommends that general revenues be reduced by \$67,500 to partially offset the additional expenditures from rental income.

153. Supplant Education Jobs Fund - Admin at RIDE. On September 9, 2010, the state was awarded \$32.9 million in one-time federal funding under the Education Jobs Fund program to retain and rehire school-based personnel in local education agencies. The majority of funding will be distributed to districts to be used for compensation costs for school-based personnel. The Governor's FY 2012 education aid proposal includes use of \$32.2 million from education jobs funds in lieu of general revenues. The House Finance Committee recommends treating the Department the same and reduces general revenue administrative costs by the amount of Education Jobs funds that it will receive in FY 2012, \$248,000.

154. Teacher Retirement Savings (GBA). The Governor requested an amendment that recognizes general revenue savings of \$1.0 million for the state's share of teacher retirement costs based on recent payroll

estimates from the Department of Elementary and Secondary Education. The state pays 40 percent of the employer's share of teacher retirement costs. The House Finance Committee concurs.

155. Textbook Reimbursement. The House Finance Committee recommends \$240,000 for FY 2012 to reimburse school districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.

Public Higher Education

156. Additional State Support. The Governor's FY 2012 recommendation includes an additional \$10.0 million from general revenues with the intent that the Community College not raise tuition and the University and College will either have marginal tuition and fee increases or expenditure reductions. The House Finance Committee recommends only \$4.0 million more than the FY 2011 enacted budget, which is \$6.0 million less than the Governor's recommendation.

157. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$113,419 to community service grants in Public Higher Education.

158. Higher Education Administration. The House Finance Committee recommends additional turnover savings of \$800,000 in FY 2012 for the reorganization of the Office of Higher Education. The Governor's recommendation includes \$2.6 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.1 million in turnover savings.

159. Capital - RIC - New Art Center Renovation/Addition. The Governor's recommendation includes \$18.8 million for a new art center at Rhode Island College. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

160. Capital - URI - New Chemistry Building. The Governor's recommendation includes \$4.8 million from Rhode Island Capital Plan funds to study and plan construction of a new chemistry building at the University. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013.

161. Capital - URI - Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

162. Capital - CCRI - Asset Protection. The House Finance Committee recommends an additional \$1.8 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at the Community College of Rhode Island. This includes an additional \$350,000 in each FY 2012 through FY 2016.

163. Capital - RIC - Asset Protection. The House Finance Committee recommends an additional \$2.3 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at Rhode Island College. This includes an additional \$450,000 in each FY 2012 through FY 2016.

164. Capital - URI - Asset Protection. The House Finance Committee recommends an additional \$6.0 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects

at the University of Rhode Island. This includes an additional \$1.2 million in each FY 2012 through FY 2016.

State Council on the Arts

165. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$40,248 in the Council on the Arts.

166. Grant Restoration. The House Finance Committee restores \$0.1 million of general revenues the Governor's budget removed from discretionary grants. These grants are awarded to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community.

Higher Education Assistance Authority

167. Needs Based Grants to College Bound Funds. The CollegeBound*fund* is projecting an FY 2011 year-end operating balance of \$0.5 million. The House Finance Committee recommends reducing general revenues for need based scholarships and grants by \$250,000 and using tuition savings fees instead. Total funding for scholarships and grants would not change.

Historical Preservation and Heritage Commission

168. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$17,844 for the Historical Preservation and Heritage Commission.

169. RICAP for Eisenhower. The House Finance Committee recommends eliminating general revenue funding for repairs to the building and utilizing \$272,800 from Rhode Island Capital Plan funds for the FY 2012 through FY 2016 period for these expenses.

RI Public Telecommunications Authority

170. Turnover (1.0 FTE). The House Finance Committee recommends turnover savings of \$150,000 from a continued vacancy.

Attorney General

171. Federal Grant Adjustments (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$1.5 million from federal funds for a new long-term care grant to provide background checks for healthcare workers.

172. Telephone (GBA). Consistent with a Governor's budget amendment, the House Finance Committee increases operating expenditures by \$12,501 to reflect new telephone expenses transferred from the Judiciary to the Office of the Attorney General.

173. Tobacco Litigation. The House Finance Committee recommends reducing general revenue funding used for tobacco litigation by \$150,000 to reflect anticipated expenses.

Department of Corrections

174. Capital - Administration HVAC. The Governor's FY 2012 capital budget includes \$150,000 from Rhode Island Capital Plan funds for a feasibility study on the construction of an interdepartmental weapons range for use by multiple state departments. Subsequently, the Governor requested an amendment to transfer the funds from the Department of Corrections to the Department of Administration. The House Finance Committee concurs.

175. Capital - Asset Protection. The Governor's capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

176. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

177. Facility Consolidation and Population Reduction. The House Finance Committee recommends a population of 3,239 inmates and general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing available community placements, including the phasing out of use of the Donald Price Medium Security facility. This recommendation assumes a reduction in overtime and population related expenses calculated on a per diem basis. Based on the current population and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the recommended savings.

Judicial

178. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$37,825 in the Judiciary.

179. Federal Grant Adjustments (GBA). The House Finance Committee recommends adding \$282,837 from federal funds consistent with the Governor's budget amendment.

180. Personnel. The Governor's FY 2012 budget includes \$67.4 million from general revenues for personnel expenses. The House Finance Committee recommends reducing this by \$1.0 million.

Military Staff

181. Armory Closure. The House Finance Committee does not concur with the nine month temporary closure of several armories and restores \$109,900.

182. Capital - Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter

report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

183. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

184. Capital - Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

185. Capital - State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

186. Federal Grant Adjustments. The Governor requested an amendment to add \$104,452 to reflect available federal grants in FY 2012. He also includes a shift of \$0.4 million from FY 2012 to FY 2011 due to accelerated grant spending. Funds will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

187. Indirect Cost Recovery. The Governor's FY 2011 revised budget and FY 2012 recommendation restore \$489,742 from general revenues. The 2010 Assembly included general revenue savings of \$489,742 assuming an indirect rate of not less than 5.0 percent on federal grants from the Emergency Management Agency complying with current law and applying for and receiving a negotiated indirect rate. It is important to note that currently the Military utilizes a 5.0 percent rate for management and administration costs. The House Finance Committee assumes general revenue savings for FY 2012 and imposes an indirect rate on federal grants which will generate \$220,000 of available resources.

188. Turnover Savings. The Governor includes turnover savings of \$0.2 million, which reflects 2.0 vacant positions. The House Finance Committee recommends additional general revenue turnover savings of \$37,000, which is equivalent to 0.5 positions.

Department of Public Safety

189. Federal Fund Adjustments. The Governor requested an amendment to add \$0.3 million from federal funds in FY 2011 for seven different grants. A review of projected spending indicates that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends \$0.2 million in FY 2011 with the remainder budgeted in FY 2012. The Governor subsequently requested an amendment to his FY 2012 budget that includes \$0.1 million more from federal funds for two grants. The House Finance Committee concurs.

190. Homeland Security Grants. Subsequent to his budget submission, the Governor requested an amendment to add \$839,641 from new federal homeland security grant awards to upgrade and purchase

bomb detection robots for the State Fire Marshal and purchase equipment for the State Police dive team. The House Finance Committee concurs.

191. Capital - Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 due to project delays.

Department of Environmental Management

192. Capital - Fort Adams Rehabilitation. The Governor's FY 2012 budget includes \$0.3 million from Rhode Island Capital Plan funds for rehabilitation projects at Fort Adams State Park in Newport. The House Finance Committee recommends increasing this amount by \$1.3 million to reflect a revised project schedule, which involves additional phases of the fort's rehabilitation and asset protection projects in the area surrounding the Fort.

193. Capital - Recreational Facilities Improvements. The House Finance Committee recommends \$0.5 million more from Rhode Island Capital Plan funds for improvements at Rhode Island recreational facilities, including parks and management areas. Funding is used for bridges, restroom improvements and replacements, as well as design and construction of additional camping and recreational facilities throughout the state.

194. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$11,987 to community service grants in the Department of Environmental Management.

195. Turnover. The Governor's FY 2012 budget includes \$1.0 million of turnover savings for the Department, which is the equivalent of approximately 10.0 positions. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 to reflect the projected number of filled positions.

196. Tourism Asset Protection Fund. The Governor's budget includes \$1.7 million for the Department of Environmental Management from the Tourism Asset Protection Fund for tourism related improvements. After FY 2012, use of the funds would be at the discretion of the Department of Administration; however, funds are assumed to be used for projects at Fort Adams State Park in Newport in FY 2012. The House Finance Committee does not concur with the establishment of this fund and removes the funding from the Department's budget.

Coastal Resources Management Council

197. Capital - South Coast Restoration Project. The Governor's FY 2012 budget includes \$0.4 million for dredging and habitat restoration projects as part of the South Coast Restoration Project. The funding was recommended to be used as a match for federal funds for projects at Winnepaug Pond. Due to a delay in this project, the House Finance Committee is shifting the \$0.4 million to FY 2013, and providing \$0.3 million from Rhode Island Capital Plan funds in FY 2012 to maintain the previous dredging of the Charlestown Breachway.

Water Resources Board

198. Merge into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the

Water Resources Board Corporate. The merger would remove \$1.2 million of general revenue expenditures.

Department of Transportation

199. Capital - Paratransit Vehicles. The Governor's capital budget includes a total of \$190,400 from Rhode Island Capital Plan funds in FY 2012 to match federal funds and funds from the Rhode Island Public Transit Authority for the replacement of paratransit vehicles, software upgrades and surveillance equipment. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project.

200. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

201. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.8 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

202. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million which was due to a downward revision of the gasoline tax yield estimate.

Section III

Special Reports

State Aid to Local Governments

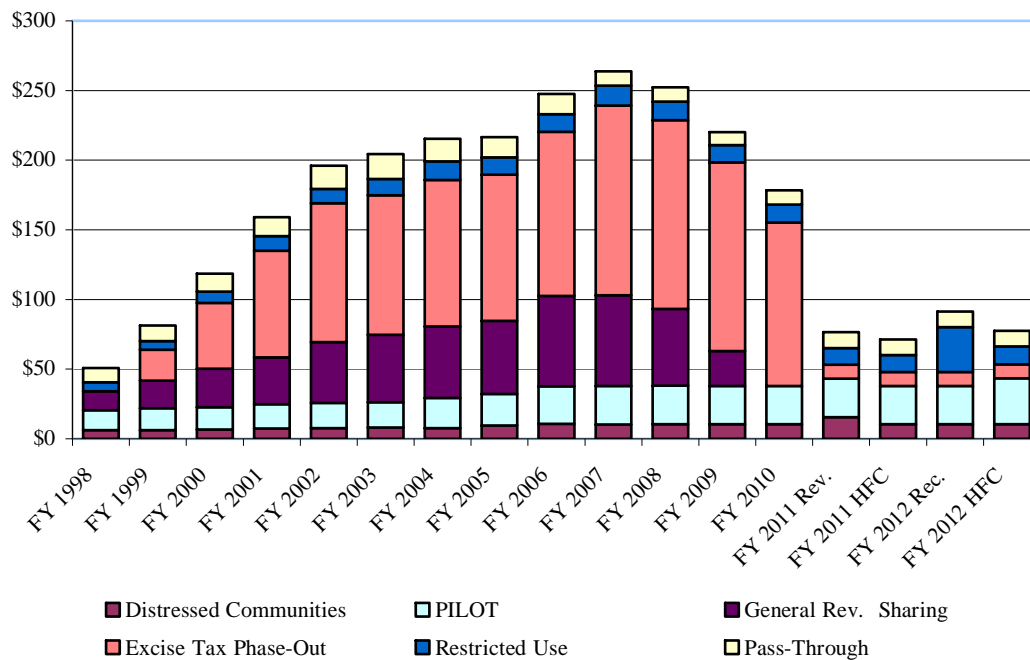
Introduction

The House Finance Committee provides state aid to cities and towns totaling \$60.0 million for FY 2011 and \$66.2 million for FY 2012 from state general revenues. Funding in FY 2011 includes \$48.0 million for general aid programs and \$12.1 million for restricted use programs. Local communities will also receive \$11.4 million in public service corporation property taxes that the state collects and passes through to the communities in both FY 2011 and FY 2012.

The revised general aid recommendation for FY 2011 is consistent with the enacted budget and is \$5.2 million less than the Governor’s budget, which recommended increased funds for the Distressed Communities Relief, provided eligible communities meet certain financial reporting requirements.

The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes program.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through FY 2012.



The programs are discussed on the following pages, followed by tables that show the distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations’ tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes.

- **General.** The House Finance Committee recommends \$48.0 million in FY 2011 and \$53.5 million in FY 2012. Distributions to communities reflect updated data.

Fiscal Year	2000	2005	2008	2009	2010	2011 Enacted	2011 Gov. Rev.	2011 HFC	HFC to Gov. Rev.	2012 Gov. Rec.	2012 HFC	HFC Gov. Rec.
General Aid - State Sources												
Distressed Communities*	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ 15.6	\$ 10.4	\$ (5.2)	\$ 10.4	\$ 10.4	\$ -
PILOT	16.1	22.7	27.8	27.6	27.6	27.6	27.6	27.6	-	27.6	33.1	5.5
General Rev. Sharing	27.6	52.4	55.1	25.0	-	-	-	-	-	-	-	-
Excise Tax Phase-Out	47.3	105.0	135.3	135.4	117.2	10.0	10.0	10.0	-	10.0	10.0	-
Subtotal	\$ 97.5	\$ 189.7	\$ 228.6	\$ 198.3	\$ 155.1	\$ 48.0	\$ 53.2	\$ 48.0	\$ (5.2)	\$ 48.0	\$ 53.5	\$ 5.5
Restricted Use Aid - State Sources												
State Aid for Libraries	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ 8.8	\$ -
Library Const. Aid	1.6	2.5	2.8	2.6	2.6	2.5	2.5	2.5	-	2.8	2.8	-
Police & Fire Incentive	0.9	1.1	0.7	-	-	-	-	-	-	-	-	-
Prop. Reval. Reimb.	0.0	0.6	1.1	1.1	1.6	1.0	0.8	0.8	-	1.1	1.1	-
MAST Fund										19.3	-	(19.3)
Subtotal	\$ 8.2	\$ 12.3	\$ 13.4	\$ 12.5	\$ 13.0	\$ 12.3	\$ 12.1	\$ 12.1	\$ -	\$ 32.1	\$ 12.7	\$ (19.3)
Total - State Sources	\$ 105.7	\$ 202.0	\$ 241.9	\$ 210.8	\$ 168.2	\$ 60.2	\$ 65.2	\$ 60.0	\$ (5.2)	\$ 80.0	\$ 66.2	\$ (13.8)
Other Aid - Pass-Through												
Public Service Corp.	\$ 12.8	\$ 14.6	\$ 10.3	\$ 9.2	\$ 10.2	\$ 10.2	\$ 11.4	\$ 11.4	\$ -	\$ 11.4	\$ 11.4	\$ -

*FY 2007 reflects recapture of \$230,272 overpayment from FY 2006.

- Distressed Communities Relief Fund.** The Governor's FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.
- Payment in Lieu of Taxes Program.** The Committee provides \$27.6 million in FY 2011 and \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program. The FY 2012 recommendation represents a reimbursement of 23.4 percent, which is 4.0 percent and \$5.5 million more than the Governor's recommendation. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The appropriation for the program has been level funded since FY 2008 when funds represented 25.0 percent of the amount that would have been due. With no additional funding, that has fell to 21.1 percent in FY 2011. The Governor's budget reflected a reimbursement of 19.4 percent for FY 2012.
- General Revenue Sharing.** The budget does not include any funding for the General Revenue Sharing Program. The 2009 Assembly adopted the Governor's recommendation to subject the program permanently to appropriation, deleted the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter, and deleted the two-thirds requirement for repealing or amending the statute relating to the apportionment of aid.
- Motor Vehicle Excise Tax Phase-Out.** The Committee recommends level funding the program in FY 2011 and FY 2012 at the \$10.0 million enacted amount.
- Library Resource Sharing Aid.** The Committee provides \$8.8 million in both FY 2011 and FY 2012 for library operating aid. Community distributions in FY 2012 reflect updated data and a ratable reduction to the appropriation.
- Library Construction Aid.** The Committee provides \$2.5 million in FY 2011 and \$2.8 million in FY 2012 for library construction aid. The state reimburses libraries up to half of the total cost for eligible projects on an installment basis for a period of up to 20 years. It also imposes a three-year moratorium on any library construction project, effective July 1, 2011.

- ***Property Valuation Reimbursement.*** The Committee provides \$0.8 million in FY 2011 and \$1.1 million in FY 2012 to fully fund reimbursements to communities conducting property valuation updates.
- ***Public Service Corporation Tax.*** The FY 2011 and FY 2012 budgets assume the state will collect \$11.4 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.
- ***Municipal Accountability, Stability and Transparency Fund.*** The Governor's budget proposed the establishment of the Municipal Accountability, Stability and Transparency Fund to encourage municipalities to address unfunded liabilities for pensions and other-post employment benefits. His recommended budget includes \$19.3 million and will be available from a 1.0 percent sales tax on meals and beverages with his proposal to rollback the regular sales tax to 6.0 percent, taxpayers would not see a change in the tax paid in meals and beverage. The funds will be distributed based on per capita income and local tax burdens using FY 2009 data from the General Revenue Sharing Program. The House Finance Committee does not concur; it does include some increased financial reporting requirements.

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 327,240	\$ 294,192	\$ (33,048)	\$ 294,192	\$ -
Bristol	695,172	697,446	2,274	697,446	-
Burrillville	763,769	989,970	226,201	769,016	(220,954)
Central Falls	371,587	467,121	95,534	371,025	(96,096)
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	5,191,475	21,950	5,191,475	-
Cumberland	213,801	216,622	2,821	216,622	-
East Greenwich	130,306	131,077	771	131,077	-
East Providence	1,295,314	1,650,388	355,074	1,293,740	(356,648)
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,750	1,324	69,750	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	971,841	(1,333)	971,841	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	234,003	4,804	234,003	-
North Providence	1,324,652	1,317,007	(7,645)	1,317,007	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	3,364,174	797,199	2,559,462	(804,712)
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	28,670,683	2,750,633	25,827,727	(2,842,956)
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	711,000	3,062	711,000	-
South Kingstown	293,327	296,393	3,066	296,393	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,114,127	83,672	2,114,127	-
Westerly	339,542	340,736	1,194	340,736	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,618,602	465,741	1,149,433	(469,169)
Woonsocket	1,318,582	1,716,499	397,917	1,314,806	(401,693)
Total	\$ 47,964,867	\$ 53,157,095	\$ 5,192,228	\$ 47,964,867	\$ (5,192,228)

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 327,240	\$ 290,438	\$ (36,802)	\$ 299,458	\$ 9,020
Bristol	695,172	713,610	18,438	832,543	118,933
Burrillville	763,769	554,681	(209,088)	573,846	19,165
Central Falls	371,587	397,762	26,175	401,735	3,973
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	4,959,452	(210,073)	5,758,680	799,228
Cumberland	213,801	216,616	2,815	216,637	21
East Greenwich	130,306	130,752	446	132,203	1,451
East Providence	1,295,314	1,330,451	35,137	1,355,956	25,505
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,729	1,303	69,808	79
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	916,474	(56,700)	1,071,593	155,119
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	229,852	653	230,181	329
North Providence	1,324,652	1,395,562	70,910	1,479,595	84,033
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	2,561,954	(5,021)	2,634,322	72,368
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	26,029,369	109,319	29,871,643	3,842,274
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	726,516	18,578	815,173	88,657
South Kingstown	293,327	306,088	12,761	332,795	26,707
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,191,425	160,970	2,397,800	206,375
Westerly	339,542	338,015	(1,527)	359,417	21,401
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,124,125	(28,736)	1,124,125	-
Woonsocket	1,318,582	1,388,007	69,425	1,413,369	25,362
Total	\$ 47,964,867	\$ 47,964,867	\$ -	\$ 53,464,867	\$ 5,500,000

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	708,688	221,068	487,734	(220,954)
Central Falls	267,573	363,633	96,060	267,537	(96,096)
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	1,114,116	356,511	757,468	(356,648)
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	510,516	-	510,516	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	2,321,986	804,431	1,517,274	(804,712)
Portsmouth	-	-	-	-	-
Providence	5,111,263	7,954,890	2,843,627	5,111,934	(2,842,956)
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	1,394,669	468,984	925,500	(469,169)
Woonsocket	806,641	1,208,188	401,547	806,495	(401,693)
Total	\$ 10,384,458	\$ 15,576,686	\$ 5,192,228	\$ 10,384,458	\$ (5,192,228)

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	243,867	(243,753)	243,867	-
Central Falls	267,573	293,509	25,936	293,509	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	757,468	(137)	757,468	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	624,043	113,527	624,043	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	1,534,272	16,717	1,534,272	-
Portsmouth	-	-	-	-	-
Providence	5,111,263	5,143,906	32,643	5,143,906	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	900,192	(25,493)	900,192	-
Woonsocket	806,641	887,201	80,560	887,201	-
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ 10,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 85,188	\$ 48,984	\$ (36,204)	\$ 48,984	\$ -
Bristol	579,478	580,241	763	580,241	-
Burrillville	66,485	66,573	88	66,573	-
Central Falls	19,133	19,158	25	19,158	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,239,850	5,575	4,239,850	-
Cumberland	109	109	-	109	-
East Greenwich	7,589	7,599	10	7,599	-
East Providence	91,068	91,188	120	91,188	-
Exeter	-	-	-	-	-
Foster	417	417	-	417	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	833,229	1,096	833,229	-
New Shoreham	-	-	-	-	-
North Kingstown	5,795	5,803	8	5,803	-
North Providence	455,764	456,364	600	456,364	-
North Smithfield	-	-	-	-	-
Pawtucket	376,910	377,406	496	377,406	-
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,097,871	25,113	19,097,871	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	429,064	564	429,064	-
South Kingstown	124,067	124,230	163	124,230	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	957,595	1,260	957,595	-
Westerly	109,895	110,040	145	110,040	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	134,688	178	134,688	-
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 27,580,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 85,188	\$ 45,230	\$ (36,204)	\$ 54,250	\$ 9,020
Bristol	579,478	596,405	763	715,338	118,933
Burrillville	66,485	96,105	88	115,270	19,165
Central Falls	19,133	19,923	25	23,896	3,973
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,007,827	5,575	4,807,055	799,228
Cumberland	109	103	-	124	21
East Greenwich	7,589	7,274	10	8,725	1,451
East Providence	91,068	127,899	120	153,404	25,505
Exeter	-	-	-	-	-
Foster	417	396	-	475	79
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	777,862	1,096	932,981	155,119
New Shoreham	-	-	-	-	-
North Kingstown	5,795	1,652	8	1,981	329
North Providence	455,764	421,392	600	505,425	84,033
North Smithfield	-	-	-	-	-
Pawtucket	376,910	362,900	496	435,268	72,368
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,267,541	25,113	23,109,815	3,842,274
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	444,580	564	533,237	88,657
South Kingstown	124,067	133,925	163	160,632	26,707
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	1,034,893	1,260	1,241,268	206,375
Westerly	109,895	107,319	145	128,720	21,401
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	127,183	178	152,545	25,362
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 33,080,409	\$ 5,500,000

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 323,140	\$ -
Bristol	106,449	106,449	-	106,449	-
Burrillville	124,196	124,196	-	124,196	-
Central Falls	76,712	76,712	-	76,712	-
Charlestown	46,444	46,444	-	46,444	-
Coventry	198,364	198,364	-	198,364	-
Cranston	564,855	564,855	-	564,855	-
Cumberland	242,455	242,455	-	242,455	-
East Greenwich	107,800	107,800	-	107,800	-
East Providence	454,240	454,240	-	454,240	-
Exeter	32,685	32,685	-	32,685	-
Foster	34,283	34,283	-	34,283	-
Glocester	68,546	68,546	-	68,546	-
Hopkinton	28,903	28,903	-	28,903	-
Jamestown	76,368	76,368	-	76,368	-
Johnston	96,481	96,481	-	96,481	-
Lincoln	179,391	179,391	-	179,391	-
Little Compton	26,702	26,702	-	26,702	-
Middletown	123,398	123,398	-	123,398	-
Narragansett	113,169	113,169	-	113,169	-
Newport	364,548	364,548	-	364,548	-
New Shoreham	94,072	94,072	-	94,072	-
North Kingstown	246,625	246,625	-	246,625	-
North Providence	154,613	154,613	-	154,613	-
North Smithfield	61,584	61,584	-	61,584	-
Pawtucket	398,156	398,156	-	398,156	-
Portsmouth	99,917	99,917	-	99,917	-
Providence*	2,276,903	2,276,903	-	2,276,903	-
Richmond	21,874	21,874	-	21,874	-
Scituate	92,532	92,532	-	92,532	-
Smithfield	254,642	254,642	-	254,642	-
South Kingstown	205,999	205,999	-	205,999	-
Tiverton	90,485	90,485	-	90,485	-
Warren	51,162	51,162	-	51,162	-
Warwick	657,409	657,409	-	657,409	-
Westerly	287,122	287,122	-	287,122	-
West Greenwich	24,649	24,649	-	24,649	-
West Warwick	171,415	171,415	-	171,415	-
Woonsocket	195,110	195,110	-	195,110	-
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended**</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 332,622	\$ 9,482
Bristol	106,449	106,449	-	119,255	12,806
Burrillville	124,196	124,196	-	124,048	(148)
Central Falls	76,712	76,712	-	62,301	(14,411)
Charlestown	46,444	46,444	-	47,345	900
Coventry	198,364	198,364	-	203,149	4,785
Cranston	564,855	564,855	-	530,519	(34,337)
Cumberland	242,455	242,455	-	266,209	23,754
East Greenwich	107,800	107,800	-	111,399	3,599
East Providence	454,240	454,240	-	395,804	(58,436)
Exeter	32,685	32,685	-	40,392	7,708
Foster	34,283	34,283	-	31,425	(2,857)
Glocester	68,546	68,546	-	70,178	1,632
Hopkinton	28,903	28,903	-	29,512	609
Jamestown	76,368	76,368	-	77,618	1,250
Johnston	96,481	96,481	-	110,371	13,890
Lincoln	179,391	179,391	-	186,608	7,217
Little Compton	26,702	26,702	-	28,295	1,592
Middletown	123,398	123,398	-	126,526	3,129
Narragansett	113,169	113,169	-	123,812	10,643
Newport	364,548	364,548	-	377,002	12,454
New Shoreham	94,072	94,072	-	73,576	(20,496)
North Kingstown	246,625	246,625	-	257,813	11,188
North Providence	154,613	154,613	-	163,008	8,395
North Smithfield	61,584	61,584	-	63,053	1,468
Pawtucket	398,156	398,156	-	365,315	(32,841)
Portsmouth	99,917	99,917	-	102,565	2,648
Providence*	2,276,903	2,276,903	-	2,337,393	60,490
Richmond	21,874	21,874	-	22,762	887
Scituate	92,532	92,532	-	94,735	2,203
Smithfield	254,642	254,642	-	267,131	12,489
South Kingstown	205,999	205,999	-	203,044	(2,956)
Tiverton	90,485	90,485	-	76,399	(14,087)
Warren	51,162	51,162	-	52,283	1,120
Warwick	657,409	657,409	-	638,711	(18,698)
Westerly	287,122	287,122	-	269,310	(17,812)
West Greenwich	24,649	24,649	-	26,493	1,844
West Warwick	171,415	171,415	-	173,748	2,333
Woonsocket	195,110	195,110	-	191,671	(3,439)
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

FY 2012 Education Aid

The House Finance Committee funds the first year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2012 uses March 14, 2011 student enrollment data adjusted for FY 2012 projected charter school enrollments, a per pupil core instruction amount of \$8,333 and census data released in December 2010. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less funding will have that loss phased in over ten years. The budget includes \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues.

Total Funding to Districts

A. Column **A** is the amount that districts would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

B. Column **B** is the amount of group home aid districts will receive in FY 2012. Group home aid will be paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional funding from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Column **C** shows the House Finance Committee recommendation that provides funding for transportation and the regionalization bonus.

D. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **D** shows the amount of the general revenue reduction.

E. Column **E** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

F. Column **F** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that districts will carry forward their FY 2011 allocation for use in FY 2012.

G. Column **G** shows the House Finance Committee's total FY 2012 recommended aid from general revenues and federal education jobs funds.

H. Column **H** is the FY 2011 enacted aid from all sources including group home aid.

I. Column **I** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the FY 2011 enacted budget in Column **H**.

J. Column **J** is the Governor's FY 2012 recommended budget. It was based on June 30, 2010 student enrollment data.

K. Column **K** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the Governor's FY 2012 recommendation shown in Column **J**.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>FY 2012 HFC Formula Aid</i>	<i>Group Home Aid</i>	<i>All Categoricals</i>	<i>Education Jobs Fund</i>
Barrington	\$ 2,362,934	\$ -	\$ 11,920	\$ (80,453)
Burrillville	12,585,056	420,000	3,716	(598,764)
Charlestown	1,670,987	-	33,462	-
Coventry	18,550,838	120,000	-	(829,477)
Cranston	34,041,838	-	106,220	(1,530,264)
Cumberland	12,644,415	-	18,664	(542,840)
East Greenwich	1,502,848	-	4,350	(60,142)
East Providence	24,736,571	636,000	3,037	(1,124,364)
Foster	1,241,245	-	1,069	(59,261)
Glocester	2,860,166	-	2,667	(135,039)
Hopkinton	5,613,789	-	112,406	-
Jamestown	369,267	-	-	(17,559)
Johnston	9,937,661	120,000	74,255	(440,076)
Lincoln	6,864,255	135,000	301	(288,938)
Little Compton	313,858	-	-	(13,144)
Middletown	8,927,808	480,000	-	(438,250)
Narragansett	1,488,608	-	-	(64,722)
Newport	10,221,213	480,000	-	(495,479)
New Shoreham	61,851	-	-	(2,501)
North Kingstown	10,674,839	-	-	(486,804)
North Providence	12,460,586	255,000	35,970	(554,729)
North Smithfield	4,500,714	120,000	10,011	(198,918)
Pawtucket	63,745,780	855,000	-	(2,878,291)
Portsmouth	5,072,149	690,000	-	(273,250)
Providence	183,074,948	2,730,000	-	(8,683,552)
Richmond	5,537,977	-	110,889	-
Scituate	3,150,369	-	5,573	(133,191)
Smithfield	4,718,805	240,000	8,115	(223,988)
South Kingstown	8,441,331	375,000	16,139	(420,852)
Tiverton	5,329,648	-	-	(241,531)
Warwick	33,436,513	360,000	65	(1,533,605)
Westerly	5,982,372	-	-	(261,313)
West Warwick	19,131,939	-	11,765	(864,504)
Woonsocket	44,843,051	165,000	4,472	(2,034,796)
Bristol-Warren	17,880,233	210,000	534,814	(866,462)
Chariho	344,882	-	297,200	(616,626)
Exeter-West Greenwich	6,306,153	210,000	302,195	(307,172)
Foster-Glocester	5,157,169	-	215,809	(239,219)
Central Falls	41,131,440	-	13,997	(1,969,619)
Total	\$ 636,916,106	\$ 8,601,000	\$ 1,939,081	\$ (29,509,695)
<i>Adjusted Chariho</i>	13,167,634	-	553,957	(616,626)

<i>District</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
	<i>FY 2012 HFC</i>			
	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>	<i>FY 2011 Enacted</i>
Barrington	\$ 2,294,401	\$ 80,453	\$ 2,374,854	\$ 1,777,692
Burrillville	12,410,008	598,764	13,008,772	13,049,312
Charlestown	1,704,449	-	1,704,449	1,708,264
Coventry	17,841,361	829,477	18,670,838	18,106,570
Cranston	32,617,794	1,530,264	34,148,058	31,729,746
Cumberland	12,120,239	542,840	12,663,079	11,853,639
East Greenwich	1,447,056	60,142	1,507,198	1,327,711
East Providence	24,251,244	1,124,364	25,375,608	24,531,957
Foster	1,183,053	59,261	1,242,314	1,293,021
Glocester	2,727,794	135,039	2,862,833	2,946,000
Hopkinton	5,726,195	-	5,726,195	5,695,888
Jamestown	351,708	17,559	369,267	386,846
Johnston	9,691,840	440,076	10,131,916	9,609,655
Lincoln	6,710,618	288,938	6,999,556	6,320,677
Little Compton	300,714	13,144	313,858	288,570
Middletown	8,969,558	438,250	9,407,808	9,562,746
Narragansett	1,423,886	64,722	1,488,608	1,423,684
Newport	10,205,734	495,479	10,701,213	10,812,053
New Shoreham	59,350	2,501	61,851	56,081
North Kingstown	10,188,035	486,804	10,674,839	10,633,129
North Providence	12,196,827	554,729	12,751,556	12,107,544
North Smithfield	4,431,807	198,918	4,630,725	4,342,683
Pawtucket	61,722,489	2,878,291	64,600,780	62,743,324
Portsmouth	5,488,899	273,250	5,762,149	5,968,097
Providence	177,121,396	8,683,552	185,804,948	179,813,040
Richmond	5,648,866	-	5,648,866	5,669,397
Scituate	3,022,751	133,191	3,155,942	2,913,522
Smithfield	4,742,932	223,988	4,966,920	4,899,277
South Kingstown	8,411,618	420,852	8,832,470	9,198,692
Tiverton	5,088,117	241,531	5,329,648	5,275,223
Warwick	32,262,973	1,533,605	33,796,578	33,493,714
Westerly	5,721,059	261,313	5,982,372	5,721,304
West Warwick	18,279,200	864,504	19,143,704	18,855,252
Woonsocket	42,977,727	2,034,796	45,012,523	44,356,033
Bristol-Warren	17,758,585	866,462	18,625,047	18,896,443
Chariho	25,456	616,626	642,082	383,667
Exeter-West Greenwich	6,511,176	307,172	6,818,348	6,708,949
Foster-Glocester	5,133,759	239,219	5,372,978	5,219,945
Central Falls	39,175,818	1,969,619	41,145,437	42,865,644
Total	\$ 617,946,492	\$ 29,509,695	\$ 647,456,187	\$ 632,544,990
<i>Adjusted Chariho</i>	13,104,965	616,626	13,721,591	13,457,216

<i>District</i>	<i>I</i> <i>Total FY 2012</i> <i>Change to</i> <i>Enacted</i>	<i>J</i> <i>FY 2012</i> <i>Governor</i>	<i>K</i> <i>FY 2012 Total</i> <i>Change to Gov</i>
Barrington	\$ 597,162	\$ 2,358,427	\$ 16,427
Burrillville	(40,540)	13,009,609	(838)
Charlestown	(3,816)	1,696,758	7,690
Coventry	564,268	18,690,799	(19,961)
Cranston	2,418,312	34,056,094	91,964
Cumberland	809,440	12,701,212	(38,133)
East Greenwich	179,487	1,504,606	2,593
East Providence	843,651	25,475,858	(100,249)
Foster	(50,708)	1,237,402	4,912
Glocester	(83,167)	2,866,365	(3,532)
Hopkinton	30,306	5,735,135	(8,940)
Jamestown	(17,579)	368,955	312
Johnston	522,261	10,155,696	(23,779)
Lincoln	678,879	6,949,637	49,919
Little Compton	25,289	314,727	(869)
Middletown	(154,938)	9,442,812	(35,004)
Narragansett	64,924	1,481,749	6,859
Newport	(110,840)	10,717,477	(16,264)
New Shoreham	5,770	61,803	48
North Kingstown	41,710	10,667,391	7,449
North Providence	644,012	12,729,686	21,870
North Smithfield	288,042	4,648,180	(17,455)
Pawtucket	1,857,456	64,576,209	24,572
Portsmouth	(205,948)	5,767,514	(5,365)
Providence	5,991,908	185,990,614	(185,666)
Richmond	(20,531)	5,642,629	6,237
Scituate	242,420	3,154,451	1,490
Smithfield	67,643	4,974,687	(7,767)
South Kingstown	(366,222)	8,828,084	4,386
Tiverton	54,425	5,343,549	(13,900)
Warwick	302,864	33,920,827	(124,250)
Westerly	261,069	5,970,828	11,545
West Warwick	288,452	19,171,353	(27,649)
Woonsocket	656,490	45,304,983	(292,459)
Bristol-Warren	(271,395)	18,622,094	2,954
Chariho	258,415	641,957	125
Exeter-West Greenwich	109,399	6,816,998	1,350
Foster-Glocester	153,033	5,380,618	(7,641)
Central Falls	(1,720,208)	40,468,382	677,054
Total	\$ 14,911,197	\$ 647,446,154	\$ 10,033
<i>Adjusted Chariho</i>	264,375	13,716,480	5,112

Total Funding to Charter and State Schools

A. Column **A** is the amount that charter and state schools would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that schools that will receive more state funding will have the additional funding phased in over seven years and schools that are going to receive less state funding will have that loss phased in over ten years.

B. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **B** shows the amount of the general revenue reduction.

C. Column **C** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

D. Column **D** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that charter and state schools will carry forward their FY 2011 allocation for use in FY 2012.

E. Column **E** shows the House Finance Committee's FY 2012 recommended formula aid from general revenues and federal education jobs funds.

F. Column **F** shows the Governor's FY 2012 recommendation. It is based on June 30, 2010 enrollment data. The Department of Elementary and Secondary Education provided March 14, 2011 enrollment data at the beginning of April.

G. Column **G** is the difference between the total House Finance Committee's FY 2012 recommended funding in Column **E** and the Governor's FY 2012 recommendation in Column **F**.

H. Column **H** is the starting point for calculating FY 2011 base formula aid. It is the FY 2011 enacted aid plus an adjustment done by the Department of Elementary and Secondary Education based on Budget Office target instructions sent out in July 2010. The reason for this adjustment is unclear.

I. Column **I** is the difference between the House Finance Committee's total FY 2012 recommended funding in Column **E** and the FY 2011 base amounts in Column **H**.

<i>School</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY 2012 HFC</i>				
	<i>FY 2012 HFC Formula Aid</i>	<i>Education Jobs Fund</i>	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>
Beacon	\$ 1,722,314	\$ (85,927)	\$ 1,636,387	\$ 85,927	\$ 1,722,314
Blackstone	1,552,492	(71,435)	1,481,056	71,435	1,552,491
Compass	608,800	(29,362)	579,438	29,362	608,800
Greene School	667,150	(26,637)	640,513	26,637	667,150
Highlander	2,716,793	(125,425)	2,591,368	125,425	2,716,793
International	2,896,237	(134,076)	2,762,161	134,076	2,896,237
Kingston Hill	727,276	(35,188)	692,088	35,188	727,276
Learning Community	5,954,782	(230,278)	5,724,504	230,278	5,954,782
New England Laborers	1,648,397	-	1,648,397	-	1,648,397
Nurses Institute	1,130,376	-	1,130,376	-	1,130,376
Paul Cuffee	6,805,659	(279,528)	6,526,131	279,528	6,805,659
Mayoral Academies Blackstone Valley	4,050,453	(93,285)	3,957,168	93,285	4,050,453
Segue Institute	2,562,049	(79,612)	2,482,437	79,612	2,562,049
Textron	2,323,795	-	2,323,795	-	2,323,795
Times2 Academy	7,111,479	-	7,111,479	-	7,111,479
Trinity	726,533	(18,714)	707,819	18,714	726,533
<i>Charter Schools Subtotal</i>	43,204,586	(1,209,467)	\$ 41,995,118	\$ 1,209,467	\$ 43,204,585
Davies Career and Tech	14,090,211	(673,955)	13,416,256	673,955	14,090,211
Met School	12,236,284	(593,721)	11,642,563	593,721	12,236,284
Total	\$ 69,531,081	\$ (2,477,143)	\$ 67,053,937	\$ 2,477,143	\$ 69,531,080

<i>School</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>
	<i>FY 2011 For</i>			
	<i>FY 2012 Gov Rec</i>	<i>HFC Change to Gov</i>	<i>Base Calculation</i>	<i>Change to Base Funding</i>
Beacon	\$ 1,732,711	\$ (10,397)	\$ 1,755,873	\$ (33,559)
Blackstone	1,553,291	(800)	1,563,108	(10,617)
Compass	609,710	(910)	642,210	(33,410)
Greene School	681,222	(14,072)	521,480	145,670
Highlander	2,713,276	3,517	2,741,436	(24,643)
International	2,887,024	9,213	2,932,501	(36,264)
Kingston Hill	724,215	3,061	769,530	(42,254)
Learning Community	5,786,707	168,075	5,267,909	686,873
New England Laborers	1,645,409	2,988	1,697,870	(49,473)
Nurses Institute	1,126,220	4,156	-	1,130,376
Paul Cuffee	6,719,793	85,866	6,259,303	546,356
Mayoral Academies Blackstone Valley	3,942,777	107,676	2,163,075	1,887,378
Segue Institute	2,541,835	20,214	1,740,632	821,417
Textron	2,314,584	9,211	2,341,876	(18,081)
Times2 Academy	7,107,590	3,889	7,217,958	(106,479)
Trinity	727,112	(579)	397,647	328,886
<i>Charter Schools Subtotal</i>	\$ 42,813,476	\$ 391,109	\$ 38,012,408	\$ 5,192,177
Davies Career and Tech	13,984,084	106,127	14,820,328	(730,117)
Met School	12,165,708	70,576	13,013,531	(777,247)
Total	\$ 68,963,268	\$ 567,812	\$ 65,846,267	\$ 3,684,813

Section IV

Adjustments to Governor's Revised Budget

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Revenue Changes					
1	May Revenue Conference	51,408,835	-	-	-	51,408,835
2	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
	Total	51,424,942	73,747,284	2,697,879	(39,518,816)	88,351,289
	Expenditures Changes					
	Administration					
3	Capital - Cranston Street Armory	-	-	-	(72,658)	(72,658)
4	Capital - Fire Code Compliance	-	-	-	(400,000)	(400,000)
5	Capital - Old State House	-	-	-	(200,000)	(200,000)
6	Capital - Pastore Buildings Demolition	-	-	-	(1,000,000)	(1,000,000)
7	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	(670,000)	(670,000)
8	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(120,000)	(120,000)
9	Capital - State Office Building	-	-	-	(400,000)	(400,000)
10	Capital - Washington County Government Center	-	-	-	(1,000,000)	(1,000,000)
11	Capital - William Powers Administration Building	-	-	-	(97,000)	(97,000)
12	Capital - Zambarano Utilities and Infrastructure	-	-	-	325,000	325,000
13	Central Falls Deficit	(1,800,000)	-	-	-	(1,800,000)
14	Centralized IT Savings (GBA)	(92,696)	-	-	-	(92,696)
15	Community Development Block Grant Adjustments	-	653,000	-	-	653,000
16	Distressed Enhancement	(5,192,229)	-	-	-	(5,192,229)
17	DoIT Victims of Crime Act Grant Adjustments	-	50,000	-	-	50,000
18	DOT Debt Service - Operating Deficit	(3,400,000)	-	-	3,400,000	-
19	DOT Debt Service BAB funds (GBA)	(1,688,447)	1,688,447	-	-	-
20	Fidelity Job Rent Credits (GBA)	(733,053)	-	-	-	(733,053)
21	New Positions (2.0 FTE)	(127,987)	-	-	-	(127,987)
22	Purchasing Website Delay (GBA)	(30,000)	-	-	-	(30,000)
23	Rainy Day Fund Payback	22,000,000	-	-	-	22,000,000
24	Stimulus - Homelessness Prevention Fund	-	396,210	-	-	396,210
25	Stimulus - Weatherization Assistance Adjustments	-	1,237,950	-	-	1,237,950
26	Turnover and Operating Savings (3rd Quarter)	(427,357)	-	-	-	(427,357)
	Business Regulation					
27	Turnover (3rd Quarter)	(175,000)	-	-	-	(175,000)
28	Assessments for Rate Filings	-	-	25,000	-	25,000
	Labor and Training					
29	3rd Quarter Changes and Surplus	(74,824)	-	-	-	(74,824)
30	Capital - Center General Roof	-	-	-	(770,000)	(770,000)
31	Emergency TANF Grants (GBA)	-	398,000	-	-	398,000
32	Extension of Emergency Unemployment Compensation (GBA)	-	66,253,500	-	(11,782,000)	54,471,500
33	Trade Adjustment Grant Award (GBA)	-	1,072,000	-	-	1,072,000

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Department of Revenue						
34	Central Falls Receivership (3rd Quarter)	249,146	-	-	-	249,146
35	Turnover and Operations (3rd Quarter)	(243,000)	-	-	-	(243,000)
36	Central Falls Receivership Staffing	(195,267)	-	-	-	(195,267)
37	Capital - Tax Data Warehouse	-	-	-	155,000	155,000
38	DMV RIMS Computer Project	-	250,000	-	-	250,000
Lieutenant Governor						
39	Health Policy Director (GBA)	35,698	-	-	-	35,698
40	Turnover Savings	(26,698)	-	-	-	(26,698)
Office of the General Treasurer						
41	Build Out Costs for Move to Warwick (GBA)	88,588	15,416	232,360	15,416	351,780
42	Unclaimed Property	-	-	1,664,663	-	1,664,663
Board of Elections						
43	HAVA Fund Expenditure from FY 2010 (GBA)	-	109,694	-	-	109,694
Governor's Office						
44	Turnover and Operating Savings (3rd Quarter)	(71,207)	-	-	-	(71,207)
Commission for Human Rights						
45	COLA Deferral Correction	(8,101)	(2,598)	-	-	(10,699)
Office of Health and Human Services						
46	Turnover and Operating Savings (3rd Quarter)	(14,295)	-	-	-	(14,295)
Children, Youth and Families						
47	Byrne Formula Grant (GBA)	-	20,343	-	-	20,343
48	Capital - NAFI Center	-	-	-	(450,000)	(450,000)
49	Capital - Sprinkler Head Retrofit	-	-	-	(25,360)	(25,360)
50	Capital - Training School Repairs/Improvements	-	-	-	(49,500)	(49,500)
51	Nurse and Family Partnership Grant (GBA)	-	90,000	-	-	90,000
52	Olmstead Grant (GBA)	20,000	-	-	-	20,000
Elderly Affairs						
53	Home and Community Care	451,773	(77,400)	-	-	374,373
54	Pharmaceutical Assistance	(400,000)	-	400,000	-	-
Health						
55	Turnover and Operating Savings (3rd Quarter)	(350,000)	-	-	-	(350,000)
56	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
57	Federal Fund Adjustments (GBA)	-	377,130	-	-	377,130
58	Women, Infants and Children Nutrition Program	-	(19,642,672)	-	-	(19,642,672)
Human Services						
59	Hardship	(37,500)	-	-	-	(37,500)
60	May Caseload Adjustments	4,766,407	(5,544,902)	-	-	(778,495)
61	Ride Program Gas Tax adjustment (GBA)	-	-	-	(41,761)	(41,761)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
62	Women, Infants and Children Nutrition Program	-	19,642,672	-	-	19,642,672
BHDDH						
63	Behavioral Health - 3rd Quarter Surplus	(835,203)	-	-	-	(835,203)
64	Capital - DD Private Waiver Community Facilities Fire Code Upgrades	-	(820,829)	-	(500,000)	(1,320,829)
65	Capital - Eleanor Slater Hospital Consolidation	-	-	-	(1,900,000)	(1,900,000)
66	Capital - Mental Health Community Facilities	-	-	-	(100,000)	(100,000)
67	Capital - MR Community Facilities	-	-	-	(200,000)	(200,000)
68	Capital - Regional Center Repair\Rehabilitation	-	-	-	(550,000)	(550,000)
69	Capital - Zambarano Buildings	-	-	-	(900,000)	(900,000)
70	Developmental Disabilities 3rd Quarter Deficit	835,203	(124,501)	-	-	710,702
71	Hospital Turnover	(500,000)	(734,872)	-	-	(1,234,872)
Governor's Commission on Disabilities						
72	New England ADA Grant Adjustment	-	2,282	-	-	2,282
Office of the Mental Health Advocate						
73	Turnover	(29,000)	-	-	-	(29,000)
Elementary & Secondary Education						
74	Capital - Cranston Career and Technical	-	-	-	(280,000)	(280,000)
75	Capital - Davies Lighting	-	-	-	(375,453)	(375,453)
76	Capital - Met School East Bay	-	-	-	(580,000)	(580,000)
77	Formula Aid Adjustments (GBA)	(60,577)	-	-	-	(60,577)
78	FY 2010 Central Falls Balance to FY 2012	(2,000,000)	-	-	-	(2,000,000)
79	Perkins Tuition	(13,216)	-	-	-	(13,216)
80	Stabilization Funds Reduction	729,663	(729,663)	-	-	-
81	Turnover Savings - Third Quarter Report	(100,000)	-	-	-	(100,000)
Public Higher Education						
82	Office of Higher Education Turnover	(240,000)	-	-	-	(240,000)
83	Capital - RIC - New Art Center Renovation/Addition	-	-	-	(1,300,000)	(1,300,000)
84	Capital - URI - New Chemistry Building	-	-	-	(2,000,000)	(2,000,000)
85	Capital - URI - Biotechnology Center	-	-	-	(4,500,000)	(4,500,000)
Arts Council						
86	Third Quarter Personnel and Operating	(26,903)	-	-	-	(26,903)
87	Percent for Arts Adjustment (GBA)	-	-	-	500,000	500,000
Higher Education Assistance Authority						
88	LEAP Funds	-	6,385	-	-	6,385
Historical Preservation and Heritage Commission						
89	Turnover	(26,000)	-	-	-	(26,000)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	RI Public Telecommunications Authority					
90	Turnover	(50,000)	-	-	-	(50,000)
	Attorney General					
91	Federal Grant Adjustments	-	21,810	-	-	21,810
92	Turnover (3rd Quarter)	(180,000)	-	-	-	(180,000)
	Corrections					
93	Capital - Asset Protection	-	-	-	(1,000,000)	(1,000,000)
94	Capital - Women's Plumbing and Bathroom Renovations	-	-	-	(1,235,000)	(1,235,000)
95	Third Quarter Personnel and Operating	(900,000)	-	-	-	(900,000)
96	Capital - Women's Roof, Masonry and General Renovations	-	-	-	(2,800,000)	(2,800,000)
97	Victim Services - Parole Board (GBA)	-	11,090	-	-	11,090
	Judicial					
98	Federal Grant Adjustments (GBA)	-	(394,778)	-	-	(394,778)
	Military Staff					
99	Capital - Armory of Mounted Commands	-	-	-	(1,000,000)	(1,000,000)
100	Capital - Asset Protection	-	-	-	(100,000)	(100,000)
101	Capital - Federal Armories - Fire Code Compliance	-	-	-	(50,000)	(50,000)
102	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	(65,563)	(65,563)
103	Capital - State Armories Fire Code Compliance	-	-	-	(155,000)	(155,000)
104	Excess Flood Match	(200,000)	-	-	-	(200,000)
105	Federal Grant Adjustments (GBA)	-	607,964	-	-	607,964
106	Nuclear Mitigation Fund-Balance Forward	-	-	71,686	-	71,686
	Public Safety					
107	Capital - Statewide Microwave/IT Upgrade	-	-	-	(1,000,000)	(1,000,000)
108	Federal Fund Adjustments (GBA)	-	154,825	-	-	154,825
109	Fire Training Academy	-	-	50,000	-	50,000
110	General Revenue Expenses to Forfeiture Funds	(125,000)	-	55,448	-	(69,552)
111	JAG Interest	-	-	11,577	-	11,577
112	Polygraph Training	-	-	1,145	-	1,145
113	Stabilization Fund Correction - Audit Finding	-	404,916	-	-	404,916
114	Third Quarter Adjustment	100,000	-	-	-	100,000
	Environmental Management					
115	Capital - Blackstone Valley Bikepath/State Park	-	-	-	(250,000)	(250,000)
116	Capital - Dam Repair	-	-	-	(640,000)	(640,000)
117	Capital - Galilee Piers	-	-	-	(750,000)	(750,000)
118	Capital - Newport Piers	-	-	-	(150,000)	(150,000)
119	Environmental Protection Grant Adjustments	-	325,000	-	-	325,000
120	Natural Resources Grant Adjustments	-	372,356	186,000	261,007	819,363

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Water Resources Board					
121	Third Quarter Adjustment	(19,927)	-	-	-	(19,927)
	Department of Transportation					
122	DOT - Gasoline Tax Adjustment	-	-	-	(908,628)	(908,628)
123	NHTSA Grant Increase (GBA)	-	1,087,056	-	-	1,087,056
124	RIPTA - Gasoline Tax Adjustment	-	-	-	(407,316)	(407,316)
125	Stimulus Fund Shift	-	6,571,453	-	-	6,571,453
126	Winter Maintenance	-	-	-	(3,400,000)	(3,400,000)
	Total	8,899,098	73,747,284	2,697,879	(39,518,816)	45,825,445

FY 2011 Revised Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and revised the FY 2011 estimate to \$3,091.1 million, which is \$53.8 million more than the revenues included in the November estimate and \$51.4 million more than the Governor's budget revised for his changes included in the estimate.
- 2. Cancer Registries Research (GBA).** The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

Expenditure Changes

Department of Administration

- 3. Capital – Cranston Street Armory.** The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.
- 4. Capital – Fire Code Compliance.** The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003 and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.
- 5. Capital – Old State House.** The FY 2012 through FY 2016 Capital Budget includes \$1.5 million from Rhode Island Capital Plan funds for various renovations at the Old State House including repaving the parking lot and replacing the heating system. The House Finance Committee shifts \$0.2 million from FY 2011 to FY 2014 to reflect the Department's revised schedule.
- 6. Capital – Pastore Buildings Demolition.** The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 7. Capital – Pastore Central Power Plant Rehabilitation.** The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 8. Capital – Pastore Utility Systems Water Tanks and Pipes.** The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would

not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

9. Capital – State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

10. Capital – Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

11. Capital - William Powers Administration Building. The FY 2011 revised budget includes \$0.5 million from Rhode Island Capital Plan funds for repairs and renovations at the William Powers Building. General renovations include bathroom repairs, painting and security upgrades. Subsequently, the Department indicated that it would only spend \$0.4 million of its FY 2011 appropriation. The House Finance Committee reduces the project costs to reflect the savings.

12. Capital – Zambarano Utilities and Infrastructure. The FY 2011 revised budget includes \$1.0 million for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The Governor requested an amendment to provide \$0.3 million of additional funds to reflect actual expenditures. The House Finance Committee concurs.

13. Central Falls Deficit. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively, to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

14. Centralized IT Savings (GBA). The revised budget includes \$363,237 from general revenues for the Department of Human Services use of contractors in the Division of Information Technology. Subsequently, the Governor requested an amendment to include \$92,696 in general revenue savings due to enhanced federal match. The House Finance Committee concurs and includes the savings.

15. Community Development Block Grant Adjustments. The revised budget includes \$5.0 million from federal community development block grants, which provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities. The Governor subsequently requested an amendment to provide an additional \$653,000 to reflect anticipated increases. Due to the timing of payments, grant funds often overlap fiscal years. The House Finance Committee concurs.

16. Distressed Enhancement. The FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.

17. DoIT Victims of Crime Act Grant Adjustments. The FY 2011 budget includes \$47,500 from federal Victims of Crime Act funds for the Division of Information Technology to maintain an internet portal, which collects data from the Department of Corrections and the Judiciary. Subsequently, the Governor requested an amendment to provide an additional \$50,000 to make enhancements to the portal. The House Finance Committee concurs.

18. DOT Debt Service - Operating Deficit. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.6 million. This would allow the deficit to be covered with \$3.4 million less from general revenues, which would increase available general revenue proceeds by the same amount. The House Finance Committee includes this savings.

19. DOT Debt Service BAB Funds (GBA). The Governor's FY 2011 revised budget includes \$43.7 million for the Department of Transportation debt service costs including \$12.6 million from general revenues because of a projected shortfall in gasoline tax proceeds. Subsequently, the Governor requested an amendment to shift \$1.7 million of general revenue debt service expenditures to available federal Build America Bonds, which was created under the American Recovery and Reinvestment Act of 2009. The House Finance Committee concurs.

20. Fidelity Job Rent Credits (GBA). Subsequent to his budget submission, the Governor requested an amendment to decrease general revenue debt service payments by \$0.7 million in both FY 2011 and FY 2012 from the recommended \$3.4 million required payments under the Fidelity Job Rent Credits agreement. The reduction is based on actual average filled positions. Under the incentive based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base. The House Finance Committee concurs.

21. New Positions (2.0 FTE). The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding the positions and adjusts staffing accordingly.

22. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

23. Rainy Day Fund Payback. The FY 2011 enacted budget includes a one-time expenditure of \$22.0 million to pay back the Rhode Island Capital Plan Fund for funds borrowed from the state budget reserve and cash stabilization account in FY 2009. Rhode Island General Law requires that any amounts used must be replaced in the following year but the 2010 Assembly authorized a one-year delay. The Governor proposed legislation to further delay the repayment to FY 2013. The House Finance Committee recommends the repayment in FY 2011.

24. Stimulus - Homelessness Prevention Fund. The FY 2011 revised budget includes \$1.6 million from federal stimulus funds for homelessness prevention, which can be used for rental assistance, housing relocation and stabilization services to include housing search, security or utility deposits, utility payments and moving costs. Subsequently, the Governor requested an amendment to increase expenditures by \$0.4 million to reflect funds from FY 2010. The House Finance Committee concurs.

25. Stimulus - Weatherization Assistance Program Adjustments. The FY 2011 revised budget includes \$11.2 million from federal stimulus funds for the Weatherization Assistance Program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. Subsequently, the Governor requested an amendment to provide an additional \$1.2 million for grant expenditures. The House Finance Committee includes the adjustment.

26. Turnover and Operating Savings (3rd Quarter). The revised budget includes \$76.8 million from all funds, including \$60.5 million from general revenues to fund 873.6 full-time equivalent positions in the Department of Administration. The Department has an average of 802.7 positions filled, or 68.9 vacant positions since the beginning of the fiscal year. The House Finance Committee recommends savings of \$0.4 million, including \$0.3 million from turnover and \$0.1 million from operating to reflect the Department's projected expenses.

Department of Business Regulation

27. Turnover (3rd Quarter). The House Finance Committee recommends reducing general revenue expenditures by \$175,000 to reflect additional turnover savings projected in the Department's third quarter report.

28. Assessments for Rate Filings. The Governor's FY 2011 revised budget recommends expenditures of \$231,031 from assessments for the use of staff time to review rate filings of workers' compensation insurance. Subsequently, the Governor requested an amendment to add \$25,000 from restricted receipts based upon increased use of staff time. The House Finance Committee concurs.

Department of Labor and Training

29. 3rd Quarter Changes and Surplus. The Department's third quarter report reflects a general revenue surplus of \$74,824. The Governor requested an amendment to shift \$10,000 budgeted for legal expenses for the Labor Relations Board to address higher than anticipated teacher arbitration costs. The House Finance Committee recommends reducing the Department's budget by \$74,824 to capture the third quarter savings and included the requested funding shift.

30. Capital – Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

31. Emergency TANF Grants (GBA). The Governor requested an amendment to increase federal Emergency Temporary Assistance to Needy Families grant funds by \$398,000 to reflect expenditures made prior to September 30, 2010 that the Department inadvertently omitted from its revised request. The grants were made through the Governor's Workforce Board to the local workforce agencies. The House Finance Committee concurs.

32. Extension of Emergency Unemployment Compensation (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. For FY 2011, this is an increase of \$66.3 million from federal funds and a reduction of \$11.8 million from the Employment Security Trust Fund. The House Finance Committee concurs.

33. Trade Adjustment Grant Award (GBA). The Governor requested an amendment to increase federal Trade Adjustment Act grant funding by \$1.1 million, reflecting the receipt of an additional grant award in FY 2011. Grants are provided to help workers from Rhode Island companies who lost their jobs due to the adverse impact of foreign trade and include weekly benefit allowances and expenses related to training programs. The House Finance Committee concurs.

Department of Revenue

34. Central Falls Receivership (3rd Quarter). The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. This includes \$0.5 million in legal fees to be provided by Orson & Brusini and Edwards, Angell, Palmer and Dodge, as the constitutionality of the act was being questioned. The third quarter report projects additional expenditures of \$249,146. Subsequently, the Governor requested an amendment to provide the additional funding. The House Finance Committee concurs.

35. Turnover and Operations (3rd Quarter). The Department’s third quarter report projects a general revenue surplus of \$243,000, of which \$158,000 is from additional turnover savings and \$85,000 is from software maintenance costs pertaining to the new computer system for the Registry. The House Finance Committee reduces expenditures to include the savings.

36. Central Falls Receivership Staffing. The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

37. Capital – Tax Data Warehouse. The Governor’s capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

38. DMV RIMS Computer Project. The FY 2011 revised budget includes \$1.1 million from restricted receipts supported by a \$1.50 transaction surcharge. The funds will be used to modernize the computer system at the Registry, which would allow for more web site functionality to reduce wait times for transactions performed at the Registry such as titles and registrations. Subsequently, the Governor

requested an amendment to provide \$250,000 in expenditures from available federal funds. The House Finance Committee concurs.

Lieutenant Governor

39. Health Policy Director (GBA). The Governor requested an amendment to add \$35,698 from general revenues for 1.0 full-time health policy director to assist in the implementation of the federal health insurance reform. The House Finance Committee concurs.

40. Turnover Savings. The House Finance Committee recommends additional general revenue turnover savings of \$26,698 based on updated personnel projections.

Office of the General Treasurer

41. Build Out Costs for Move to Warwick (GBA). The current lease on Fountain Street expired on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.4 million from all sources including \$0.1 million from general revenues for build out costs for the offices in Warwick. This represents 66 percent of the total build out expense; the remainder is requested for FY 2012. The House Finance Committee concurs.

42. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$1.7 million for FY 2011 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$1.8 million transfer to the state General Fund.

Board of Elections

43. HAVA Fund Expenditure from FY 2010 (GBA). The Governor requested an amendment to include \$109,694 from federal Help America Vote Act funds for the Board of Elections for election expenditures made in FY 2010, but not paid until FY 2011. The House Finance Committee concurs.

Office of the Governor

44. Turnover and Operating Savings (3rd Quarter). The Office's third quarter report projected a \$71,207 surplus, primarily from turnover savings. The House Finance Committee reduces expenditures to reflect the projected savings.

Human Rights

45. COLA Deferral Correction. The House Finance Committee recommends additional savings of \$10,699, including \$8,101 from general revenues to reflect savings from the six month deferral of the cost-of-living adjustment, which was inadvertently excluded from the Governor's FY 2011 revised budget.

Office of Health and Human Services

46. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends general revenue personnel and operating savings of \$14,295 for the Office of Health and Human Services consistent with its third quarter report.

Department of Children, Youth and Families

47. Byrne Formula Grant (GBA). The Governor requested an amendment to add \$20,343 from federal funds for the Juvenile Corrections program to be used for an educational and vocational training program for youth at risk of recidivism. The House Finance Committee concurs.

48. Capital – NAFI Center. The Governor’s FY 2012 through FY 2016 Capital Budget includes \$500,000 in FY 2011 from Rhode Island Capital Plan funds for repairs to the North American Family Institute on New London Avenue in Cranston. The Department of Children, Youth and Families indicates that this project has not started and that it plans to meet with engineers to discuss the accuracy of the estimates. The House Finance Committee recommends shifting \$450,000 of FY 2011 funding to FY 2013.

49. Capital – Sprinkler Head Retrofit. The Governor’s FY 2012 through FY 2016 Capital Budget includes \$25,360 in FY 2011 from Rhode Island Capital Plan funds for new sprinkler heads to be installed at the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School.

50. Capital – Training School Repairs/Improvements. The Governor’s FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

51. Nurse and Family Partnership Grant. The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families’ Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

52. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

Department of Elderly Affairs

53. Home and Community Care. The Governor’s revised budget inadvertently omitted \$0.5 million from general revenues for the home and community care program in an effort to properly reflect the Medicaid match rate. The House Finance Committee recommends \$0.5 million more from general revenues and \$0.1 million less from federal funds to correct the Medicaid match rate.

54. Pharmaceutical Assistance. The House Finance Committee recommends shifting \$0.4 million in expenses from general revenues to available drug rebate restricted receipts based on updated collections data.

Department of Health

55. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends savings of \$350,000, including \$100,000 from turnover savings and \$250,000 from operating expenses based on the Department's third quarter projections.

56. Cancer Registries Research (GBA). The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

57. Federal Fund Adjustments (GBA). The Governor requested an amendment to add \$1.1 million from nine separate federal grants. The Department subsequently indicated that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends adding \$0.4 million in FY 2011 with the balance in FY 2012.

58. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Department of Human Services

59. Hardship. The Governor's FY 2011 revised budget includes \$452,700 from general revenues for general public assistance hardship payments to individuals who do not qualify for any other form of assistance. The Department's third quarter report indicated a surplus of \$37,500 in this program, and the House Finance Committee recommends reducing expenditures by that amount to capture the savings.

60. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$0.8 million, which includes \$4.8 million more from general revenues and \$5.5 million less from federal funds to adjust the FY 2011 budget for the May Caseload Conference estimates for cash assistance and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

61. RIdE Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RIdE transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

62. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

63. Behavioral Health - 3rd Quarter Surplus. The House Finance Committee recommends reducing general revenue expenditures for behavioral health programs by \$835,203 based on a surplus identified in the Department's third quarter report.

64. Capital - DD Private Waiver Community Facilities Fire Code Upgrades. The Governor's FY 2012 through FY 2016 Capital Budget includes \$4.4 million to install and upgrade fire alarm and sprinkler systems in the private developmental disabilities residences. This includes \$2.1 million from Rhode Island Capital Plan funds and \$2.4 million from matching Medicaid funds. The House Finance Committee recommends reducing FY 2011 funding by \$1.3 million based on the Department's projected spending for fire code upgrades. This includes \$0.5 million less from Rhode Island Capital Plan funds in FY 2011 which the Committee shifts to FY 2015.

65. Capital – Eleanor Slater Hospital Consolidation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$28.2 million for the hospital consolidation plan. The House Finance Committee concurs with the total; however, shifts \$1.9 million to FY 2013 to reflect an updated schedule.

66. Capital – Mental Health Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million for repairs to mental health community facilities including \$0.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.1 million based on the Department's projected spending in its third quarter report.

67. Capital - MR Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$7.3 million for asset protection projects at the state's 270 group homes for the developmentally disabled in addition to \$1.1 million in FY 2011. The House Finance Committee recommends reducing FY 2011 funding by \$0.2 million based on the Department's projected spending in its third quarter report.

68. Capital - Regional Center Repair/Rehabilitation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$3.8 million for repairs and renovations to the state's 11 regional workshop centers in addition to \$1.0 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$550,000 based on the Department's projected spending in its third quarter report.

69. Capital - Zambarano Buildings. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for the ongoing maintenance at the Zambarano unit of Eleanor Slater Hospital located in Burrillville in addition to \$1.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.9 million to reflect updated spending consistent with the Department's third quarter report.

70. Developmental Disabilities 3rd Quarter Deficit. The House Finance Committee recommends adding \$835,203 from general revenues and reducing federal funds by \$124,501 to eliminate the deficit in programs that support adults with developmental disabilities based on the projection contained in the Department's third quarter report. The revised budget assumed the Department would find equal alternate savings for initiatives included in the enacted budget that the Department did not implement.

71. Hospital Turnover. The House Finance Committee recommends additional turnover savings of \$1.2 million, \$0.5 million from general revenues in the hospital program. The Governor's FY 2011 revised budget assumes 63.9 vacant positions throughout the Department and it averaged 140.0 vacant positions.

Governor's Commission on Disabilities

72. New England ADA Grant Adjustment. The Governor requested an amendment to add \$2,282 to reflect available federal funding from the New England Americans with Disabilities Act grant. The House Finance Committee concurs.

Office of the Mental Health Advocate

73. Turnover. The House Finance Committee recommends savings of \$29,000 to reflect updated staffing costs resulting from a vacant position.

Elementary & Secondary Education

74. Capital – Cranston Career and Technical School. The Governor recommends \$1.7 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to cover remaining miscellaneous life and fire safety repairs and the replacement of the HVAC system at the Cranston Career and Technical Center. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to FY 2013 based on current spending plans. Total funding is as recommended.

75. Capital - Davies Lighting. The Governor recommends \$0.4 million from Rhode Island Capital Plan funds and \$0.3 million from National Grid for a new project in FY 2011 to replace the lighting at the Davies Career and Technical Center with new energy efficient lighting fixtures. The Department has indicated that National Grid is offering to pay \$0.3 million of the total cost. The House Finance Committee includes this project as part of the school's asset protection project.

76. Capital – Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

77. Formula Aid Adjustments (GBA). The Governor requested an amendment to reduce formula education aid by \$60,577 to reflect current law requirements for two aid programs. Changes include savings of \$46,495 for school housing aid updates and \$14,082 in charter school aid based on updated enrollment data. The House Finance Committee concurs.

78. FY 2010 Central Falls Balance to FY 2012. The Central Falls School District ended FY 2010 with a \$2.0 million balance. The House Finance Committee recommends reducing the FY 2011 appropriation to the school district by this amount.

79. Perkins Tuition. The Department's third quarter report indicated that there are savings of \$13,216 for Perkins School for the Blind tuition. Most blind students are educated in their own districts with support from the state's vision services program, but in certain cases the Commissioner may authorize placement in an out-of-state institution. Local districts pay only their per-pupil special education cost towards tuition and the state pays the difference. The House Finance Committee adjusts general revenues accordingly.

80. Stabilization Funds Reduction. The revised budget includes a decrease of \$0.7 million in education aid to reflect less available fiscal stabilization funds based on the final allocation between higher and lower education. The FY 2011 enacted budget included \$16.4 million from fiscal stabilization funds in lieu of general revenues for distribution to districts through education aid. The Governor's budget inadvertently

omitted the federal funds reduction in the Department's budget and the Governor requested an amendment to correct that. The House Finance Committee concurs and adds \$0.7 million from general revenues in lieu of the unavailable fiscal stabilization funds.

81. Turnover Savings - Third Quarter Report. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 for the Department of Elementary and Secondary Education for FY 2011 based on the Department's third quarter report. This is equivalent to 0.7 vacant positions based on an average cost per position of \$152,000. The Governor's FY 2011 revised budget assumes 4.8 vacant positions; the Department has averaged 21.5 vacant positions though not all are funded from general revenues.

Public Higher Education

82. Office of Higher Education Turnover. The revised budget includes \$2.2 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.2 million in turnover savings, which is approximately 2.0 positions. The Department has averaged 13.6 filled positions for FY 2011. The House Finance Committee recommends additional turnover savings of \$0.2 million.

83. Capital – RIC New Art Center Renovation/Addition. The Governor recommends total funding of \$18.8 million programmed through FY 2013 for a new art center at Rhode Island College. The recommendation includes \$17.0 million from general obligation bond funds that were approved by the voters on the November 2010 ballot and \$1.8 million from Rhode Island Capital Plan funds. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

84. Capital – URI New Chemistry Building. The Governor recommends Rhode Island Capital Plan funding of \$4.8 million programmed through FY 2011 to study and plan construction of a new chemistry building at the University. The project will provide classrooms, research laboratories, faculty and administrative offices. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013. Total funding is as recommended.

85. Capital – URI Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

State Council on the Arts

86. Third Quarter Personnel and Operating. Based on the Council's third quarter report and revised spending projections, the House Finance Committee recommends general revenue savings of \$26,903.

87. Percent for Arts Adjustment (GBA). The Governor requested an amendment to increase the expenditure limit on the Art for Public Facilities program by \$0.5 million from Percent for Art funds for several large projects through the Council on the Arts. Rhode Island General Law requires that at least one percent of each capital construction appropriation be dedicated to the acquisition of works of art to be placed in the state facilities constructed, remodeled, or renovated. The House Finance Committee concurs.

Higher Education Assistance Authority

88. LEAP Funds. The Governor requested an amendment to add \$6,385 from federal “Leveraging Educational Assistance Partnerships” (LEAP) funds for scholarships. The federal government makes funds available to state scholarship or grant assistance agencies to make grants or provide work study financial assistance to students. The House Finance Committee concurs.

Historical Preservation and Heritage Commission

89. Turnover. The House Finance Committee recommends general revenue turnover savings of \$26,000 based on a vacancy that occurred during the fiscal year that was not filled.

RI Public Telecommunications Authority

90. Turnover. The House Finance Committee recommends additional turnover savings of \$50,000 from a continued vacancy.

Attorney General

91. Federal Grant Adjustments. The Governor requested an amendment to add \$26,810 from federal funds, including \$10,000 for a new long-term care grant to provide background checks for healthcare workers and \$16,810 for adult drug court expenses that occurred in FY 2010. The House Finance Committee recommends \$5,000 for the new long term care grant based on anticipated expenses and \$16,810 for drug court expenses.

92. Turnover (3rd Quarter). The House Finance Committee recommends additional general revenue turnover savings of \$180,000 for the Office of the Attorney General for FY 2011 based on the Office’s third quarter report. This is equivalent to approximately two vacant positions.

Department of Corrections

93. Capital – Asset Protection. The Governor’s capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and currently are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

94. Capital - Women’s Plumbing & Bathroom Renovations. The Governor’s capital budget includes a total of \$1.7 million from Rhode Island Capital Plan funds, of which \$1.3 million is in FY 2011 for plumbing and bathroom renovations at the Dix facility. The Department notes this project was delayed in order to redesign the original plan and move department staff into the Dix building. The House Finance Committee recommends shifting \$1.2 million of uncommitted funding from FY 2011 to FY 2013 based on updated project schedules and anticipated expenses.

95. Third Quarter Personnel and Operating. The House Finance Committee recommends additional general revenue savings of \$0.9 million from personnel and operating expenses for FY 2011 based on the Department’s third quarter report. This includes reduced overtime and population related expenditures based on fewer inmates than assumed in the Governor’s revised budget.

96. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

97. Victim Services – Parole Board (GBA). The Governor requested an amendment to add \$11,090 from federal funds to reflect a carried forward balance from FY 2010 for victim services in the Parole Board program. The funds are expected to pay for direct services to crime victims. The House Finance Committee concurs.

Judicial

98. Federal Fund Adjustments (GBA). The Governor's revised budget includes \$896,402 from federal funds for several programs within the Judiciary. Subsequent to his budget submission, he requested an amendment to adjust grants based on projected expenses. The House Finance Committee recommends a total reduction of \$394,778 based on updated projections.

Military Staff

99. Capital – Armory of Mounted Commands. The Governor's capital budget includes \$1.3 million from Rhode Island Capital Plan funds in FY 2011 for the Armory of Mounted Commands. The House Finance Committee reduces FY 2011 funding by \$1.0 million based on the Department's projected spending in its third quarter report.

100. Capital – Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

101. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

102. Capital – Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

103. Capital – State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

104. Excess Flood Match. The Governor's revised budget adds \$20.0 million from all sources, which includes \$0.5 million from general revenues for the state match for reimbursement of Federal Emergency

Management Agency funds to all state agencies, quasi-agencies and municipalities for projects submitted as a result of the March 2010 flood. The Department's third quarter projections indicate that approximately \$0.3 million from general revenues will be spent by June 30, 2011 for those projects that relate to state agencies. Therefore, the House Finance Committee recommends \$0.2 million less from general revenues in FY 2011.

105. Federal Grant Adjustments (GBA). The Governor requested an amendment to add \$607,964 from federal funds in FY 2011 for four separate grants. This includes funds carried forward from FY 2010 and funds advanced from FY 2012 due to accelerated grant spending. Grants will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

106. Nuclear Mitigation Fund-Balance Forward. The Governor requested an amendment to add \$71,686 from nuclear mitigation restricted receipt funds carried forward from FY 2010. Funds will be used to construct a vault in the Scituate facility to store radiological samples currently maintained in the sub-basement of the State House. The House Finance Committee concurs.

Department of Public Safety

107. Capital – Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1,000,000 from FY 2011 to FY 2012 due to project delays.

108. Federal Fund Adjustments (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$0.7 million from anticipated federal grant expenditures in FY 2011 for eight different grants. The House Finance Committee includes \$0.2 million based upon updated spending projections.

109. Fire Training Academy. Subsequent to his budget submission, the Governor requested an amendment to add \$50,000 from available restricted receipts to be used for trainings at the fire training academy. The House Finance Committee concurs.

110. General Revenue Expenses to Forfeiture Funds. The FY 2011 enacted budget includes \$102,761 from restricted receipts from available forfeiture funds. The House Finance Committee adds \$55,448 from available forfeiture funds and reduces general revenues by \$125,000 using forfeiture funds to purchase dispatch equipment.

111. JAG Interest. The Governor's FY 2011 revised budget includes \$2,737 from available restricted receipts for interest accrued from Edward M. Byrne Memorial and justice assistance grants. Subsequently, the Governor requested an amendment to add \$11,577 from available restricted receipts. The House Finance Committee concurs.

112. Polygraph Training. The Governor's FY 2011 revised budget includes \$4,000 from available restricted receipts for polygraph training. Subsequently, the Governor requested an amendment to add \$1,145 from available restricted receipts for the recertification of two polygraph examiners. The House Finance Committee concurs.

113. Stabilization Fund Correction - Audit Finding. The Governor requested an amendment to include \$404,916 from federal fiscal stabilization funds based upon an audit finding that determined that the 0.5 percent administrative charge to the Department of Public Safety had never been recorded. The Department's FY 2010 closing statements indicated that the Department spent \$9.6 million from federal

fiscal stabilization funds; however, did not include the administrative charge used to fund the Office of Economic Recovery and Reinvestment. The House Finance Committee concurs.

114. Third Quarter Adjustment. The Department's third quarter report projects a general revenue deficit of \$0.2 million, of which a portion relates to a billing error. The House Finance Committee provides an additional \$0.1 million from general revenues based on revised projections.

Department of Environmental Management

115. Capital – Blackstone Valley Bikepath/State Park. The Governor's FY 2011 budget includes \$0.5 million from Rhode Island Capital Plan funds for the Blackstone Valley Bikepath. The Blackstone Valley Bikepath is scheduled to be a 17.1 mile by 12-foot wide scenic bike-path that will connect to the East Bay Bikepath, eventually making a continuous 31.9 mile route for alternative transportation. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to the out-years to reflect delays in construction.

116. Capital – Dam Repair. The Governor's FY 2011 budget includes \$0.8 million from Rhode Island Capital Plan funds for repairs to state owned dams throughout the state. The Governor's plan includes funding for construction costs, but the Department notes it is in the design and engineering stage for its current project, the J.L. Curran Dam in Cranston. The House Finance Committee recommends reducing this amount by \$0.6 million to reflect revised expenditures for the project.

117. Capital – Galilee Piers. The House Finance Committee recommends shifting \$0.8 million of Rhode Island Capital Plan funds from FY 2011 to FY 2014 to reflect anticipated expenditures for construction projects at the state owned piers in Galilee.

118. Capital – Newport Piers. The House Finance Committee recommends removing \$0.2 million of Rhode Island Capital Plan funds from the Department of Environmental Management's FY 2011 budget to reflect anticipated expenditures for construction projects at the state owned piers in Newport. The Governor's recommendation includes \$0.3 million for FY 2011; however, the Department notes that actual expenditures will be \$0.1 million.

119. Environmental Protection Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase the Department of Environmental Management's federal funds by \$0.3 million to reflect increases in four separate grants in the Bureau of Environmental Protection. Funding is based on anticipated awards and expenditures for water quality planning, underground storage tank remediation, brownfields assessments and dam incident reporting. The House Finance Committee concurs.

120. Natural Resources Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase funding in the Department of Environmental Management's Bureau of Natural Resources. Increased funding includes \$0.4 million from federal funds, \$0.3 million from Department of Transportation funds and \$0.2 million from restricted receipts. The additional funds are based on anticipated awards and expenditures for vehicle purchases, animal disease monitoring and recreational projects. The House Finance Committee concurs.

Water Resources Board

121. Third Quarter Adjustment. The Water Resources Board's third quarter report reflects a general revenue surplus of \$19,927. The House Finance Committee recommends reducing the Department's budget by the same amount to capture the savings.

Department of Transportation

122. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.9 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

123. NHTSA Grant Increase (GBA). The Governor's FY 2011 revised budget includes \$2.0 million from federal funds in the Division of Central Management for two grants from the National Highway Traffic Safety Administration. Subsequent to his submission, the Governor requested an amendment to add \$1.1 million to reflect anticipated awards and expenditures for these grants. The House Finance Committee concurs.

124. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million to reflect a downward revision of the gasoline tax yield estimate.

125. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

126. Winter Maintenance. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.2 million. This would allow the deficit to be covered with \$3.4 million less from general revenues while lowering available gasoline tax by the same amount. The House Finance Committee includes these savings.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 499,299,809	\$ 537,086,462	\$ 415,042,687	\$ 377,716,331
Business Regulation	10,899,430	11,266,788	12,924,686	18,007,098
Labor and Training	833,558,439	919,053,019	495,678,123	571,666,655
Revenue	236,330,417	260,319,158	335,895,736	316,676,398
Legislature	39,049,144	38,545,405	38,697,252	38,197,252
Lieutenant Governor	924,479	898,100	997,002	1,090,172
Secretary of State	7,503,274	7,340,745	6,931,292	6,872,860
General Treasurer	33,018,358	29,369,293	32,677,673	33,200,576
Board of Elections	3,957,971	3,329,526	1,965,905	1,875,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	6,251,152	5,195,987	5,256,095	5,256,095
Human Rights	1,371,667	1,376,215	1,455,570	1,455,570
Public Utilities Commission	7,726,656	7,715,020	8,105,006	8,105,006
Subtotal - General Government	\$ 1,681,373,455	\$ 1,822,950,587	\$ 1,357,187,035	\$ 1,381,679,926
Human Services				
Health and Human Services	\$ 7,167,709	\$ 7,727,690	\$ 16,778,680	\$ 17,033,418
Children, Youth and Families	237,598,173	229,715,013	210,943,797	211,004,272
Elderly Affairs	26,712,596	32,588,121	27,486,148	-
Health	116,146,808	137,262,439	151,467,696	110,193,818
Human Services	2,285,305,550	2,241,419,981	2,239,993,085	2,368,062,307
BHDDH	446,750,327	448,934,619	441,952,625	441,122,327
Veterans' Affairs	-	-	28,688,112	-
Child Advocate	589,627	602,749	652,432	652,432
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	824,453	820,911	829,892	829,892
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 3,121,899,017	\$ 3,099,846,058	\$ 3,119,649,170	\$ 3,149,755,169
Education				
Elementary and Secondary	\$ 1,128,732,869	\$ 1,169,821,597	\$ 1,138,601,394	\$ 1,133,884,351
Higher Education	937,802,389	988,040,552	994,958,261	996,844,842
Arts Council	3,054,336	3,545,952	3,027,174	3,086,926
Atomic Energy	1,492,350	1,472,182	1,511,526	1,511,526
HEAA	25,789,109	27,523,158	27,412,147	27,412,147
Historical Preservation	2,663,971	2,693,579	2,826,017	2,869,173
Public Telecommunications	1,672,717	1,576,059	1,781,172	1,631,172
Subtotal - Education	\$ 2,101,207,741	\$ 2,194,673,079	\$ 2,170,117,691	\$ 2,167,240,137

Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 23,861,219	\$ 25,018,436	\$ 25,344,121	\$ 26,711,046
Corrections	187,181,519	188,071,176	198,975,598	194,625,598
Judicial	97,379,996	98,804,238	102,703,922	101,948,934
Military Staff	26,638,164	60,648,441	35,161,325	35,119,240
Public Safety	86,749,570	92,118,940	102,344,254	104,450,377
Public Defender	10,020,401	10,160,218	10,876,941	10,876,941
Subtotal-Public Safety	\$ 431,830,869	\$ 474,821,449	\$ 475,406,161	\$ 473,732,136
Natural Resources				
Environmental Management	\$ 93,120,711	\$ 100,019,007	\$ 97,582,385	\$ 97,520,399
CRMC	4,383,711	9,265,099	4,954,375	5,254,375
Water Resources	1,436,540	1,809,613	1,430,267	-
Subtotal-Natural Resources	\$ 98,940,962	\$ 111,093,719	\$ 103,967,027	\$ 102,774,774
Transportation				
Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Subtotal-Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Total	\$ 7,864,145,810	\$ 8,157,185,916	\$ 7,661,301,608	\$ 7,702,169,075

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 324,063,375	\$ 334,437,010	\$ 250,047,213	\$ 249,996,221
Business Regulation	9,156,047	8,744,355	9,696,378	9,436,378
Labor and Training	7,117,031	6,930,789	7,262,954	7,575,486
Revenue	35,479,085	35,941,529	91,720,012	92,610,905
Legislature	37,474,136	36,970,091	37,048,053	36,548,053
Lieutenant Governor	924,479	898,100	997,002	965,940
Secretary of State	6,908,707	6,754,217	6,434,744	6,376,312
General Treasurer	2,270,649	2,342,202	2,240,128	2,300,852
Board of Elections	3,957,971	3,219,832	1,915,905	1,825,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	4,752,606	4,343,698	4,338,521	4,338,521
Human Rights	1,014,978	1,214,446	1,154,038	1,154,038
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 434,601,723	\$ 443,251,138	\$ 414,414,956	\$ 414,688,619
Human Services				
Health and Human Services	\$ 3,420,163	\$ 3,526,817	\$ 9,623,834	\$ 9,878,572
Children, Youth and Families	153,046,095	152,893,449	139,413,049	145,198,983
Elderly Affairs	10,100,599	9,700,012	9,319,591	-
Health	27,624,903	27,988,683	26,748,244	24,248,025
Human Services	715,328,654	741,295,264	864,108,853	891,480,061
BHDDH	163,684,244	170,429,040	190,519,884	184,249,569
Veterans' Affairs	-	-	19,039,528	-
Child Advocate	543,822	556,047	603,384	603,384
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	367,229	363,308	388,786	388,786
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 1,074,919,483	\$ 1,107,527,155	\$ 1,260,621,856	\$ 1,256,904,083
Education				
Elementary and Secondary	\$ 856,068,541	\$ 845,970,065	\$ 869,014,643	\$ 863,077,600
Higher Education	163,606,843	162,333,194	173,400,638	166,487,219
Arts Council	1,668,346	1,660,383	1,619,110	1,678,862
Atomic Energy	875,781	861,031	879,592	879,592
HEAA	6,723,347	7,320,186	6,163,104	5,913,104
Historical Preservation	1,348,717	1,376,519	1,501,641	1,469,797
Public Telecommunications	1,035,967	929,325	1,097,960	947,960
Subtotal - Education	\$ 1,031,327,542	\$ 1,020,450,703	\$ 1,053,676,688	\$ 1,040,454,134

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 21,209,730	\$ 21,263,366	\$ 22,580,366	\$ 22,442,867
Corrections	178,329,401	177,661,565	188,141,365	182,141,365
Judicial	84,575,255	84,392,428	88,111,808	87,073,983
Military Staff	2,782,435	3,966,145	3,618,028	3,470,928
Public Safety	67,024,490	68,540,272	89,407,711	89,407,711
Public Defender	9,590,261	9,541,448	10,300,580	10,300,580
Subtotal-Public Safety	\$ 363,511,572	\$ 365,365,224	\$ 402,159,858	\$ 394,837,434
Natural Resources				
Environmental Management	\$ 34,403,329	\$ 34,268,194	\$ 35,495,587	\$ 35,383,601
CRMC	2,038,515	2,063,203	2,236,814	2,236,814
Water Resources	1,316,540	1,278,435	1,230,267	-
Subtotal-Natural Resources	\$ 37,758,384	\$ 37,609,832	\$ 38,962,668	\$ 37,620,415
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,942,118,704	\$ 2,974,204,052	\$ 3,169,836,026	\$ 3,144,504,685

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 79,572,545	\$ 107,645,920	\$ 69,057,151	\$ 30,315,187
Business Regulation	-	758,454	1,460,861	6,803,273
Labor and Training	181,957,663	221,153,642	49,345,402	99,763,402
Revenue	2,289,770	2,615,000	2,636,059	2,636,059
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	124,232
Secretary of State	100,000	127,092	-	-
General Treasurer	1,108,180	1,131,024	1,117,483	1,128,051
Board of Elections	-	109,694	50,000	50,000
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	132,605	139,898	139,898
Human Rights	356,689	161,769	301,532	301,532
Public Utilities Commission	296,330	296,330	309,373	309,373
Subtotal - General Government	\$ 265,681,177	\$ 334,131,530	\$ 124,417,759	\$ 141,571,007
Human Services				
Health and Human Services	\$ 2,873,533	\$ 3,309,016	\$ 6,250,134	\$ 6,250,134
Children, Youth and Families	77,855,163	72,879,472	62,869,525	59,625,993
Elderly Affairs	15,936,066	21,743,018	17,769,466	-
Health	63,259,111	83,287,872	97,985,313	59,124,539
Human Services	1,556,245,695	1,484,547,658	1,359,554,881	1,458,150,370
BHDDH	259,918,758	262,742,172	220,049,930	225,489,947
Veterans' Affairs	-	-	8,005,072	-
Child Advocate	45,805	46,702	49,048	49,048
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	193,598	198,495	181,842	181,842
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,976,327,729	\$ 1,928,754,405	\$ 1,772,715,211	\$ 1,808,871,873
Education				
Elementary and Secondary	\$ 239,980,896	\$ 298,689,173	\$ 238,146,015	\$ 238,146,015
Higher Education	15,004,667	32,657,457	4,594,756	4,594,756
Arts Council	950,990	950,569	973,064	973,064
Atomic Energy	300,159	314,104	324,104	324,104
HEAA	12,044,337	13,182,313	13,508,323	13,508,323
Historical Preservation	835,804	841,508	846,195	846,195
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 269,116,853	\$ 346,635,124	\$ 258,392,457	\$ 258,392,457

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,248,830	\$ 2,000,143	\$ 1,391,520	\$ 2,895,944
Corrections	2,794,860	3,706,708	2,914,545	2,914,545
Judicial	2,326,527	3,542,233	3,293,751	3,576,588
Military Staff	22,150,754	55,402,213	29,933,986	29,418,438
Public Safety	7,131,554	12,414,738	6,541,865	7,647,988
Public Defender	430,140	618,770	576,361	576,361
Subtotal-Public Safety	\$ 36,082,665	\$ 77,684,805	\$ 44,652,028	\$ 47,029,864
Natural Resources				
Environmental Management	\$ 35,386,175	\$ 43,028,188	\$ 38,356,542	\$ 38,356,542
CRMC	2,095,196	6,951,896	2,038,461	2,038,461
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 37,481,371	\$ 49,980,084	\$ 40,395,003	\$ 40,395,003
Transportation				
Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Subtotal-Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Total	\$ 2,903,497,922	\$ 3,084,960,483	\$ 2,557,164,416	\$ 2,606,255,783

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 17,140,339	\$ 25,689,655	\$ 19,898,084	\$ 19,059,071
Business Regulation	1,743,383	1,763,979	1,767,447	1,767,447
Labor and Training	17,529,145	18,004,845	17,104,361	17,104,361
Revenue	824,191	1,966,459	21,191,727	1,861,496
Legislature	1,575,008	1,575,314	1,649,199	1,649,199
Lieutenant Governor	-	-	-	-
Secretary of State	494,567	459,436	496,548	496,548
General Treasurer	29,420,614	25,653,498	29,103,041	29,544,084
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	1,498,546	719,684	777,676	777,676
Human Rights	-	-	-	-
Public Utilities Commission	7,430,326	7,418,690	7,795,633	7,795,633
Subtotal - General Government	\$ 77,656,119	\$ 83,251,560	\$ 99,783,716	\$ 80,055,515
Human Services				
Health and Human Services	\$ 874,013	\$ 891,857	\$ 904,712	\$ 904,712
Children, Youth and Families	2,306,915	2,485,137	5,571,223	3,389,296
Elderly Affairs	675,931	1,145,091	397,091	-
Health	25,082,953	25,869,684	26,670,739	26,757,854
Human Services	9,446,201	10,587,200	11,873,994	14,014,597
BHDDH	10,688,634	8,049,478	7,997,979	7,997,979
Veterans' Affairs	-	-	1,643,512	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	13,626	9,108	9,264	9,264
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 49,088,273	\$ 49,037,555	\$ 55,068,514	\$ 53,073,702
Education				
Elementary and Secondary	\$ 23,930,750	\$ 19,019,883	\$ 24,039,421	\$ 26,334,421
Higher Education	930,000	930,000	941,338	941,338
Arts Council	-	-	-	-
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	479,450	475,552	478,181	478,181
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 25,340,200	\$ 20,425,435	\$ 25,458,940	\$ 27,753,940

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,202,659	\$ 1,317,657	\$ 1,122,235	\$ 1,122,235
Corrections	87,134	124,774	34,371	34,371
Judicial	9,628,214	10,018,790	10,198,363	10,198,363
Military Staff	842,475	448,468	389,311	609,311
Public Safety	803,106	502,583	335,749	335,749
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 12,563,588	\$ 12,412,272	\$ 12,080,029	\$ 12,300,029
Natural Resources				
Environmental Management	\$ 14,136,916	\$ 14,860,427	\$ 15,831,035	\$ 14,131,035
CRMC	250,000	250,000	250,000	250,000
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 14,386,916	\$ 15,110,427	\$ 16,081,035	\$ 14,381,035
Transportation				
Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 180,035,096	\$ 181,237,249	\$ 209,472,234	\$ 188,564,221

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 78,523,550	\$ 69,313,877	\$ 76,040,239	\$ 78,345,852
Business Regulation	-	-	-	-
Labor and Training	626,954,600	672,963,743	421,965,406	447,223,406
Revenue	197,737,371	219,796,170	220,347,938	219,567,938
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	218,915	242,569	217,021	227,589
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 903,434,436	\$ 962,316,359	\$ 718,570,604	\$ 745,364,785
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	4,390,000	1,456,955	3,090,000	2,790,000
Elderly Affairs	-	-	-	-
Health	179,841	116,200	63,400	63,400
Human Services	4,285,000	4,989,859	4,455,357	4,417,279
BHDDH	12,458,691	7,713,929	23,384,832	23,384,832
Veterans' Affairs	-	-	-	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	250,000	250,000	250,000	250,000
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 21,563,532	\$ 14,526,943	\$ 31,243,589	\$ 30,905,511
Education				
Elementary and Secondary	\$ 8,752,682	\$ 6,142,476	\$ 7,401,315	\$ 6,326,315
Higher Education	758,260,879	792,119,901	816,021,529	824,821,529
Arts Council	435,000	935,000	435,000	435,000
Atomic Energy	316,410	297,047	307,830	307,830
HEAA	7,021,425	7,020,659	7,740,720	7,990,720
Historical Preservation	-	-	-	75,000
Public Telecommunications	636,750	646,734	683,212	683,212
Subtotal - Education	\$ 775,423,146	\$ 807,161,817	\$ 832,589,606	\$ 840,639,606

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 200,000	\$ 437,270	\$ 250,000	\$ 250,000
Corrections	5,970,124	6,578,129	7,885,317	9,535,317
Judicial	850,000	850,787	1,100,000	1,100,000
Military Staff	862,500	831,615	1,220,000	1,620,563
Public Safety	11,790,420	10,661,347	6,058,929	7,058,929
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 19,673,044	\$ 19,359,148	\$ 16,514,246	\$ 19,564,809
Natural Resources				
Environmental Management	\$ 9,194,291	\$ 7,862,198	\$ 7,899,221	\$ 9,649,221
CRMC	-	-	429,100	729,100
Water Resources	120,000	531,178	200,000	-
Subtotal-Natural Resources	\$ 9,314,291	\$ 8,393,376	\$ 8,528,321	\$ 10,378,321
Transportation				
Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Subtotal-Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Total	\$ 1,838,494,088	\$ 1,916,784,132	\$ 1,724,828,932	\$ 1,762,844,386

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	871.6	871.6	693.6	686.4
Business Regulation	90.0	93.0	93.0	96.0
Labor and Training	519.4	512.2	470.2	470.2
Revenue	426.0	426.5	428.5	434.5
Legislature	295.9	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	7.0	8.0
Secretary of State	57.0	57.0	57.0	57.0
General Treasurer	82.0	82.0	82.0	82.0
Board of Elections	12.0	11.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	46.0	46.0	46.0
Subtotal - General Government	2,479.4	2,477.3	2,259.3	2,262.1
Human Services				
Health and Human Services	75.6	77.6	149.0	150.0
Children, Youth and Families	691.0	691.0	662.5	662.5
Elderly Affairs	31.0	31.0	32.0	-
Health	410.7	424.7	473.3	426.3
Human Services	963.6	1,000.2	674.0	991.4
BHDDH	1,372.2	1,372.2	1,376.2	1,378.2
Veterans' Affairs	-	-	268.2	-
Child Advocate	5.8	5.8	5.8	5.8
Deaf and Hard of Hearing	3.0	3.0	3.0	3.0
Commission on Disabilities	4.0	4.0	4.0	4.0
Mental Health Advocate	3.7	3.7	3.7	3.7
Subtotal - Human Services	3,560.6	3,613.2	3,651.7	3,624.9
Education				
Elementary and Secondary	325.4	348.4	348.4	348.4
Higher Education	4,152.1	4,202.1	4,234.6	4,214.6
Arts Council	8.6	8.6	8.6	8.6
Atomic Energy	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	41.6	41.6	41.6	41.6
Historical Preservation	16.6	16.6	16.6	16.6
Public Telecommunications	16.0	16.0	16.0	15.0
Subtotal - Education	4,568.9	4,641.9	4,674.4	4,653.4

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	231.1	231.1	231.1	231.1
Corrections	1,419.0	1,419.0	1,419.0	1,419.0
Judicial	723.3	723.3	723.3	723.3
Military Staff	111.0	117.0	117.0	117.0
Public Safety	423.1	423.2	603.2	605.8
Public Defender	93.0	93.0	93.0	93.0
Subtotal-Public Safety	3,000.5	3,006.6	3,186.6	3,189.2
Natural Resources				
Environmental Management	410.0	410.0	410.0	410.0
CRMC	30.0	30.0	30.0	30.0
Water Resources	6.0	6.0	6.0	-
Subtotal-Natural Resources	446.0	446.0	446.0	440.0
Transportation				
Transportation	772.2	772.6	772.6	772.6
Subtotal-Transportation	772.2	772.6	772.6	772.6
Total Positions	14,827.6	14,957.6	14,990.6	14,942.2

Section VI

Article Explanations

Explanations of Budget Articles

2011-H 5894 Substitute A

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2012.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section of Article 1 authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section of Article 1 allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. Section 5 of Article 1 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 6. Legislative Intent. This section of Article 1 authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. Section 7 of Article 1 appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2012. This section appears annually.

Section 8. Employment Security Funds. Section 8 of Article 1 appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2012. This section appears annually.

Section 9. Rhode Island Housing and Mortgage Finance Corporation. This section of Article 1 requires that the Rhode Island Housing and Mortgage Finance Corporation provide \$1.5 million from its resources to fund the Neighborhood Opportunities Program for FY 2012.

Section 10. Lottery. This section of Article 1 appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 11. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2012. It also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides

Explanations of Budget Articles

that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,942.2 full-time equivalent positions, which are 114.6 more than the FY 2011 enacted budget.

Section 12. Multi Year Appropriations. Section 12 of Article 1 makes multi-year appropriations for a number of capital projects included in the FY 2012 through FY 2016 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2012 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2011 Appropriations Act.

Section 13. Reappropriations. This section of Article 1 provides for automatic reappropriation of unexpended balances from FY 2011 Rhode Island Capital Plan fund projects over \$500. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Balances of less than \$500 can be reappropriated at the discretion of the State Budget Officer. The provision for the Budget Officer's discretion over balances less than \$500 appeared for the first time in FY 2006.

Section 14. Extension of Previous Authorizations. This section authorizes the extension of the issuance of \$1.2 million of Preservation, Recreation and Heritage general obligation bonds until June 30, 2014, and \$5.0 million of Emergency Water Interconnect general obligation bonds and \$21.9 million of Open Space Recreation, Bay and Watershed Protection general obligation bonds until November 2, 2013.

Section 15. Resource Recovery Transfer. This section would mandate the transfer of \$3.5 million from insurance settlement proceeds from the Resource Recovery Corporation to general revenues by June 30, 2012.

Section 16. Effective Date. This section of Article 1 establishes July 1, 2011 as the effective date of the article.

Article 2. FY 2011 Revised Appropriations

Section 1. FY 2011 Appropriations. This section of Article 2 contains the revised appropriations for FY 2011.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 2 constitutes an appropriation.

Section 3. Internal Service Funds. Section 3 of Article 2 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section of Article 2 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2011. This section also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings, recommendations by the Budget Office and State Director of Personnel and determination of need by the Director of Administration. In

Explanations of Budget Articles

addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,957.6 full-time equivalent positions, 130.0 more than the FY 2011 enacted budget.

Section 5. Effective Date. This section establishes that this article is effective upon passage.

Article 3. Tipping Fees

This article mandates that any municipality entering into contracts with the Resource Recovery Corporation must include plans explaining how those municipalities will divert 50 percent of its solid waste, 35 percent of which must be recycled, beginning with the contracts currently in place. The article also extends the current municipal tipping fees through FY 2014. This includes \$32.00 per ton for any municipalities recycling between zero and 24.99 percent, \$31.00 per ton for municipalities recycling between 25 and 29.99 percent, \$30.00 per ton for those recycling between 30 and 34.99 percent and \$29.00 per ton for those recycling 35 percent or more of its solid waste at the Corporation's materials recycling facility.

Article 4. Unemployment Insurance

This article makes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It makes two changes to taxes. First, it changes the method of determining the taxable wage base and increases it from \$19,000 to 46.5 percent of 2010 wages and all future wages, which is an estimated \$19,600 in CY 2012 for all employers. Secondly, it increases the new taxable wage base by \$1,500 for employers who have the highest negative reserve account balances, since these employers pay less into the fund than their former employees receive in benefits.

The article also makes three changes to reduce benefit rates through incremental changes over the next four years. It reduces the percent of wages used to determine benefits from 36 percent to 33 percent of wages earned, reduces the percent of wages replaced from 4.62 percent to 3.85 percent of the average quarterly wage and reduces the maximum weekly benefit from 67.5 percent to 57.5 percent of the average weekly wage. Finally the article makes two eligibility changes. The first of which increases the earnings needed to overcome disqualifications from misconduct, refusal of suitable work and voluntarily leaving work, while the second change delays the receipt of benefits by any amount received from severance pay.

Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The article assumes additional tax revenues of \$2.5 million into the Trust Fund in FY 2012 and assumes the Trust Fund will become solvent in FY 2015.

Article 5. Education Aid

Article 5 makes changes to FY 2011 and FY 2012 education aid to districts. Section 1 adds \$0.7 million from general revenues for FY 2011 education aid to districts in lieu of \$0.7 million less available from state fiscal stabilization funds based on the final allocation between elementary and secondary education and

Explanations of Budget Articles

higher education and adjusts group home beds consistent with current law requirements. Section 2 uses \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues to fund education aid for FY 2012.

Section 3 imposes a three-year moratorium on the approval of new school housing aid projects with exception for projects necessitated by health and safety reasons effective July 1, 2011. It also requires the Department of Elementary and Secondary Education to develop recommendations for cost containment strategies in the school housing aid program

Article 6. Host Beach Community Reimbursement

This article decreases the reimbursement rate for the distribution of beach revenue collections to the four host beach communities of Charlestown, Westerly, Narragansett and South Kingstown from 27.0 percent to 16.0 percent. The Department of Environmental Management collects fees for daily and seasonal parking at seven facilities across the state and reimburses the host communities. The budget assumes the Department would raise the fees through its administrative rules process, and the article decreases the reimbursement rate to maintain communities' payments at their current level, while capturing the additional \$1.5 million of revenue for state use.

Article 7. Tax Anticipation Notes

Article 7 allows the state to borrow a maximum of \$350.0 million during FY 2012 for cash flow purposes in anticipation of tax receipts. The note must be repaid by June 30, 2012.

Article 8. Longevity Payments

Article 8 ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

Article 9. Government Restructuring

Section 1. Crime Lab. This section of Article 9 shifts the enacted level of \$775,000 from general revenues for the Rhode Island State Crime Lab from the Department of Health to the University of Rhode Island's budget into its own appropriation line.

Section 2. Elderly Affairs. This section of Article 9 merges the Department of Elderly Affairs with the Department of Human Services effective July 1, 2011. The budget includes general revenue savings of \$0.1 million from the merger.

Sections 3 through 7. Veterans Affairs. Sections 3 through 7 of Article 9 maintain the Division of Veterans' Affairs in the Department of Human Services, instead of creating a new Department of Veterans' Affairs on July 1, 2011. It also creates the position of Undersecretary for Veterans' Affairs in the Executive Office of Health and Human Services whose duties are to periodically review the procedures at

Explanations of Budget Articles

the Veterans' Home, review complaints and investigate conditions at the Home, and appear to and produce an annual report to the House and Senate Finance Committees each January.

Section 8. HIV. Section 8 of Article 9 shifts the HIV/AIDS direct service programs and all resources from the Department of Health to the Department of Human Services. This reflects the transfer of 4.0 full-time staff and FY 2012 recommended funding of \$13.1 million from all sources, including \$2.6 million from general revenues.

Sections 9 through 13. Water Resources Board. These sections of Article 9 merge the Water Resources Board into the Department of Administration's Division of Statewide Planning, effective July 1, 2011. The merger would transfer three of the six positions from the Board to the Division, while maintaining the Water Resources Board Corporate. The merger will more closely align the water planning aspects of the Board with the statewide planning process.

Section 14. Weatherization and LIHEAP. This section of Article 9 transfers the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources in the Department of Administration to the Department of Human Services, effective July 1, 2011. This includes the transfer of \$38.8 million from federal funds and 8.2 full-time equivalent positions.

Section 15. Fraud and Abuse. This section of Article 9 requires the auditor general to chair a task force of state and local officials to develop and implement a plan that identifies and coordinates programs that prevent fraud, waste, abuse, and mismanagement of public funds.

Section 16. Public Safety Communications Dispatch. This section of Article 9 delays the transfer of the dispatch functions of the Division of Enforcement from the Department of Environmental Management to the Department of Public Safety, until January 1, 2012.

Section 17. Higher Education. Section 17 of Article 9 directs the Department of Administration to submit a revised plan for the organizational structure for higher education administration, staff support and resource allocation. The plan shall address the goal of improving affordability and accessibility to public higher education and maximizing efficiencies while providing sufficient support to the governance structure of public higher education.

Section 18 through 24. Sheriffs. These sections of Article 9 transfer the funding, positions, and responsibilities of the Division of Sheriffs from the Department of Administration to the Department of Public Safety. These sections of Article 9 maintain the 10-year appointment of the Executive High Sheriff, the Sheriffs and the Chief Deputy Sheriffs; however, converts the employees from the unclassified service to the classified service. These sections will take effect on July 1, 2011.

Article 10. Education

Article 10 makes technical changes to the statewide transportation statutes to clarify the intent of the legislation. It also allows districts to use small vans to transport students if the vans meet certain safety requirements.

Explanations of Budget Articles

Article 10 authorizes the School for the Deaf to rent or lease space in its school building and retain the rental fees in a restricted receipt account to support its operations. The Budget assumes savings of \$67,500 from offsetting expenditures with rental income.

The article adds language clarifying the legislative intent when it established a fee for service program in FY 2010 to the section of law that describes the mechanism for payment of certain education services at the School for the Deaf.

Article 10 creates a restricted receipt account for local tuition payments to the Davies Career and Technical School from local school districts in accordance with the new education funding formula.

Article 11. Children's Health Account

The article changes the method of the annual assessment applied to all insurers for home health services, children and adolescent intensive treatment services and Comprehensive Evaluation, Diagnosis, Assessment, Referral and Re-evaluation services by charging the assessment for each individual service provided. Currently, the assessment is charged on the aggregate costs of services within one of the three expense categories. The article also increases the maximum assessment from \$6,000 to \$7,500 per child per service per year, effective upon passage.

Article 12. Municipal Accountability, Stability and Transparency

Section 1. School Committees. This section of this article removes the requirement that school committees publish notice of meetings in the newspaper.

Section 2. Retiree Health. This section allows municipalities to require its retirees to enroll in Medicare upon eligibility as a condition of receiving or continuing to receive retirement and other post employment benefits.

Sections 3 through 8. IOD/Disability. These sections give the Workers' Compensation court the power and authority to hear and decide appeals relating to injuries on duty and accidental disability claims. It requires individuals receiving injured on duty benefits to apply for an accidental disability retirement within 18 months of being injured. It also allows individuals that have been denied a disability pension and municipalities or the state that believe the Retirement Board erred in granting a disability pension the right to appeal.

Sections 9 through 11. Distressed. These sections specify that \$784,458 of the appropriation in FY 2011 and FY 2012 from the Distressed Communities Relief Fund shall be distributed equally to each qualifying distressed community in the FY 2011 and FY 2012 budgets. This provision was inadvertently omitted from the FY 2011 enacted budget, though the distribution reflects that. Currently, eight communities receive funding from this program. The article takes effect upon passage.

Section 12. Library Construction. This section imposes a three-year moratorium on library construction aid projects.

Sections 13 through 18. Municipal Reporting. These sections amend current law to require that municipalities notify the auditor general and the Division of Municipal Finance within 30 days after the end

Explanations of Budget Articles

of the fiscal year if it is likely to incur a deficit. It also requires municipalities to submit the certified tax roll to the Division of Municipal Finance no later than the next succeeding August 15.

Article 13. Vehicle Registration

This article allows the Division of Motor Vehicles to assess a fee up to \$25 for each temporary registration plate. Current law allows car dealers to purchase temporary registration plates in a packet of 10 at a fee of \$200, which equates to \$20 each. The amount charged above \$20 would be retained by a vendor for a convenience fee.

The article also delays the requirement for a general reissuance plate by two years from September 1, 2011 to September 1, 2013. The act takes effect July 1, 2011.

Article 14. Nursing Home Reimbursement Rates

This article eliminates the current nursing home principles of reimbursement and replaces it with a methodology to pay a base rate to each nursing home continuing to recognize patient acuity and the minimum occupancy requirements beginning January 1, 2012.

Article 15. Hospital Payments

Article 15 restricts the rates used by the Department of Human Services to pay hospitals for both inpatient and outpatient services through the state's managed care plans, which cannot be higher than national growth rates set by the Centers for Medicare and Medicaid Services. The current restriction on outpatient rates is set to expire on January 1, 2012 with the inpatient restriction expiring January 1, 2013. This article also specifies that fee-for-service outpatient rates will be equal to what Medicare pays for similar services.

Article 15 also adds language to end hospitals year end settlement reports for payments for outpatient and inpatient services, beginning in FY 2010 and FY 2011 respectively, with FY 2010 inpatient claims between October 1, 2009 and June 30, 2010 subject to the settlement process. This action coincides with the new hospital rate reimbursement system that pays closer to cost. The article also increases the thresholds that trigger hospital compliance with the certificate of need process adjusted annually for the consumer price index.

The Article instructs the secretary of the Office of Health and Humans Services, along with the health insurance commissioner, replacing the director of the Department of Health, to appoint the health services council by September 30, 2011. The article replaces the health insurance commissioner with the Director of the Department of Health as a council member and allows for certain designees. The council has the authority to develop ongoing assessments of state's health care needs and health care system, including the capacity of health care providers, services, including transportation and equipment. The article provides that an annual report be submitted every July to the Governor and General Assembly on the implementation of the plan that was adopted by the council. The budget includes \$150,000 to support this.

Article 16. Medicaid Global Waiver

Article 16 is a resolution to notify the Assembly and seek approval to make ten changes to the Medicaid global waiver for programs through the Department of Human Services, the Department of Behavioral

Explanations of Budget Articles

Healthcare, Developmental Disabilities and Hospitals, and the Department of Children, Youth and Families. The changes affect reimbursement methodologies for services provided by nursing homes, hospitals, and agencies serving adults with developmental disabilities. The article also makes changes to programs provided to adults with mental health and substance abuse issues and children through the Department of Children, Youth and Families and increasing monthly cost sharing requirement for RIte Care families. These are considered category 2 because the changes are statutory with potential changes to the state's rules and regulations.

The article also requires a review of managed care plans with a report to be submitted to the Assembly and encourages the Department of Human Services to enter into a contract by July 1, 2012 to manage the long term care and acute care benefits of Medicaid eligible individuals and those eligible for both Medicare and Medicaid, also called dual eligibles.

Article 17. Department of Children, Youth and Families

Section 1. Abused and Neglected Children. This section of Article 17 amends the definition of child abuse and neglect to conform with federal standards in the Child Abuse and Prevention Act. Currently, the Department may remove a child from the home if child protective investigators feel that a child has suffered abuse or neglect and that continued care and custody by the parents may result in further harm to the child. This article amends current law to define child abuse as any recent act or failure to act on the part of a parent or caretaker which results in death, serious physical or emotional harm, sexual abuse or exploitation. The budget assumes savings of \$0.6 million from general revenues from reduced investigations and removals from homes.

Section 2. Rules and Regulations. This section of Article 17 authorizes the Department of Children, Youth and Families to promulgate rules and regulations to impose fees or charges for background checks on individuals who are seeking to operate a facility which is required to be licensed by the Department, who is seeking employment at the Department which involves supervisory or disciplinary power over a child and involves routine contact with a child without the presence of other employees, or who is seeking employment at the Training School. The budget includes savings of \$0.1 million from assessing a \$10 fee for background checks done through the Child Abuse and Neglect Tracking System.

Sections 3 and 4. Electronic Monitoring. Sections 3 and 4 of Article 17 add language to authorize the Family Court to place a youth detained at the Training School in an appropriate community based setting where he or she shall be supervised by a probation officer. During the period of time that the youth is in a community based setting or on probation, the Family Court may include the use of electronic surveillance or monitoring devices. This budget includes general revenue savings of \$0.4 million from this initiative.

Article 18. Hospital Uncompensated Care

This article extends the uncompensated care payments to the community hospitals with the state making a payment for FY 2013 that does not exceed \$129.8 million. This article also includes a \$12.1 million outpatient upper payment limit reimbursement to the community hospitals.

Article 19. Fees

Sections 1 through 3. LP and LLP. Sections 1 and 2 of this article subject limited partnership and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500. These entities are

Explanations of Budget Articles

currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State. The budget assumes \$0.8 million in new revenues from both limited partnership and limited liability partnerships paying this tax. The annualized revenue increase would be \$1.6 million.

Section 4. Combined Reporting. This section of Article 19 requires a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return for three years. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

Sections 5 through 10. Tax Incentives. These sections of Article 19 require tax credit recipients to report to the tax administrator the number of full-time, part-time and seasonal employee’s name, social security number, date of hire and hourly wage. It further requires that the Department of Revenue compile and publish an annual unified report by January 15 of each fiscal year. This report must include a summary of jobs created or retained, an overview of benefits offered and the amount of the tax credit. Currently, the Division of Taxation annually reports the names, addresses and amount of tax credits received during the previous fiscal year.

Section 11. Hospital Licensing Fee. This section includes an FY 2012 hospital licensing fee at 5.43 percent of hospitals’ net patient services revenue for the hospital fiscal year ending on or after September 30, 2010. It also includes the due date for filing returns and making the payment.

The total revenue collected from the hospitals will be \$144.0 million including \$138.0 million from the community hospitals and \$6.0 million from Eleanor Slater Hospital at the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This article appears annually in the Appropriations Act.

Section 12. Department of Business Regulation. This section of Article 19 amends Rhode Island General Law to increase fees for the application and/or the renewal of two specific professional licenses. The security sales representative licensing fee would increase by \$15 from \$60 to \$75 and the federal covered advisor licensing fee by \$50 per year from \$250 to \$300. These increases will yield \$1.2 million in additional revenues for FY 2012.

Section 13. Commercial Drivers License. This section of Article 19 authorizes the Board of Governors for Higher Education to establish a fee of up to \$100 for the Community College of Rhode Island to administer a skill test examination for a commercial driver’s license. Currently, there is a \$50 fee for a skill test examination administered by the division, which is dedicated to the Community College of Rhode Island to offset administrative costs of conducting the driving skills examination.

Section 14. Lottery Winnings. This section of Article 19 would allow for the garnishing of lottery winnings over \$600 when unpaid state taxes are owed. The FY 2012 Budget assumes \$141,457 in revenues from this action.

Section 15. Estate Filing Fee. This section of Article 19 increases the estate filing fee from \$25 to \$50. The fee has been \$25 since it was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$108,915.

Explanations of Budget Articles

Section 16. Letter of Good Standing. This section of Article 19 increases the fee to obtain a letter of good standing from the Division of Taxation from \$25 to \$50. This fee was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$122,925.

Section 17. Compassion Center. This section of Article 19 imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. The Budget assumes revenues of \$0.7 million which will be deposited into the general fund.

Section 18. Lists of Tax Delinquents. This section of Article 19 allows the Division of Taxation to list the top 100 individuals and the top 100 businesses that are delinquent in paying taxes in excess of 90 days. The Division of Taxation currently posts a list of the top 100 tax delinquents. The FY 2012 Budget assumes revenues of \$1.8 million from passage of this section.

Section 19. Return Checks Fee. This section of Article 19 authorizes the Division of Motor Vehicles to assess a fee up to \$50 on returned checks. The Division of Motor Vehicles indicates that it incurs \$3.71 in various fees whenever a check is returned for insufficient funds. The FY 2012 Budget includes \$18,720 in revenues assuming a fee of \$25.

Sections 21 and 22. EDC and Industrial Facilities Corporation. These sections of Article 19 rescind the authority for the Economic Development Corporation and the Industrial Facilities Corporation to grant project status, effective July 1, 2011. These projects are exempt from the sales tax. Eliminating the authority for the corporations to grant project status would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016. The 2009 Assembly enacted legislation returning the authority to grant “project status” to the Economic Development Corporation and the Rhode Island Industrial Facilities Corporation and removed the requirement for Assembly approval. The legislation also required that the sales tax exemption be reimbursed rather than an up-front purchase exemption.

Sections 23 through 26. Sales Tax. These sections apply sales and use tax to over-the-counter or nonprescription drugs, the trade-in allowance of proceeds for motor vehicles that have been declared a loss, damaged or stolen, medical marijuana and package tours and prewritten computers software, effective October 1, 2011. It also stipulates that in the event that Congress enacts legislation to require remote sellers to collect and remit taxes, the sales tax would decrease from 7.0 percent to 6.5 percent; the hotel and local meals and beverage taxes would increase from 1.0 percent to 1.5 percent.

Article 20. Corrections

This article allows certain inmates with chronic and incurable illnesses to be eligible for medical parole, particularly when incarceration is no longer punitive and/or rehabilitative. It also authorizes the Parole Board to determine when psychiatric reports are required rather than having the state psychiatrist examine every prisoner applying for parole. Lastly, it includes a provision that requires the director of the Department of Corrections to submit a quarterly report to the chairs of the House and Senate Finance Committees and their respective advisors on the progress of consolidating inmates out of the Donald Price Medium Security facility into available bed spaces in the rest of the system.

Article 21. Retiree Healthcare Trust Fund

Explanations of Budget Articles

Article 21 amends the retiree health care trust fund statute based on recommendations made by the Other Post Employment Benefits (OPEB) Board. It clarifies that the board may collect contributions from quasi-public agencies that are part of the Trust Fund. It also removes the Board's authority to interpret or decide claims for benefits or resolve disputes and gives the Board the right to research, question, investigate and make recommendations of findings to the Department of Administration. It also delays the submission of the first report of the Board to October 2012; it had been January 2011. It also changes the requirement for actuarial valuation and experience study from every year to every two years. Finally, it modifies the method of payment of administration costs from the Fund. This article also requires anyone entitled to post employment benefits offered by the state to enroll in Medicare upon eligibility as a condition or receiving or continuing to receive access to post-employment benefits.

Article 22. Transportation Funding

This article creates a transportation trust fund and provides that incremental increases of transportation related surcharges will be dedicated to the fund. Article 22 will reduce the Department of Transportation's reliance on borrowing while transitioning to a pay-go system. Beginning on July 1, 2013 there will be a \$10.00 surcharge on biannual vehicle registrations that will increase in \$10.00 increments to a total of \$30.00, the annual registration surcharge will increase in \$5.00 increments to a total of \$15.00 and the license surcharge will increase in \$10.00 increments to a total of \$30.00.

The incremental increases will begin in FY 2014 and end in FY 2016, where they will generate approximately \$20 million annually. These funds will be combined with a dedicated annual stream of \$20 million from Rhode Island Capital Plan funds, which will be provided in Section 12 of Article 1 in future appropriations acts. Together the funds will provide the \$80 million of state matching funds for transportation funding that is currently generated through debt issuance.

Article 23. Human Services

Article 23 makes three changes relating to human services. First, it reduces the state's portion of the supplemental security income monthly payment made to assisted living residents to its federally required minimum payment of \$332. Secondly, it mandates that any medical benefit claim first be submitted to commercial insurers, Medicare and/or a Medicaid managed care plan before a state agency pays the claim. Thirdly, it also allows Rhode Island Works clients to immediately enter into intensive education and training programs if the client needs these services in order to obtain gainful employment instead of requiring the individual to seek employment first.

Article 24. Job Training Funds

This article requires the Human Resource Investment Council to provide a funding plan outlining resources necessary to achieve the Council's priorities and to serve the anticipated number of participants within the biennial employment and training plan submitted to the Governor and General Assembly. It also requires the Council develop and maintain a comprehensive inventory and analysis of all workforce development activities in the state, establish an advisory group to assist in the analysis and requires all departments and agencies to provide information that is necessary or desirable by the Council for this analysis.

Article 25. Effective Date

Explanations of Budget Articles

Article 25 provides that the act shall take effect upon passage, except where a provision within the article specifies a retroactive or prospective effective date.

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RI Clean Water Finance Agency
Narragansett Bay Commission
RI Resource Recovery Corporation
Department of Transportation
RI Public Transit Authority
Turnpike and Bridge Authority
RI Airport Corporation

House Fiscal Advisory Staff

2011-H 5894 Substitute A As Recommended by the House Finance Committee



Submitted to the 2011 House of Representatives

House Committee on Finance

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Chair

Hon. Eileen S. Naughton
Deputy Chair
*Chair, Subcommittee on
Human Services*

Hon. William San Bento, Jr.
Secretary

Hon. Raymond E. Gallison, Jr.
Co-Vice Chair
*Chair, Subcommittee on
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*Chair, Subcommittee on
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Hon. Frank Ferri
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*Chair, Subcommittee on
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Table of Contents

Introduction	1
Section I. Overview	3
Section II. Adjustments to Governor’s FY 2012 Budget	
FY 2012 Expenditure Changes Table	9
Changes to Governor’s FY 2012 Budget	17
Section III. Special Reports	
State Aid to Cities and Towns.....	41
FY 2012 Education Aid	57
Section IV. Adjustments to Governor’s Revised Budget	
FY 2011 Expenditure Changes Table	63
Changes to Governor’s FY 2011 Revised Budget.....	69
Section V. Summary Tables	
Expenditures by All Funds.....	86
Expenditures from General Revenue	88
Expenditures from Federal Grants	90
Expenditures from Restricted Receipts.....	92
Expenditures from Other Funds	94
Full-Time Equivalent Positions.....	96
Section VI. Article Explanations	99

Introduction

Introduction

This document provides information concerning the FY 2012 budget contained in 2011-H 5894, Substitute A as passed out of House Finance Committee on June 17. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I, beginning on page 3, is a short summary of the budget.

Section II, beginning on page 9, presents the changes to the Governor's recommendations for FY 2012 introduced and referred to House Finance on March 9. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III, beginning on page 41, contains State Aid to Cities and Towns and Education Aid. Both of these reports contain comparison tables to FY 2011 as well as descriptions of the major aid components.

Section IV, beginning on page 63, contains the changes to the Governor's revised budget which was included as Article 2 of 2011-H 5894. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section V, beginning on page 86, contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2011 enacted budget, the final FY 2011 budget as reported by the House Finance Committee, the Governor's FY 2012 recommendations and the House Finance Committee's recommendations.

Section VI, beginning on page 99, contains brief descriptions of the articles contained in 2011-H 5894, Substitute A.

The names and telephone numbers of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

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Analyst and Phone Number (222)

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Department of Labor and Training.....	Stephanie Perreault (3876)
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Legislature	Liza Pinto (2059)
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Office of the Secretary of State.....	Stephanie Perreault (3876)
Office of the General Treasurer	Liza Pinto (2457)
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Public Utilities Commission.....	Lori Fisette (1386)
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Department of Elderly Affairs.....	Jodi Aubin (1304)
Department of Health	Lori Fisetto (1386)
Department of Human Services	Stephanie Perreault (3876)
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Office of the Child Advocate	Jodi Aubin (1304)
Commission on the Deaf and Hard of Hearing.....	Lori Fisetto (1386)
Governor's Commission on Disabilities	Lori Fisetto (1386)
Office of the Mental Health Advocate.....	Linda M. Haley (1164)

Education Agencies

Department of Elementary and Secondary Education.....	Liza Pinto (2059)
Board of Governors for Higher Education.....	Justin Benevides (1162)
Rhode Island Council on the Arts.....	Jodi Aubin (1304)
Rhode Island Atomic Energy Commission	Justin Benevides (1162)
Rhode Island Higher Education Assistance Authority	Liza Pinto (2059)
Historical Preservation and Heritage Commission	Edward J. Cooney, Jr. (1303)
Rhode Island Public Telecommunications Authority.....	Justin Benevides (1162)

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Department of Corrections.....	Nobel Jeudy (3877)
Judicial Department.....	Nobel Jeudy (3877)
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Department of Public Safety	Edward J. Cooney, Jr. (1303)
Office of the Public Defender.....	Nobel Jeudy (3877)

Natural Resources Agencies

Department of Environmental Management.....	John-Paul Verducci (2014)
Coastal Resources Management Council.....	John-Paul Verducci (2014)
State Water Resources Board	John-Paul Verducci (2014)
Clean Water Finance Agency.....	John-Paul Verducci (2014)
Narragansett Bay Commission.....	John-Paul Verducci (2014)
Rhode Island Resource Recovery Corporation.....	John-Paul Verducci (2014)

Transportation Agencies

Department of Transportation.....	John-Paul Verducci (2014)
Rhode Island Public Transit Authority	John-Paul Verducci (2014)
Rhode Island Airport Corporation.....	John-Paul Verducci (2014)

Section I

Overview

Summary

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Expenditures by Function*				
General Government	\$ 1,681.4	\$ 1,823.0	\$ 1,357.2	\$ 1,381.7
Human Services	3,121.9	3,099.8	3,119.6	3,149.8
Education	2,101.2	2,194.7	2,170.1	2,167.2
Public Safety	431.8	474.8	475.4	473.7
Natural Resources	98.9	111.1	104.0	102.8
Transportation	428.9	453.8	435.0	427.0
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Expenditures by Category*				
Salaries and Benefits	\$ 1,439.6	1,451.8	\$ 1,502.8	\$ 1,475.9
Contracted Services	222.5	248.5	231.7	235.5
Subtotal	\$ 1,662.0	\$ 1,700.3	\$ 1,734.5	\$ 1,711.4
Other State Operations	633.2	670.9	669.8	669.8
Aid to Local Units of Government	1,053.9	1,096.1	1,097.2	1,076.2
Assistance, Grants, and Benefits	3,864.1	4,018.7	3,532.8	3,603.3
Capital	266.9	280.3	244.0	256.1
Capital Debt Service	233.8	230.4	240.7	243.7
Operating Transfers	150.1	160.4	142.3	141.7
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Sources of Funds*				
General Revenue	\$ 2,942.1	\$ 2,974.2	\$ 3,169.8	\$ 3,144.5
Federal Aid	2,903.5	3,085.0	2,557.2	2,606.3
Restricted Receipts	180.0	181.2	209.5	188.6
Other	1,838.5	1,916.8	1,724.8	1,762.8
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
FTE Authorization	14,827.6	14,957.6	14,990.6	14,942.2

**Data in millions*

Note. Data in the "FY 2011 Enacted" column are not comparable to the other columns due to inclusion of adjustments in single categories or functions. Significant retirement adjustments are included as expenditures in the Department of Administration in General Government rather than distributed to the agencies and departments. There are similar aggregated adjustments in the FY 2012 Committee recommendation.

Summary

The Governor's budget recommendations for FY 2012, along with his revisions to the FY 2011 enacted budget, are contained in 2011-H 5894, introduced on March 9, 2011. The Governor signed 2011-H 5269 on February 18 that extended the submission date 35 days to March 10. Supporting documents were not published until late March.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February.

The Governor recommends a total FY 2012 budget of \$7,661.3 million. Total expenditures decrease \$202.8 million from the FY 2011 budget enacted by the 2010 Assembly, or 2.6 percent. His FY 2011 revised budget totals \$8,111.4 million; FY 2010 expenditures were \$7,708.9 million.

The Budget includes \$3,169.8 million of expenditures funded from general revenues, \$227.7 million, or 7.7 percent more than the enacted general revenue funded budget. They are also \$204.5 million more than his revised recommendations.

The House Finance Committee recommends total expenditures of \$7.702 billion, which is \$40.9 million more than the Governor recommended. It contains \$3.145 billion from general revenues, which is \$25.3 million less than the Governor recommended.

FY 2012	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2011 Enacted	\$ 2,942.1	\$ 2,903.5	\$ 180.0	\$ 1,838.5	\$ 7,864.1
Governor	3,169.8	2,557.2	209.5	1,724.8	7,661.3
Change to Enacted	\$ 227.7	\$ (346.3)	\$ 29.4	\$ (113.7)	\$ (202.8)
Percent Change	7.7%	-11.9%	16.4%	-6.2%	-2.6%
House Finance Committee	3,144.5	2,606.3	188.6	1,762.8	7,702.2
Change to Enacted	202.4	(297.2)	8.5	(75.6)	(162.0)
Percent Change	6.9%	-10.2%	4.7%	-4.1%	-2.1%
Change to Governor	\$ (25.3)	\$ 49.1	\$ (20.9)	\$ 38.0	\$ 40.9
HFC Change to FY 2011	\$ 170.3	\$ (478.7)	\$ 7.3	\$ (153.9)	\$ (455.0)
Percent Change to FY 2011	5.7%	-15.5%	4.0%	-8.0%	-5.6%
HFC Change to FY 2010	\$ 280.9	\$ (206.9)	\$ 36.3	\$ (117.1)	\$ (6.8)
Percent Change to FY 2010	9.8%	-7.4%	23.8%	-6.2%	-0.1%

General revenue expenditures recommended by the Committee are \$202.4 million, or 6.9 percent more than general revenues appropriated for FY 2011 by the 2010 Assembly. That budget contained over \$230 million in federal stimulus funds substituting for general revenues. General revenue expenditures are \$170.3 million more than the FY 2011 revised budget also contained in 2011-H 5894, Substitute A.

A significant portion of the changes in the budget relate to large adjustments for payments of unemployment benefits, which are reflected in both federal and other funds.

House Fiscal Staff estimates that in preparing the FY 2012 budget, the Governor faced a projected revenue-expenditure gap of \$300 million, which would grow to about \$400 million by FY 2016. This was somewhat lower than Staff's FY 2011 forecast in the enacted FY 2011 budget, mainly because of revisions at the November 2010 Revenue and Caseload Estimating Conference. The Governor's budget resolved this

gap largely with increased revenues and one-time savings. The Budget Office projected a \$128.8 million gap for FY 2013, 3.9 percent of useable revenues, that grows to \$411.4 million in FY 2016, 12.0 percent of useable revenues. The FY 2013 gap is largely due to the Governor's proposed use of one-time items in the resolution of the current budget gap and the phase in of the business tax reductions and transportation funding increases. That amount more than triples largely because expenditure growth rates outpace the revenue growth projections with average deficits of \$294.0 million including \$480.0 million for FY 2016.

The gap narrowed by \$46.6 million for FY 2011 and \$62.7 million for FY 2012 due to stronger than expected revenue estimates and caseload changes adopted at the May 2011 Revenue and Caseload Estimating Conference.

House Finance Committee used these additional resources along with additional expenditure reductions to close the budget gap without the significant increase in new revenues as proposed by the Governor. The Committee's budget also includes a number of initiatives that do not reflect a full year's savings or revenue or do not produce savings until FY 2013 or later. This is necessary to offset the use of FY 2011 surplus funds and other one-time savings in FY 2012 without exacerbating out year deficits. Examples of this include the October 1 effective date for most of the sales tax items, the action to end new longevity payments, the school construction aid moratorium and a number of human services initiatives.

The House Finance Committee's budget does not entirely resolve the out year budget gaps, though its actions provide a considerable reduction compared to the Governor's initial budget submission. The table below shows those changes excluding the impact on retirement costs based on action taken by the Retirement Board in April and May regarding retirement assumptions and out year pension costs.

<i>Excluding Retirement Board Action</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	\$ (128.8)	\$ (224.7)	\$ (342.5)	\$ (480.0)	\$ (294.0)
FY 2012 Budget as passed by House Finance Committee	(58.9)	(100.6)	(164.7)	(218.8)	(135.8)
Difference	\$ (69.9)	\$ (124.1)	\$ (177.8)	\$ (261.2)	\$ (158.2)
% difference	-54.3%	-55.2%	-51.9%	-54.4%	-53.8%

**As adjusted for technical correction*

Staff estimates that the Retirement Board's actions to lower investment return assumptions and other key factors affecting the unfunded liability and state contribution would add approximately \$80 million to the structural deficit annually. The Governor, Assembly and Treasurer have committed to addressing this issue before the 2012 Legislative Session. The table below shows the out-year deficits with that issue factored into both estimates. If no action is taken, the FY 2013 out year deficit would be \$140.3 million.

Out-Year Forecasts

<i>Adjusted for Retirement Board Action Impact</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	(210.2)	(304.8)	(416.3)	(557.6)	(372.2)
FY 2012 Budget as passed by House Finance Committee	(140.3)	(180.7)	(238.5)	(296.3)	(214.0)
% difference	-33.3%	-40.7%	-42.7%	-46.9%	-42.5%

**As adjusted for technical correction*

The items that follow represent a selection of items of interest regarding the budget. Additional information is contained in the sections describing the changes to the Governor's budget, budget article explanations and aid reports.

- ***Rainy Day Fund Repayment.*** The Committee does not further delay the \$22.0 million repayment of the Budget Stabilization and Cash Reserve Account for funds borrowed in FY 2009 to close the projected budget gap. Governor Chafee initially proposed that be delayed until FY 2013. He subsequently requested an amendment reversing that recommendation following the May Revenue Conference results.

- ***Governor's Sales Tax Plan.*** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items for a total of \$17.2 million in FY 2012.

- ***Combined Reporting.*** The House Finance Committee does not concur with the Governor's recommendation to impose combined reporting and adjusts revenues accordingly. The Committee does include legislation requiring a corporation that is part of a "unitary business" to file returns as if combined reporting were required along with their regular returns. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

- ***Driving Record Abstracts.*** The House Finance Committee does not concur with the Governor's proposed legislation to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement.

- ***Telecomm Access Fund.*** The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012 and reduces revenues by \$74,160.

- ***Central Falls Stabilization Payment.*** The Governor recommends \$1.8 million in FY 2011 and \$4.9 million in FY 2012 to eliminate the projected deficits for Central Falls. The House Finance Committee does not concur.

- ***Payment in Lieu of Taxes Program.*** The House Finance Committee recommends \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program, \$5.5 million more than FY 2011 and the Governor's recommendation.

- ***Funding Formula.*** The House Finance Committee concurs with the Governor's recommendation to fund the first year of the education funding formula adopted by the 2010 Assembly.
- ***Longevity.*** The House Finance Committee includes Article 8 to end new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract and estimates \$4.0 million in FY 2013 savings from this action.

- ***Neighborhood Opportunities Program.*** The House Finance Committee concurs with the Governor's proposal to dedicate \$1.5 million from Rhode Island Housing and Mortgage Finance Corporation resources to the Neighborhood Opportunities program.

- **Pharmaceutical Assistance.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the Pharmaceutical Assistance to the Elderly program and restores \$0.3 million from general revenues and \$0.1 million from drug rebates to fully fund the program.
- **Unemployment Trust Fund.** The Budget includes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It includes changes to the taxable wage base and benefits. Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The changes are designed to make the Trust Fund solvent by FY 2015.
- **Public Higher Education.** The House Finance Committee includes \$4.0 million in new general revenue funding for Public Higher Education, which is \$6.0 million less than the Governor's proposal to add \$10.0 million. The Committee did include an increased commitment of \$2.0 million annually for the asset protection projects at the institutions.
- **Hardship Program.** The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.
- **Nursing Home Rate Reduction.** The Governor's budget includes a five percent reduction to the rate paid to nursing homes beginning October 1, 2011 for savings of \$12.8 million, including \$6.1 million from general revenues. He also revises the nursing home principles of reimbursement. The House Finance Committee does not concur with the rate reduction and restores roughly half the funding by not allowing the scheduled cost of living increase. The Committee does concur with the change in payment methodology.
- **Community Service Grants** The House Finance Committee includes a ten percent reduction to community service grants for a savings of \$0.9 million.
- **Facility Consolidation and Population Reduction.** The House Finance Committee recommends general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing community-based placements. Based on the current population level and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the savings. These savings would annualize to over \$12 million in FY 2013.
- **Transportation.** The Governor proposed dedicating \$12.0 million to transportation expenses in FY 2012 by transferring 20.0 percent of certain transportation related fees previously deposited as general revenues. He proposed to increase the transfer of these fees by 20.0 percent each year until FY 2016, when 100 percent of the fees will be dedicated to the Department. The purpose of the proposal is to eventually lower the amount of debt service paid by the Department with gasoline tax proceeds, which will then allow these proceeds to be used for other purposes. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal, which utilizes newly created and incrementally increasing transportation related surcharges beginning in FY 2014 along with Rhode Island Capital Plan funds to reduce the Department's borrowing.

General Revenue Surplus Statement

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2012 surplus of \$0.3 million, and has an operating deficit of \$57.0 million reflecting use of the FY 2011 surplus. The FY 2012 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and

expenditures. The budget reserve and cash stabilization account, the “rainy day fund” would have an FY 2012 balance of \$148.8 million.

	FY 2010	FY 2011 HFC	FY 2012 HFC
Opening Surplus			
Free Surplus	(62,286,104)	17,889,522	57,361,498
Reappropriated Surplus	998,144	3,364,847	-
Subtotal	(61,287,960)	21,254,369	57,361,498
Revenues			
Enacted/Actual/Estimated	3,017,031,203	3,020,646,545	2,938,040,000
Governor	-	19,074,620	307,809,191
Assembly	-	51,424,942	(67,798,390)
Total Revenues	3,017,031,203	3,091,146,107	3,178,050,801
To Cash Stabilization Fund	(70,913,882)	(80,834,926)	(90,591,544)
Total Available Resources	2,884,829,361	3,031,565,550	3,144,820,755
Expenditures			
Actual/Enacted/Estimated	2,863,574,992	2,942,118,704	3,327,178,688
Reappropriations	-	3,364,847	-
Governor	-	19,821,403	(157,342,662)
Assembly	-	8,899,098	(25,331,341)
Total Expenditures	2,863,574,992	2,974,204,052	3,144,504,685
Total Surplus	21,254,369	57,361,498	316,070
Reappropriations	(3,364,847)	-	-
Free Surplus	\$ 17,889,522	\$ 57,361,498	\$ 316,070
<i>Operating Surplus/(Deficit)</i>	<i>83,540,473</i>	<i>39,471,976</i>	<i>(57,045,428)</i>
Rainy Day Fund	112,280,314	130,579,496	148,828,966

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$112.3 million in FY 2010, \$130.6 million in FY 2011, and \$148.8 million in FY 2012. The account received 2.4 percent of general revenues plus free surplus in FY 2010, 2.6 percent in FY 2011, and will receive 2.8 percent in FY 2012.

Section II

Adjustments to Governor's FY 2012 Budget

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					-
1	May Revenue Conference	66,645,142	-	-	-	66,645,142
2	Governor's Sales Tax Plan	(165,821,740)	-	-	-	(165,821,740)
3	Sales Tax - End Exemption for Insurance Proceeds	776,903	-	-	-	776,903
4	Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1	6,668,600	-	-	-	6,668,600
5	Sales Tax -Nonprescription Drugs eff Oct 1	8,615,000	-	-	-	8,615,000
6	Sales Tax - Rescind Project Status Prospectively	100,000	-	-	-	100,000
7	Sales Tax - Sightseeing Package Tours	1,050,000	-	-	-	1,050,000
8	No Corporate Income Tax Rate Reduction Phase-In	7,704,627	-	-	-	7,704,627
9	No Jobs Development Act Three Year Phase-Out	(4,845,502)	-	-	-	(4,845,502)
10	No Corporate Minimum Tax Restructure	6,117,310	-	-	-	6,117,310
11	Add LP, LLPs at \$500	794,250	-	-	-	794,250
12	Combined Reporting - Three Year Study	(8,035,640)	-	-	-	(8,035,640)
13	Beach Fees Correction	(428,128)	-	-	-	(428,128)
14	Compassion Centers Correction (GBA)	137,601	-	-	-	137,601
15	DMV: Driving Record Abstracts	(2,965,689)	-	-	-	(2,965,689)
16	Fire Code Violation Fees	(40,000)	-	-	-	(40,000)
17	Health Services Council	371,320	-	-	-	371,320
18	Hospital Licensing Fee	2,175,350	-	-	-	2,175,350
19	Lottery Revenues Correction	982,593	-	-	-	982,593
20	Motion Picture Tax Credit Restoration	(1,627,201)	-	-	-	(1,627,201)
21	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
22	Nursing Home Rate Changes	355,241	-	-	-	355,241
23	Transportation Funding Plan	12,081,981	-	-	-	12,081,981
24	Taxation - Enhanced Audit & Compliance	2,000,000	-	-	-	2,000,000
25	Telecomm Access Fund Indirect Cost	(74,160)	-	-	-	(74,160)
26	Veterans' Home Assessment	(786,248)	-	-	-	(786,248)
	Total	(67,798,390)	-	-	-	(67,798,390)
	<i>Expenditures Changes</i>					
	Statewide					
27	Prospective Longevity Elimination	-	-	-	-	-
28	Statewide Medical Benefits Holiday (GBA)	(3,000,000)	-	-	-	(3,000,000)
	Administration					
29	Capital - Cannon Building	-	-	-	1,000,000	1,000,000
30	Capital - Cranston Street Armory	-	-	-	(300,000)	(300,000)
31	Capital - DoIT Operations Center	-	-	-	288,000	288,000
32	Capital - Fire Code Compliance	-	-	-	400,000	400,000
33	Capital - Pastore Buildings Demolition	-	-	-	1,000,000	1,000,000
34	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	670,000	670,000
35	Capital - Pastore Fire Code Compliance	-	-	-	300,000	300,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
36	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(150,000)	(150,000)
37	Capital - RIFANS Implementation	-	-	-	(2,500,000)	(2,500,000)
38	Capital - State Office Building	-	-	-	400,000	400,000
39	Capital - Washington County Government Center	-	-	-	700,000	700,000
40	Community Service Grants	(133,563)	-	-	-	(133,563)
41	Debt Service Adjustments	2,995,946	-	-	-	2,995,946
42	Director/Budget Office Savings	(653,905)	-	-	-	(653,905)
43	DOA New Positions	(334,259)	-	-	-	(334,259)
44	Facilities Mgt Correction (GBA)		27,056	81,167	297,613	405,836
45	Facilities Mgt Group Homes from DOA to BHDDH (GBA)	(355,211)	-	-	-	(355,211)
46	IT Revolving Fund	2,000,000	-	-	-	2,000,000
47	Library Construction Aid Moratorium		-	-	-	-
48	Merge Water Resources into Statewide Planning	700,000	-	-	200,000	900,000
49	Purchasing Website Delay (GBA)	30,000	-	-	-	30,000
50	Technology Initiative Increase	(1,300,000)	-	-	-	(1,300,000)
51	Tourism Asset Protection Fund	-	-	(920,180)	-	(920,180)
52	Weatherization/LIHEAP Transfer from DOA to DHS	-	(38,769,020)	-	-	(38,769,020)
						-
	Business Regulation					-
53	Healthcare Reform Grants and 3.0 FTE (GBA)	-	5,342,412	-	-	5,342,412
54	Turnover	(260,000)	-	-	-	(260,000)
						-
	Labor and Training					-
55	Capital - Center General Roof	-	-	-	770,000	770,000
56	Emergency Unemployment Compensation Extension (GBA)	-	50,418,000	-	24,488,000	74,906,000
57	Labor Relations Board (GBA)	(18,595)	-	-	-	(18,595)
58	Police and Fire Relief Staffing (GBA)	42,832	-	-	-	42,832
59	Workforce Regulation and Safety Staffing (GBA)	288,295	-	-	-	288,295
	Revenue					
60	Capital - Corporate Tax Model	-	-	-	(125,000)	(125,000)
61	Capital - Tax Data Warehouse	-	-	-	(655,000)	(655,000)
62	Central Falls	(4,900,000)	-	-	-	(4,900,000)
63	Central Falls Receivership Staffing	(199,669)	-	-	-	(199,669)
64	DMV - Middletown Lease Adjustment (GBA)	22,500	-	-	-	22,500
65	DMV - Motor Vehicle Computer System (GBA)	404,862	-	-	-	404,862
66	DMV - Overtime for Computer Training	(375,000)	-	-	-	(375,000)
67	DMV - Strategic Plan & Capacity Enhancement (2.0 FTE)	300,000	-	-	-	300,000
68	DMV - Westerly Branch	37,800	-	-	-	37,800
69	Municipal Accountability, Stability & Transparency Fund	-	-	(19,330,231)	-	(19,330,231)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
70	Municipal Pension Study	(250,000)	-	-	-	(250,000)
71	PILOT	5,500,000	-	-	-	
72	Revenue Analysis -Turnover	(60,000)	-	-	-	(60,000)
73	Taxation - Revenue Agents for Audit & Compliance (4.0 FTE)	260,400	-	-	-	260,400
74	Taxation - Sales Tax Administration (2.0 FTE)	150,000	-	-	-	150,000
Legislature						
75	Personnel	(500,000)	-	-	-	(500,000)
Lieutenant Governor						
76	Health Policy Director (1.0 FTE)	-	124,232	-	-	124,232
77	Turnover Savings	(31,062)	-	-	-	(31,062)
Secretary of State						
78	Personnel and Operating	(43,400)	-	-	-	(43,400)
79	Community Service Grants	(15,032)	-	-	-	(15,032)
Office of the General Treasurer						
80	Moving Expenses and Build Out (GBA)	60,724	10,568	159,275	10,568	241,135
81	Unclaimed Property	-	-	401,768	-	401,768
82	Retirement System Legal Expenses	-	-	(120,000)	-	(120,000)
Board of Elections						
83	Turnover	(90,000)	-	-	-	(90,000)
Office of Health and Human Services						
84	Statewide Health Plan	150,000	-	-	-	150,000
85	Veterans' Affairs Administration	104,738	-	-	-	104,738
Children, Youth and Families						
86	Capital - Training School Repairs/Improvements	-	-	-	(300,000)	(300,000)
87	Caseload Savings Overstatement (GBA)	3,515,459	(3,408,532)	(106,927)	-	-
88	Community Service Grants	(26,525)	-	-	-	(26,525)
89	Nurse and Family Partnership Grant (GBA)	-	165,000	-	-	165,000
90	Olmstead Grant (GBA)	(20,000)	-	-	-	(20,000)
91	Parental Contributions Savings Initiative Overstatement (GBA)	442,000	-	-	-	442,000
92	Training School Education Expenses	2,075,000	-	(2,075,000)	-	-
93	Turnover	(200,000)	-	-	-	(200,000)
Elderly Affairs						
94	Maintain Pharmaceutical Assistance Program	349,000	-	100,000	-	449,000
95	Merge Elderly Affairs with Human Services	(9,668,591)	(17,769,466)	(497,091)	-	(27,935,148)
Health						
96	Community Service Grants	(58,372)	-	-	-	(58,372)
97	Enhance Food Inspector Staffing (3.0 FTE)	247,000	-	-	-	247,000

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
98	Federal Grant Adjustments	-	757,267	-	-	757,267
99	Health Services Council	380,515	-	125,000	-	505,515
100	HIV/AIDS Program Shift to DHS	(2,594,683)	(10,536,211)	-	-	(13,130,894)
101	Non Inspector New Positions	(102,138)	(2,794,822)	(37,885)	-	(2,934,845)
102	Tobacco Programs	(372,541)	-	-	-	(372,541)
103	Women Infants and Children Nutrition Program	-	(26,287,008)	-	-	(26,287,008)
	Human Services					
104	CEDARR Health Homes	-	1,278,887	-	-	1,278,887
105	Community Service Grants - Elderly Affairs	(108,555)	-	-	-	(108,555)
106	Community Service Grants - Human Services	(269,167)	-	-	-	(269,167)
107	Dual Eligible Benefits to Managed Care by 2013 - Out year savings only	-	-	-	-	-
108	Eliminate Personal Choice Waiver Program - Jan 1	(423,006)	(464,394)	-	-	(887,400)
109	Eleanor Slater Hospital Payment	(1,367,122)	(1,538,773)	-	-	(2,905,895)
110	End Payment of RIte Share client co-pays, Oct 1	(143,004)	(156,996)	-	-	(300,000)
111	Hardship Program	(420,000)	-	-	-	(420,000)
112	HIV/AIDS FMAP and Stimulus Correction	53,474	(53,474)	-	-	-
113	HIV/AIDS Transfer from DOH to DHS	2,594,683	10,536,211	-	-	13,130,894
114	Maintain Veterans' Affairs as a Division	18,568,043	8,005,072	1,643,512	-	28,216,627
115	Managed Care High Cost	(600,000)	(658,653)	-	-	(1,258,653)
116	May Caseload Adjustments	(3,959,165)	(6,875,366)	-	-	(10,834,531)
117	Merge Elderly Affairs with Human Services	9,568,591	17,769,466	497,091	-	27,835,148
118	Money Follows the Person (GBA)	-	149,693	-	-	149,693
119	New Work Support Strategies Grant (GBA)	250,000	-	-	-	250,000
120	Nursing Homes - No Scheduled Rate Increase	(3,007,463)	(3,301,458)	-	-	(6,308,921)
121	Nursing Homes Restore Rate Reduction	6,100,000	6,700,000	-	-	12,800,000
122	RI Works Positions	-	389,856	-	-	389,856
123	RIde Program Gas Tax adjustment (GBA)	-	-	-	(38,078)	(38,078)
124	RIte Care Co-Share Increases	(670,000)	(735,496)	-	-	(1,405,496)
125	SSI State Residential Payment to Federal Requirement effective Oct 1, 2011	(964,080)	-	-	-	(964,080)
126	Transportation Stricter Standards by Jan 1	(1,500,000)	(1,646,633)	-	-	(3,146,633)
127	Transportation in Project Sustainability Rates	(2,000,000)	(2,195,511)	-	-	(4,195,511)
128	Upper Payment Limit	5,772,717	6,337,030	-	-	12,109,747
129	Veterans' Affairs Administration	(104,738)	-	-	-	(104,738)
130	Weatherization and LIHEAP Transfer from DOA to DHS	-	38,769,020	-	-	38,769,020
131	Women, Infants and Children Nutrition Program	-	26,287,008	-	-	26,287,008
						-
	BHDDH					-
132	Community Service Grants	(24,118)	-	-	-	(24,118)
133	DD - Medicare/Medicaid Plans First Payor	(500,000)	(548,878)	-	-	(1,048,878)
134	Facilities Management Group Homes Transfer from DOA to BHDDH (GBA)	355,211	-	-	-	355,211

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
135	Health Homes Initiative (GBA)	-	12,686,432	-	-	12,686,432
136	Hospital Turnover Savings	(1,000,000)	(1,097,755)	-	-	(2,097,755)
137	Licensing Fee	11,092	12,492	-	-	23,584
138	Project Sustainability Further Adjustments	(5,000,000)	(5,488,777)	-	-	(10,488,777)
139	RICLAS Group Homes Transition to Private Providers	(112,500)	(123,497)	-	-	(235,997)
Department of Veterans' Affairs						
140	Maintain Veterans' Affairs as a Division	(19,039,528)	(8,005,072)	(1,643,512)	-	(28,688,112)
Elementary & Secondary Education						
141	Adult Literacy from HRIC	(2,295,000)	-	2,295,000	-	-
142	Capital - Davies School Asset Protection	-	-	-	275,000	275,000
143	Capital - East Providence Career and Tech	-	-	-	150,000	150,000
144	Capital - Met School East Bay	-	-	-	(2,000,000)	(2,000,000)
145	Capital - Newport Career and Tech	-	-	-	500,000	500,000
146	Community Service Grants	(71,524)	-	-	-	(71,524)
147	Early Childhood	(700,000)	-	-	-	(700,000)
148	Education Aid Data Update (GBA)	577,844	-	-	-	577,844
149	Education Aid - Construction Aid Moratorium	-	-	-	-	-
150	Education Telecommunications Access Fund	350,000	-	-	-	350,000
151	Progressive Support and Intervention	(2,687,512)	-	-	-	(2,687,512)
152	School for the Deaf Rental Income Offset	(67,500)	-	-	-	(67,500)
153	Supplant Education Jobs Fund - Admin at RIDE	(248,000)	-	-	-	(248,000)
154	Teacher Retirement Savings (GBA)	(1,035,351)	-	-	-	(1,035,351)
155	Textbook Reimbursement	240,000	-	-	-	240,000
Public Higher Education						
156	Additional State Support	(6,000,000)	-	-	-	(6,000,000)
157	Community Service Grants	(113,419)	-	-	-	(113,419)
158	Higher Education Administration	(800,000)	-	-	-	(800,000)
159	Capital - RIC - New Art Center Renovation/Addition	-	-	-	1,300,000	1,300,000
160	Capital - URI - New Chemistry Building	-	-	-	1,000,000	1,000,000
161	Capital - URI - Biotechnology Center	-	-	-	4,500,000	4,500,000
162	Capital - CCRI- Asset Protection	-	-	-	350,000	350,000
163	Capital- RIC- Asset Protection	-	-	-	450,000	450,000
164	Capital- URI- Asset Protection	-	-	-	1,200,000	1,200,000
Arts Council						
165	Community Service Grants	(40,248)	-	-	-	(40,248)
166	Grant Restoration	100,000	-	-	-	100,000
Higher Education Assistance Authority						
167	Needs Based Grants to College Bound Funds	(250,000)	-	-	250,000	-

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Historical Preservation and Heritage Commission					-
168	Community Service Grants	(17,844)	-	-	-	(17,844)
169	RICAP for Eisenhower	(14,000)	-	-	75,000	61,000
	RI Public Telecommunications Authority					
170	Turnover (1.0 FTE)	(150,000)	-	-	-	(150,000)
	Attorney General					
171	Federal Grant Adjustments (GBA)	-	1,504,424	-	-	1,504,424
172	Telephone (GBA)	12,501	-	-	-	12,501
173	Tobacco Litigation	(150,000)	-	-	-	(150,000)
	Corrections					
174	Capital - Administration HVAC	-	-	-	(150,000)	(150,000)
175	Capital - Asset Protection	-	-	-	500,000	500,000
176	Capital - Women's Roof, Masonry & General Renovations	-	-	-	1,300,000	1,300,000
177	Facility Consolidation and Population Reduction	(6,000,000)	-	-	-	(6,000,000)
	Judicial					
178	Community Service Grants	(37,825)	-	-	-	(37,825)
179	Federal Grant Adjustments (GBA)	-	282,837	-	-	282,837
180	Personnel	(1,000,000)	-	-	-	(1,000,000)
	Military Staff					
181	Armory Closure	109,900	-	-	-	109,900
182	Capital - Asset Protection	-	-	-	130,000	130,000
183	Capital - Federal Armories - Fire Code Compliance	-	-	-	50,000	50,000
184	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	65,563	65,563
185	Capital - State Armories Fire Code Compliance	-	-	-	155,000	155,000
186	Federal Grant Adjustments	-	(295,548)	-	-	(295,548)
187	Indirect Cost Recovery	(220,000)	(220,000)	220,000	-	(220,000)
188	Turnover Savings	(37,000)	-	-	-	(37,000)
	Public Safety					
189	Federal Fund Adjustments	-	266,482	-	-	266,482
190	Homeland Security Grants	-	839,641	-	-	839,641
191	Capital - Statewide Microwave/IT Upgrade	-	-	-	1,000,000	1,000,000
	Environmental Management					
192	Capital - Fort Adams Rehabilitation	-	-	-	1,250,000	1,250,000
193	Capital - Recreational Facilities Improvements	-	-	-	500,000	500,000
194	Community Service Grant Reduction	(11,986)	-	-	-	(11,986)
195	Turnover	(100,000)	-	-	-	(100,000)

FY 2012 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
196	Tourism Asset Protection Fund	-	-	(1,700,000)	-	(1,700,000)
	Coastal Resources Management Council					
197	Capital - South Coast Restoration Project	-	-	-	300,000	300,000
	Water Resources Board					
198	Merge into Statewide Planning	(1,230,267)	-	-	(200,000)	(1,430,267)
	Transportation					
199	Capital - Paratransit Vehicles	-	-	-	(190,400)	(190,400)
200	Stimulus Fund Shift	-	(6,596,379)	-	-	(6,596,379)
201	DOT - Gasoline Tax Adjustment	-	-	-	(829,132)	(829,132)
202	RIPTA - Gasoline Tax Adjustment	-	-	-	(371,680)	(371,680)
	Total	(25,331,341)	49,091,367	(20,908,013)	38,015,454	35,367,467

FY 2012 Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and increased the FY 2012 forecast to \$3,003.9 million, which is \$65.9 million more than November, and \$251.4 million less than the Governor's budget which includes several changes to current law. Adjusting his revenue proposals for the new estimates further increases his budget recommendation by \$0.7 million for a total increase of \$66.6 million.
- 2. Governor's Sales Tax Plan.** The Governor proposed legislation to increase revenues from the sales tax by \$164.9 million. This includes decreasing the current 7.0 percent sales and use tax on items currently taxed at 6.0 percent and expanding it to certain services that were previously exempt. Some of the services included are household services, including landscaping and pest control, employment agencies and personal care services. He also proposed a 1.0 percent sales and use tax on certain exempt items. The House Finance Committee does not concur and lowers revenues accordingly. The Committee does recommend expanding the sales tax to a select few items as noted below for a total of \$17.2 million in FY 2012.
- 3. Sales Tax - End Exemption for Insurance Proceeds.** The Governor's FY 2012 budget includes \$0.9 million in revenues from repealing the sales tax exemption towards the purchase of a car as a trade-in allowance on the value of a stolen or totaled vehicle. The House Finance Committee recommends adding this to the sales tax at 7.0 percent and assumes \$0.8 million in revenues.
- 4. Sales Tax -Pre-Written Computer Software Delivered Electronically eff Oct 1.** Current law exempts prewritten computer software from the sales and use tax. The House Finance Committee recommends the repeal of this exemption and includes \$6.7 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$8.8 million.
- 5. Sales Tax - Nonprescription Drugs.** Current law exempts over the counter drugs from the sales and use tax. The House Finance Committee recommends the repeal of this exemption, adding medical marijuana and includes \$8.6 million in revenues assuming an effective date of October 1, 2011. The annualized revenue would be \$11.5 million.
- 6. Sales Tax - Rescind Project Status Prospectively.** The House Finance Committee recommends repealing the Rhode Island Economic Development Corporation and the Rhode Island Industrial Facilities Corporation's authorities to grant project status, effective July 1, 2011. The Corporations currently have the authority to exempt certain projects from the sales tax. Eliminating this authority prospectively would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016.
- 7. Sales Tax - Sightseeing Package Tours.** The House Finance Committee recommends \$1.1 million in revenues from adding a 7.0 percent sales and use tax on the purchase of sightseeing package tours.
- 8. No Corporate Income Tax Rate Reduction Phase-In.** The Governor proposes to decrease the Corporate Income Tax rate from 9.0 percent by 0.5 percent per year until reaching 7.5 percent for tax year 2014. His budget assumes a revenue loss of \$7.7 million in FY 2012. The House Finance Committee does not concur with his proposal and adjusts revenues accordingly.
- 9. No Jobs Development Act Three Year Phase-Out.** The Governor's FY 2012 budget assumes \$4.8 million in revenues from phasing out the Jobs Development Act rate reduction over three years beginning in tax year 2012. The Jobs Development Act provides for rate reductions of one quarter of one percent (0.25

percent) for each 50 new jobs created by eligible companies for three years past the base year. The reduction cannot be more than six percent. The amounts for the tax credit were \$16.2 million in FY 2008, \$14.2 million in FY 2009 and \$21.3 million in FY 2010. The House Finance Committee does not concur with this proposal and adjusts revenues accordingly.

10. No Corporate Minimum Tax Restructure. The Governor proposes to restructure the Corporate Minimum Tax to subject limited partnerships and limited liability partnerships to the tax; they are currently exempt from the tax but are required to pay a filing fee with the Secretary of State. He also proposes to replace the corporate minimum and minimum franchise taxes with a tiered system through which businesses would be taxed based on their Rhode Island gross receipts. The maximum amount of tax paid would be \$2,000 for a business with gross receipts of \$5.0 million or more. His budget assumes a revenue loss of \$6.1 million in FY 2012. The corporate minimum tax has been \$500 since January 2004 and 48,597 corporations paid this in tax year 2008. The House Finance Committee does not concur with this proposal and maintains the minimum tax at the current amount.

11. Add LP, LLPs at \$500. The House Finance Committee recommends legislation to subject limited partnerships and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500 and assumes \$0.8 million in new revenues. The annualized revenue increase would be \$1.6 million. These entities are currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State.

12. Combined Reporting - Three Year Study. The Governor proposes legislation requiring business corporation tax filers to file as a “unitary business” or single enterprise, commonly referred to as combined reporting, effective January 1, 2012 and includes \$8.9 million in revenues. The House Finance Committee does not concur and adjusts revenues accordingly. The House Finance Committee proposes legislation requiring a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

13. Beach Fees Correction. The Governor’s budget includes \$1.9 million of additional general revenues derived from an increase in parking fees at state beaches. This estimate was revised when changes were made to the proposed increases, but did not include the \$0.4 million that would be transferred to the vendor collecting these fees, pursuant to the current contract. The House Finance Committee reduces general revenue by \$428,128 to reflect a revised projection of additional revenue.

14. Compassion Centers Correction (GBA). The Governor’s budget includes legislation that imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. In FY 2012 it is estimated to generate \$0.6 million which will be deposited into the general fund. Subsequently, the Governor requested an amendment to increase revenues by \$0.1 million from a recalculated surcharge. It is important to note that currently the awarding of the Compassion Centers licenses are on hold and estimates for FY 2012 may need revision based on actual award dates. The House Finance Committee includes the revenue.

15. DMV: Driving Record Abstracts. The Governor proposes legislation to amend current law to require that insurance companies use driving record abstracts at least every three years for rating and underwriting policies. Currently, insurance companies have the option of using credit reports or driving record abstracts. His FY 2012 budget includes \$3.0 million in revenues from this requirement. The cost to obtain the record is \$17.50, including the \$1.50 technology surcharge. There is an additional convenience fee if records are obtained online. The House Finance Committee does not concur and reduces revenues by \$3.0 million.

16. Fire Code Violation Fees. The Governor's FY 2012 budget includes \$40,000 in additional revenue from increasing the fire code inspection fee from \$100 to \$125, based on the Department's estimate of 1,600 annual fire code inspections. The House Finance Committee does not concur and adjusts revenues accordingly.

17. Health Services Council. The House Finance Committee does not recommend the elimination of the health services council and adjusts revenues and program expenses accordingly.

18. Hospital Licensing Fee. The House Finance Committee recommends adding \$2.2 million from revenues resulting from updating the hospital's base year from 2009 to 2010 and reducing the licensing fee for FY 2012 from 5.465 percent to 5.430 percent of net patient services revenue. Total license fees collected will be \$144.0 million including \$138.0 million from community hospital payments and \$6.0 million from state payments for Eleanor Slater Hospital.

19. Lottery Revenues Correction. The House Finance Committee recommends \$1.0 million in additional revenue available from reduced operating expenses at the Lottery that was not included in the Governor's recommendation.

20. Motion Picture Tax Credit Restoration. The House Finance Committee does not concur with the Governor's proposal to amend current law to end the Motion Picture Tax Credit and reduces recommended revenues by \$1.6 million to account for the change.

21. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

22. Nursing Home Rate Changes. The House Finance Committee includes \$0.4 million in additional revenue from the increased funding provided to nursing homes in FY 2012. The Committee does not recommend the five percent reduction, but does recommend eliminating the cost-of-living adjustment for additional funding of \$6.5 million subject to the 5.5 percent tax applied to nursing home revenues.

23. Transportation Funding Plan. The Governor's FY 2012 Budget recommends an additional \$12.1 million for transportation expenses by transferring 20.0 percent of certain transportation related fees currently deposited as general revenues to the Department of Transportation for use as the state match for general obligation bonds. The House Finance Committee restores \$12.1 million of general revenues to reflect an alternative transportation funding proposal. That alternate proposal involves a combination of fee increases and use of Rhode Island Capital Plan funds beginning in FY 2014.

24. Taxation - Enhanced Audit & Compliance. The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues based on the amount currently collected by each officer.

25. Telecomm Access Fund Indirect Cost. The Governor proposes to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support in addition to \$74,160 in revenue for the state from its indirect cost recovery. The

House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012. It also reduces revenues by \$74,160.

26. Veterans' Home Assessment. The House Finance Committee does not recommend the proposed increase in the monthly maintenance fee assessed to residents at the Veterans' Home and reduces revenues by \$786,248.

Expenditures Changes

Statewide

27. Prospective Longevity Elimination. The House Finance Committee recommends legislation that ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

28. Statewide Medical Benefit Holiday (GBA). The House Finance Committee recommends general revenue savings of \$3.0 million from one medical benefit holiday in FY 2012. Subsequent to the Governor's budget submission, it was determined that the estimated health insurance premium will generate more funding than is required.

Department of Administration

29. Capital - Cannon Building. The capital budget includes \$1.3 million from Rhode Island Capital Plan funds through FY 2015 for ongoing repairs and renovations to include the replacement of the roof and carpet at the Cannon Building. The Department indicates that a preliminary study of the roof cap identified numerous structural issues that could cost as much as \$3.0 million to repair. Subsequently, the Governor requested an amendment to provide \$1.0 million in FY 2012 to demolish the overhang. The House Finance Committee concurs.

30. Capital - Cranston Street Armory. The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.

31. Capital - DoIT Operations Center. The FY 2011 revised budget includes \$4.3 million from Rhode Island Capital Plan funds to renovate the acquired state of the art facility to house the state's computer center. In FY 2010, the Department purchased the 70,000 square foot building on Jefferson Boulevard. The Department is currently in the process of renovating the facility. Subsequently, the Governor requested an amendment to provide \$288,000 in FY 2012 to bring the HVAC system up to par and to fix the elevators in the building. In addition to housing information technology operations, the Office of the General Treasurer and the State Police will also occupy space in the facility. The House Finance Committee concurs.

32. Capital - Fire Code Compliance. The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003

and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.

33. Capital - Pastore Buildings Demolition. The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

34. Capital - Pastore Central Power Plant Rehabilitation. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.

35. Capital - Pastore Fire Code Compliance. The capital budget includes \$5.5 million from Rhode Island Capital Plan funds through FY 2016 to install and upgrade existing fire alarm and sprinkler systems on the Pastore Center and the Zambarano Campus of Eleanor Slater Hospital. Subsequently, the Governor requested an amendment to provide an additional \$0.3 million in FY 2012 to reflect anticipated costs for fire alarm installation at Wallum Lake and fire sprinklers at Adolph Meyer and the Louis Pasteur buildings on the Pastore Center. The House Finance Committee concurs.

36. Capital - Pastore Utility Systems Water Tanks & Pipes. The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

37. Capital - RIFANS Implementation. The Governor's FY 2012 through FY 2016 capital plan includes \$11.5 million from Rhode Island Capital Plan funds, to begin the implementation of the time and attendance, projects and grants modules as part of the Rhode Island Financial Accounting Network System. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project. Rhode Island Capital Plan funds have been limited to use on physical assets.

38. Capital - State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

39. Capital - Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

40. Community Service Grants. The House Finance Committee recommends a reduction of \$133,563 to community service grants in the Department of Administration. The House Finance Committee recommends the elimination of the Westerly/Pawcatuck Joint Development Task Force community service grant for savings of \$7,211. It also includes a ten percent reduction of \$126,352 to all community service grants.

41. Debt Service Adjustments. The House Finance Committee includes \$3.0 million to reflect updated adjustments for debt service costs.

42. Director/Budget Office Savings. The House Finance Committee recommends savings of \$653,905 from the Department of Administration management and budget operations.

43. DOA New Positions. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding these as new positions.

44. Facilities Mgt Correction (GBA). The FY 2012 recommended budget includes \$20.9 million from all funds, \$1.7 million less than enacted for operating expenditures for the Division of Facilities Management, which supports building operations, maintenance and repairs for 365 state properties, including the Pastore Campus. Subsequently, the Budget Office indicated that the recommendation inadvertently lowered expenditures by \$0.6 million instead of shifting them to other sources. The Governor requested an amendment to correct this. The House Finance Committee recommends \$0.4 million.

45. Facilities Mgt Group Homes from DOA to BHDDH (GBA). Consistent with the Governor's budget amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

46. IT Revolving Fund. The House Finance Committee recommends \$2.0 million from general revenues for an Information Technology Revolving Fund. The funds will be used for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. The proceeds from the repayment will be deposited into the funds, thereby making the fund self-sustaining.

47. Library Construction Aid Moratorium. The House Finance Committee recommends legislation to set a moratorium on any library construction project, effective July 1, 2011. This will produce out-year savings of \$1.3 million each in FY 2014 and FY 2015 and \$1.2 million in FY 2016. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.

48. Merge Water Resources into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the Water Resources Board Corporate. The House Finance Committee recommends \$0.7 million to support staffing and operating expenses and \$0.2 million from Rhode Island Capital Plan funds for the Big River Management Area project.

49. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

50. Technology Initiative Increase. The Governor's FY 2012 recommended budget includes \$2.9 million from general revenues for the Division of Information Technology's Technology Initiative Fund, \$1.3 million more than the enacted budget for capital purchases and equipment. The Fund is used for information technology projects that support other state agencies. The Division had planned to increase storage backup capability, create a plan to reduce power consumption and upgrade enterprise cyber security appliances. The House Finance Committee recommends funding consistent with the enacted budget.

51. Tourism Asset Protection Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Tourism Tax Fund and adjusts expenditures accordingly.

52. Weatherization/LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources from Department of Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

Department of Business Regulation

53. Healthcare Reform Grants and 3.0 FTE (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$5.3 million from two federal grants to support the implementation of the Affordability Care Act. The Governor includes 3.0 new full-time positions including a health care analyst, a delivery systems project manager, and an operations manager. The remaining funding will be to hire consultants to help design and implement a state health insurance exchange. The House Finance Committee concurs.

54. Turnover. The House Finance Committee recommends general revenue turnover savings of \$260,000 from maintaining 3.0 vacancies. The Governor's FY 2012 budget does not include any turnover savings.

Department of Labor and Training

55. Capital - Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

56. Emergency Unemployment Compensation Extension (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. The House Finance Committee concurs.

57. Labor Relations Board (GBA). The Governor requested an amendment decreasing general revenue funding by \$18,595 for the state's contribution for retirement for members of the Labor Relations Board, who receive a stipend, but do not receive medical or retirement benefits. The Governor's budget inadvertently included retirement benefits for the Board members when other benefit adjustments were made. The Governor's amendment removes the additional retirement funding. The House Finance Committee concurs.

58. Police and Fire Relief Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$42,832 from general revenues for a 0.5 full-time equivalent position in the Police and Fire Relief program; his recommendation included the position, but inadvertently omitted the funding.

59. Workforce Regulation and Safety Staffing (GBA). The House Finance Committee concurs with the Governor's amendment to add \$288,295 from general revenues for partial funding of 7.1 full-time equivalent positions in the Workforce Regulation and Safety division, which the Governor's recommendation inadvertently did not fully fund.

Department of Revenue

60. Capital - Corporate Tax Model. The Governor recommends \$125,000 in FY 2012 from Rhode Island Capital Plan funds for the purchase and development of a corporate income tax model, which would allow for comparing and contrasting impacts of different tax structures. It would also allow the Office of Revenue Analysis to evaluate the differential between taxation of regular income, investment income and capital gains. The system would also demonstrate the impact of changes on distribution of the tax burden. This project does not appear to meet the definition of a capital expense. The House Finance Committee does not recommend this project.

61. Capital - Tax Data Warehouse. The Governor's capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

62. Central Falls. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

63. Central Falls Receivership Staffing. The 2010 Assembly enacted the "Providing Financial Stability Act" to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

64. DMV - Middletown Lease Adjustment (GBA). The FY 2012 recommended budget includes \$82,000 for the Division of Motor Vehicles' lease expenses of 73 Valley Road in Middletown. The Department vacated that facility in February 2011. On May 24, 2011, the Governor requested approval for various long-term lease agreements including one that would allow the Division of Motor Vehicles to enter into a lease located at 52 Valley Road in Middletown. The Governor requested an amendment to provide \$22,500 from general revenues for the difference of the lease cost, including \$17,250 for the lease

payment and \$5,250 for utilities. The House Finance Committee concurs and provides the additional funds.

65. DMV - Motor Vehicle Computer System (GBA). The Governor's FY 2012 recommended budget includes \$19.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions and operating costs for the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to enhance customer service and reduce wait times. This includes \$404,862 from general revenues for the consultant costs for the new computer system. The House Finance Committee concurs.

66. DMV - Overtime for Computer Training. The FY 2012 recommended budget includes \$0.7 million from general revenues for overtime expenses at the Division of Motor Vehicles, of which \$0.4 million will be used for staff training on the new computer system, which will be done after work hours and on weekends. The Department indicates that the project won't be done until January 2013. The House Finance Committee eliminates the additional overtime expenditure.

67. DMV - Strategic Plan and Capacity Enhancement (2.0 FTE). The Governor's FY 2012 recommended budget includes \$12.4 million from all sources to fund salary and benefit costs of 155.5 full-time positions in the Division of Motor Vehicles. Subsequently, he requested an amendment to provide \$2.3 million from general revenues to fill 25.0 new full-time positions to enhance customer service and reduce wait times at headquarters in Cranston. The House Finance Committee does not concur with the Governor's plan to add 25.0 positions. It recommends \$0.3 million to fund 2.0 full-time equivalent positions and consultant services for the Division to develop a strategic plan to enhance customer services.

68. DMV - Westerly Branch. In addition to the headquarters in Cranston, there are four registry satellite offices. The Division of Motor Vehicles is looking to expand its branch locations into Westerly one day per week and looked into municipality space where no lease would be needed. It is assumed that the space would be available at no cost and utilities would be included. This branch would be fully staffed with three customer service representatives and one supervisor. The Wakefield branch, which is currently open five days, will closed one day a week and staff from Wakefield will cover the Westerly branch for that one day. The House Finance Committee recommends \$37,800 for operation expenses, including computer workstations and telephone and janitorial services.

69. Municipal Accountability, Stability & Transparency Fund. The House Finance Committee does not concur with the Governor's proposal to establish the Municipal Accountability, Stability and Transparency Fund and adjusts expenditures accordingly.

70. Municipal Pension Study. The Governor's FY 2012 recommended budget includes \$250,000 from general revenues for the Division of Municipal Finance to conduct a municipal pension study. The result of the study shall be submitted to the Governor, the Speaker of the House, the Senate and the chairs of the House and Senate Finance Committee no later than December 31, 2011. The House Finance Committee does not recommend funding the study.

71. PILOT. The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes Program for total funding of \$33.1 million. This represents a reimbursement of 23.4 percent or 4.0 percent more than the Governor recommended. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law.

72. Revenue Analysis – Turnover. The House Finance Committee recommends \$60,000 in additional turnover savings by maintaining a vacant position in FY 2012.

73. Taxation - Revenue Agents for Audit & Compliance (4.0 FTE). The House Finance Committee recommends \$260,400 from general revenues to fund 4.0 revenue agent positions in the field of audit and compliance and assumes \$2.0 million in revenues from increased enforcement and audits. The annualized revenue increase would be \$3.0 million.

74. Taxation - Sales Tax Administration (2.0 FTE). The House Finance Committee recommends several changes to the sales and use tax. Prior to the implementation of the changes, new regulations have to be issued; education and outreach will be needed. The House Finance Committee provides \$150,000 from general revenues to fund 2.0 full-time positions for the sales tax administration.

Legislature

75. Personnel. The House Finance Committee recommends \$500,000 in general revenue personnel savings.

Lieutenant Governor

76. Health Policy Director (1.0 FTE). The House Finance Committee adds a health policy director position to assist in the implementation of the federal health insurance reform, consistent with the Governor's requested amendment; however, it uses federal funds awarded to the Office of the Health Insurance Commissioner to support it.

77. Turnover Savings. The House Finance Committee recommends general revenue turnover savings of \$31,062 based on updated salary projections.

Secretary of State

78. Personnel and Operating. The House Finance Committee recommends reducing State Archives lease expenses by \$43,400 from general revenues, since an anticipated rent increase was not included in the recently signed lease contract, and shifts funds made available from maintaining one vacant position for the purchase of two new servers.

79. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$15,032 in the Office of the Secretary of State.

Office of the General Treasurer

80. Moving Expenses and Buildout (GBA). The current lease on Fountain Street expires on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.2 million from all sources including \$60,724 from general revenues for moving expenses and build out costs for the offices in Warwick for FY 2012. This represents 33 percent of the total build out expense; the remainder is requested for FY 2011. The House Finance Committee concurs.

81. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$0.4 million

for FY 2012 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$0.5 million in transfer to the state general fund.

82. Retirement System Legal Expenses. The Governor requested an amendment to reduce legal expenses by \$120,000 based on the Treasury's estimate of projected expenditures. This would provide \$377,000 for FY 2012. The House Finance Committee concurs.

Board of Elections

83. Turnover. The House Finance Committee recommends keeping a chief auditor position vacant and assumes general revenue savings of \$90,000. At the Board of Elections, the Chief Auditor position became vacant in April of 2009. The Board has successfully maintained operations without filling this position, though the Board has consistently requested to fill the position. The Governor includes \$89,421 from general revenues for the Board to fill this position for FY 2012.

Office of Health and Human Services

84. Statewide Health Plan. The House Finance Committee adds \$150,000 from general revenues to support the initiatives assigned to the health care planning and accountability advisory council to support an analysis of the state's health care system.

85. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office while keeping the Division of Veterans' Affairs in the Department of Human Services.

Department of Children, Youth and Families

86. Capital - Training School Repairs/Improvements. The Governor's FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, funding is provided as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

87. Caseload Savings Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$11.1 million from caseload reductions in the Child Welfare and Behavioral Health programs. Subsequent to his budget submission, the Department has indicated that the savings are overstated by \$3.5 million. The House Finance Committee recommends the restoration of savings.

88. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$26,525 in the Department of Children, Youth and Families.

89. Nurse and Family Partnership Grant (GBA). The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

90. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent

Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

91. Parental Contributions Savings Initiative Overstatement (GBA). The Governor's FY 2012 budget includes general revenue savings of \$0.4 million from an initiative to increase child support collected for youth in state custody. Subsequent to his budget submission, he requested an amendment because the Department has indicated that the savings were double counted. The House Finance Committee recommends the restoration of savings.

92. Training School Education Expenses. The House Finance Committee does not concur with the Governor's recommendation to require Local Education Agencies to finance the educational expenses of children in the juvenile justice system and adds back \$2.1 million from general revenues.

93. Turnover. The Governor's FY 2012 budget includes \$4.0 million from all sources, including \$2.7 million from general revenues to fund 39.0 positions in the Central Management program. This includes \$0.2 million in turnover savings for 2.0 positions. The House Finance Committee recommends \$0.2 million in additional turnover savings by maintaining 2.0 additional positions vacant for the whole fiscal year.

Department of Elderly Affairs

94. Maintain Pharmaceutical Assistance Program. The House Finance Committee does not concur with the Governor's recommendation to eliminate the Rhode Island Pharmaceutical Assistance to the Elderly program and restores \$349,000 from general revenues to fully fund the program in FY 2012.

95. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

Department of Health

96. Community Service Grants. The House Finance Committee recommends a ten percent reduction to eleven community service grants and includes savings of \$58,372 in the Department of Health.

97. Enhance Food Inspector Staffing (3.0 FTE). The House Finance Committee adds \$0.2 million from general revenues for 3.0 additional food inspector positions for total staffing of 24.0 in the food protection program.

98. Federal Grant Adjustments. The Governor requested an amendment to add \$1.1 million from nine separate grants in FY 2011. Subsequently, the Department indicated that only a portion of the new funds will be used in FY 2011, therefore the House Finance Committee recommends \$0.8 million in FY 2012.

99. Health Services Council. The Governor includes Article 29 in his FY 2012 recommendation to eliminate the Health Services Council for general revenue savings of \$0.4 million. The House Finance Committee does not concur and restores the offsetting revenue and expenditure adjustments.

100. HIV/AIDS Program Shift to DHS. The House Finance Committee transfers the HIV/AIDS direct services programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

101. Non Inspector New Positions. The House Finance Committee does not recommend the 32.0 non inspector new positions for savings of \$2.9 million from all funds including \$0.1 million from general revenues.

102. Tobacco Programs. The Governor's FY 2012 budget includes \$2.0 million from all sources, of which \$0.7 million is from general revenues. The House Finance Committee recommends reducing state funding for tobacco programs by \$0.4 million.

103. Women Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$26.3 million from federal funds and 12.0 equivalent positions in the Department of Human Services.

Department of Human Services

104. CEDARR Health Homes. The Governor's FY 2012 budget includes general revenue savings of \$1.3 million from providing certain home and community based treatment services through a new health home model. His recommendation inadvertently omitted the corresponding federal fund increase. The House Finance Committee adds the federal funds.

105. Community Service Grants - Elderly Affairs. The House Finance Committee recommends a ten percent reduction to community service grants, including savings of \$108,555 in the Division of Elderly Affairs.

106. Community Service Grants - Human Services. The House Finance Committee recommends eliminating the payment to the Focus Family Outreach Center, which closed in January 2011 and also recommends a ten percent reduction to the remaining community service grants, for total savings of \$269,167 in the Department of Human Services.

107. Dual Eligible Benefits to Managed Care by 2013 - Out Year Savings. The House Finance Committee includes legislation directing the Department of Human Services to enter into a contract to manage long-term care services and acute care benefits for individuals enrolled in Medicaid and Medicare by FY 2013 with savings anticipated in that fiscal year. The Department will also submit a report on the initiative to the Permanent Joint Legislative Committee on Health Care Oversight by December 31, 2011 on the progress of this initiative.

108. Eliminate Personal Choice Waiver Program - Jan 1. The House Finance Committee recommends eliminating the personal choices option under the global waiver for savings of \$0.9 million from all sources, including \$0.4 million from general revenues from the final half of FY 2012. The Department provides home and community care services through the option and gives a monthly stipend to eligible individuals so they can hire who they chose to help with daily activities allowing them to remain in their own home.

109. Eleanor Slater Hospital Payment. The House Finance Committee recommends a \$2.9 million reduction for the disproportionate share payment made to Eleanor Slater Hospital to reflect an updated payment of \$1.5 million for its uncompensated care costs.

110. End Payment of RIte Share Client Co-Pays, Oct 1. The House Finance Committee recommends savings of \$300,000, including \$143,004 from general revenues by eliminating co-payments for

prescriptions, doctor visits and deductibles made by the state on behalf of families receiving RIte Share benefits.

111. Hardship Program. The House Finance Committee does not recommend funding the general public assistance hardship program payments for savings of \$420,000 in FY 2012.

112. HIV/AIDS FMAP and Stimulus Correction. The House Finance Committee adds \$112,091 from all sources, including \$53,474 from general revenues to correctly adjust program resources. The Governor's budget includes \$0.1 million from federal stimulus funds for AIDS case management services. Subsequently, the Governor submitted an amendment to eliminate this funding as it is no longer available after June 30, 2011.

113. HIV/AIDS Transfer from DOH to DHS. The House Finance Committee transfers the HIV/AIDS programs to the Department of Human Services from the Department of Health in FY 2012 and includes 4.0 full-time staff and \$13.1 million from all sources.

114. Maintain Veterans' Affairs as a Division. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services and eliminates the five new positions included in the Governor's recommendation for the new Department.

115. Managed Care High Cost. The House Finance Committee includes legislation directing the Office of Health and Human Services to undertake a review of services provided through the Medicaid managed care plans to determine if the plans meet the goals of increased efficiency, reduced cost, curtailment of high cost services, and promote the utilization of primary care services and include savings of \$1.3 million, \$0.6 million from general revenues.

116. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$10.8 million, which includes \$4.0 million less from general revenues to adjust the FY 2012 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

117. Merge Elderly Affairs with Human Services. The House Finance Committee recommends the Department of Elderly Affairs be merged with the Department of Human Services.

118. Money Follows the Person (GBA). The Governor requested an amendment to increase federal funding for the state's Money Follows the Person planning grant for FY 2012. The Department anticipates carrying forward unspent funding of \$149,693 from FY 2011 to FY 2012. The House Finance Committee concurs.

119. New Work Support Strategies Grant (GBA). The House Finance Committee concurs with the Governor's amendment to add revenues of \$250,000 for a new one year grant received from the Urban Institute to allow the state to assess its current operations and develop plans for testing new ways to provide more effective and streamlined approaches to delivering benefits to families, focusing on Medicaid, supplemental nutrition assistance, Rhode Island Works and child care benefits.

120. Nursing Homes - No Scheduled Rate Increase. The House Finance Committee recommends savings of \$6.3 million, including \$3.0 million from general revenues by eliminating the October 1, 2011 rate increase for nursing homes.

121. Nursing Homes Restore Rate Reduction. The House Finance Committee does not recommend the 5.0 percent rate reduction included in the Governor's budget and restores \$12.8 million from all funds, including \$6.1 million from general revenues.

122. RI Works Positions. The House Finance Committee adds \$389,856 from federal temporary assistance to needy families block grant funds and six positions to assist the Department in evaluating and improving Rhode Island Works program operations.

123. RId Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RId transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

124. RIte Care Co-Share Increases. The House Finance Committee includes savings of \$1.4 million, including \$0.7 million from general revenues from the Department increasing the monthly RIte Care co-sharing requirement to five percent of a family's income for those at 150 to 250 percent of poverty, beginning October 1, 2011.

125. SSI State Residential Payment to Federal Requirement Effective Oct 1, 2011. The House Finance Committee recommends reducing the state monthly payment made to residents in assisted living facilities who receive supplemental security income to the federally required amount of \$332, \$206 less than the current payment, for savings of \$1.0 million.

126. Transportation Stricter Standards. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$3.1 million, including \$1.5 million from general revenues from the Department adhering to stricter transportation standards including non-emergency transport services, by January 1, 2012.

127. Transportation in Project Sustainability Rates. The House Finance Committee recommends reducing transportation expenses in the Department of Human Services' budget by \$4.2 million, including \$2.0 million from general revenues from the Department no longer having to provide transportation services to those adults with developmental disabilities who receive services through Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Transportation expenses for those clients will be included in that department's new rates implemented through Project Sustainability.

128. Upper Payment Limit. The Governor's FY 2012 recommended budget eliminates the upper payment limit reimbursement paid to the community hospitals for outpatient services and assumes savings of \$18.1 million from all funds, including \$6.5 million from general revenues. The House Finance Committee adds \$12.1 million, including \$5.8 million from general revenues for that payment.

129. Veterans' Affairs Administration. The House Finance Committee adds \$104,738 for a new Undersecretary for Veterans' Affairs position in the executive office and removes a like amount of funding from the Department of Human Services.

130. Weatherization and LIHEAP Transfer from DOA to DHS. The House Finance Committee recommends the transfer of both the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources at the Department of

Administration to the Department of Human Services, including \$38.8 million from federal funds and 8.2 positions, effective July 1, 2011.

131. Women, Infants and Children Nutrition Program. The Governor includes Article 9, Sections 1 through 3 of 2011-H 5894 that shifts the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. This includes \$26.3 million from federal funds and 12.0 full-time equivalent positions for FY 2012. The House Finance Committee does not concur and keeps the program with the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

132. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$24,118 in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals.

133. DD - Medicare/Medicaid Plans First Payor. The House Finance Committee recommends savings of \$1.0 million, \$0.5 million from general revenues from the Department first charging Medicare and Rhody Health for medical services provided to individuals in its developmental disabilities system. Approximately 66 percent of the 4,000 clients have access to Medicare with the remaining enrolled in the Rhody Health program through the Department of Human Services.

134. Facilities Management Group Homes Transfer from DOA to BHDDH (GBA). Consistent with the Governor's amendment, the House Finance Committee shifts \$355,211 from general revenues and 2.0 positions from the Department of Administration's Division of Facilities Management to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals transferring back project oversight of privately operated and state run group homes.

135. Health Homes Initiative (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$12.7 million from federal health home funds that was not included in his recommendation.

136. Hospital Turnover Savings. The House Finance Committee recommends additional turnover savings of \$2.1 million, \$1.0 million from general revenues at the state hospital. The Governor's FY 2012 budget assumes 68.0 vacant positions and Department has averaged 140.0 vacant positions.

137. Licensing Fee. The House Finance Committee recommends adding \$23,584 from all funds including \$11,092 from general revenues to fund the hospital license fee at \$6.0 million for Eleanor Slater Hospital. The FY 2012 fee, paid by both the community hospitals and the state, is decreasing from 5.465 percent to 5.43 percent of net patient services revenue; however, the base year has been updated. There is also a corresponding revenue adjustment.

138. Project Sustainability Further Adjustments. The House Finance Committee recommends further savings of \$10.5 million, including \$5.0 million from general revenues from the Department implementing Project Sustainability, a redesign of the current system of services for adults with developmental disabilities to align resources with individual needs and to pay for service for specific periods of time. The Governor includes savings of \$4.6 million from all sources from this initiative.

139. RICLAS Group Homes Transition to Private Providers. The House Finance Committee recommends savings of \$235,997, \$112,500 from general revenues from transferring operations of five state run group homes to the privately operated system.

Department of Veterans' Affairs

140. Maintain Veterans' Affairs as a Division. The Governor's budget includes the creation of the new Department of Veterans' Affairs and shifts expenses and positions from the Department of Human Services. The House Finance Committee recommends maintaining Veterans' Affairs as a Division of the Department of Human Services, shifting expenses and positions back to the Department of Human Services, excluding the five new positions the Governor recommended specifically for the creation of the new Department.

Elementary & Secondary Education

141. Adult Literacy from HRIC. The Governor's budget includes \$2.3 million from general revenues and \$3.5 million from Human Resource Investment Council funds for FY 2012. The Human Resource Investment Council Board determines the grant allocations from the funds. The appropriation from Human Resource Investment Council funds is shown as a separate line item in the appropriations act. The House Finance Committee recommends an additional \$2.3 million from Human Resource Investment Council funds in lieu of a like amount from general revenues.

142. Capital - Davies School Asset Protection. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for three new projects in FY 2011 through FY 2013 for the Davies Career and Technical School to replace the lighting, windows, and paving. The House Finance Committee recommends funding these projects as part of the school's asset protection project. It adds \$275,000 in FY 2012, FY 2013, FY 2014 and \$50,000 in FY 2015 and FY 2016.

143. Capital - East Providence Career and Tech. The Governor recommends \$950,000 from Rhode Island Capital Plan funds for FY 2011 to cover remaining fire, health, and life safety repairs at the East Providence Career and Technical Center. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$150,000 to purchase new boilers. The House Finance Committee recommends providing the additional \$150,000 for FY 2012 to complete the project.

144. Capital - Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

145. Capital - Newport Career and Tech. The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for FY 2011 through FY 2013 to replace the roof at the Newport Career and Technical Center for the district to consider taking ownership of the facility. The Department of Elementary and Secondary Education has indicated that the facility requires an additional \$200,000 to complete Americans with Disability Act code repairs. The House Finance Committee recommends providing an additional \$200,000 and advancing the \$300,000 recommended for FY 2013 to FY 2012 to complete the project.

146. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$71,524 to community service grants in the Department of Elementary and Secondary Education.

147. Early Childhood. The Governor recommends the enacted level of \$0.7 million for early childhood programs. The new education funding formula allows for additional funding from the state for early childhood

education programs. Funding will be used to increase access to voluntary, free, high-quality pre-kindergarten programs. This pilot program began in FY 2010 with \$700,000. The House Finance Committee does not recommend funding this program in FY 2012.

148. Education Aid Data Update (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$0.6 million from general revenues for the first year of the education funding formula based on updated data. This includes redistribution among districts with some receiving more and some receiving less than the Governor's budget assumed. The Department of Elementary and Secondary Education provided updated student enrollment and free and reduced lunch eligibility data in April. The Governor's budget uses June 30, 2010 student enrollment data adjusted for FY 2012 projected charter school enrollments and census data released in December 2010.

149. Education Aid - Construction Aid Moratorium. Instituting a moratorium on the school housing aid program for projects that do not yet have Regents' approval would result in savings of \$7.7 million to the state beginning in FY 2013. This is based on 11 projects that are currently under review by Department of Elementary and Secondary Education staff that have not yet received Regents' approval. It assumes that all of these projects will receive Regents approval and complete by June 30, 2012 in order to be eligible for reimbursement in FY 2013. It also assumes FY 2012 school housing aid share ratios and a minimum of 40.0 percent pursuant to the new education funding formula.

150. Education Telecommunications Access Fund. The Governor proposes reducing the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line and expands it to include wireless lines. This is expected to generate an additional \$0.7 million in revenue to substitute for the current state support. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2012.

151. Progressive Support and Intervention. The FY 2012 recommended budget includes the enacted level of \$2.7 million from general revenues for support of reform efforts in selected school districts as part of the progressive support and intervention program. The budget funds experts to begin the design and development work for the transformation process contained in the Regents' new strategic plan. It appears that this work is also part of the Department's Race to the Top planned activities. The House Finance Committee recommends savings of \$2.7 million by eliminating the general revenue support for these activities and funding them through federal Race to the Top funds.

152. School for the Deaf Rental Income Offset. The Governor recommends legislation that authorizes the School for the Deaf to rent or lease space in its school building. It establishes a new restricted receipt account for the deposit of funds from rentals or leases to be used by the school to support its operations, and he includes \$90,000 from rental income in the FY 2012 budget. The House Finance Committee concurs with the proposed legislation and recommends that general revenues be reduced by \$67,500 to partially offset the additional expenditures from rental income.

153. Supplant Education Jobs Fund - Admin at RIDE. On September 9, 2010, the state was awarded \$32.9 million in one-time federal funding under the Education Jobs Fund program to retain and rehire school-based personnel in local education agencies. The majority of funding will be distributed to districts to be used for compensation costs for school-based personnel. The Governor's FY 2012 education aid proposal includes use of \$32.2 million from education jobs funds in lieu of general revenues. The House Finance Committee recommends treating the Department the same and reduces general revenue administrative costs by the amount of Education Jobs funds that it will receive in FY 2012, \$248,000.

154. Teacher Retirement Savings (GBA). The Governor requested an amendment that recognizes general revenue savings of \$1.0 million for the state's share of teacher retirement costs based on recent payroll

estimates from the Department of Elementary and Secondary Education. The state pays 40 percent of the employer's share of teacher retirement costs. The House Finance Committee concurs.

155. Textbook Reimbursement. The House Finance Committee recommends \$240,000 for FY 2012 to reimburse school districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade.

Public Higher Education

156. Additional State Support. The Governor's FY 2012 recommendation includes an additional \$10.0 million from general revenues with the intent that the Community College not raise tuition and the University and College will either have marginal tuition and fee increases or expenditure reductions. The House Finance Committee recommends only \$4.0 million more than the FY 2011 enacted budget, which is \$6.0 million less than the Governor's recommendation.

157. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$113,419 to community service grants in Public Higher Education.

158. Higher Education Administration. The House Finance Committee recommends additional turnover savings of \$800,000 in FY 2012 for the reorganization of the Office of Higher Education. The Governor's recommendation includes \$2.6 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.1 million in turnover savings.

159. Capital - RIC - New Art Center Renovation/Addition. The Governor's recommendation includes \$18.8 million for a new art center at Rhode Island College. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

160. Capital - URI - New Chemistry Building. The Governor's recommendation includes \$4.8 million from Rhode Island Capital Plan funds to study and plan construction of a new chemistry building at the University. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013.

161. Capital - URI - Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

162. Capital - CCRI - Asset Protection. The House Finance Committee recommends an additional \$1.8 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at the Community College of Rhode Island. This includes an additional \$350,000 in each FY 2012 through FY 2016.

163. Capital - RIC - Asset Protection. The House Finance Committee recommends an additional \$2.3 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects at Rhode Island College. This includes an additional \$450,000 in each FY 2012 through FY 2016.

164. Capital - URI - Asset Protection. The House Finance Committee recommends an additional \$6.0 million from Rhode Island Capital Plan funds from FY 2012 through FY 2016 for asset protection projects

at the University of Rhode Island. This includes an additional \$1.2 million in each FY 2012 through FY 2016.

State Council on the Arts

165. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$40,248 in the Council on the Arts.

166. Grant Restoration. The House Finance Committee restores \$0.1 million of general revenues the Governor's budget removed from discretionary grants. These grants are awarded to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community.

Higher Education Assistance Authority

167. Needs Based Grants to College Bound Funds. The *CollegeBoundfund* is projecting an FY 2011 year-end operating balance of \$0.5 million. The House Finance Committee recommends reducing general revenues for need based scholarships and grants by \$250,000 and using tuition savings fees instead. Total funding for scholarships and grants would not change.

Historical Preservation and Heritage Commission

168. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$17,844 for the Historical Preservation and Heritage Commission.

169. RICAP for Eisenhower. The House Finance Committee recommends eliminating general revenue funding for repairs to the building and utilizing \$272,800 from Rhode Island Capital Plan funds for the FY 2012 through FY 2016 period for these expenses.

RI Public Telecommunications Authority

170. Turnover (1.0 FTE). The House Finance Committee recommends turnover savings of \$150,000 from a continued vacancy.

Attorney General

171. Federal Grant Adjustments (GBA). Consistent with a Governor's budget amendment, the House Finance Committee adds \$1.5 million from federal funds for a new long-term care grant to provide background checks for healthcare workers.

172. Telephone (GBA). Consistent with a Governor's budget amendment, the House Finance Committee increases operating expenditures by \$12,501 to reflect new telephone expenses transferred from the Judiciary to the Office of the Attorney General.

173. Tobacco Litigation. The House Finance Committee recommends reducing general revenue funding used for tobacco litigation by \$150,000 to reflect anticipated expenses.

Department of Corrections

174. Capital - Administration HVAC. The Governor's FY 2012 capital budget includes \$150,000 from Rhode Island Capital Plan funds for a feasibility study on the construction of an interdepartmental weapons range for use by multiple state departments. Subsequently, the Governor requested an amendment to transfer the funds from the Department of Corrections to the Department of Administration. The House Finance Committee concurs.

175. Capital - Asset Protection. The Governor's capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

176. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

177. Facility Consolidation and Population Reduction. The House Finance Committee recommends a population of 3,239 inmates and general revenue savings of \$6.0 million from consolidating the institutional corrections' facilities and maximizing available community placements, including the phasing out of use of the Donald Price Medium Security facility. This recommendation assumes a reduction in overtime and population related expenses calculated on a per diem basis. Based on the current population and available beds, the House Finance Committee anticipates the Department will exercise its authority to re-classify the inmate population to achieve the recommended savings.

Judicial

178. Community Service Grants. The House Finance Committee recommends a ten percent reduction to community service grants including savings of \$37,825 in the Judiciary.

179. Federal Grant Adjustments (GBA). The House Finance Committee recommends adding \$282,837 from federal funds consistent with the Governor's budget amendment.

180. Personnel. The Governor's FY 2012 budget includes \$67.4 million from general revenues for personnel expenses. The House Finance Committee recommends reducing this by \$1.0 million.

Military Staff

181. Armory Closure. The House Finance Committee does not concur with the nine month temporary closure of several armories and restores \$109,900.

182. Capital - Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter

report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

183. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

184. Capital - Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

185. Capital - State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

186. Federal Grant Adjustments. The Governor requested an amendment to add \$104,452 to reflect available federal grants in FY 2012. He also includes a shift of \$0.4 million from FY 2012 to FY 2011 due to accelerated grant spending. Funds will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

187. Indirect Cost Recovery. The Governor's FY 2011 revised budget and FY 2012 recommendation restore \$489,742 from general revenues. The 2010 Assembly included general revenue savings of \$489,742 assuming an indirect rate of not less than 5.0 percent on federal grants from the Emergency Management Agency complying with current law and applying for and receiving a negotiated indirect rate. It is important to note that currently the Military utilizes a 5.0 percent rate for management and administration costs. The House Finance Committee assumes general revenue savings for FY 2012 and imposes an indirect rate on federal grants which will generate \$220,000 of available resources.

188. Turnover Savings. The Governor includes turnover savings of \$0.2 million, which reflects 2.0 vacant positions. The House Finance Committee recommends additional general revenue turnover savings of \$37,000, which is equivalent to 0.5 positions.

Department of Public Safety

189. Federal Fund Adjustments. The Governor requested an amendment to add \$0.3 million from federal funds in FY 2011 for seven different grants. A review of projected spending indicates that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends \$0.2 million in FY 2011 with the remainder budgeted in FY 2012. The Governor subsequently requested an amendment to his FY 2012 budget that includes \$0.1 million more from federal funds for two grants. The House Finance Committee concurs.

190. Homeland Security Grants. Subsequent to his budget submission, the Governor requested an amendment to add \$839,641 from new federal homeland security grant awards to upgrade and purchase

bomb detection robots for the State Fire Marshal and purchase equipment for the State Police dive team. The House Finance Committee concurs.

191. Capital - Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 due to project delays.

Department of Environmental Management

192. Capital - Fort Adams Rehabilitation. The Governor's FY 2012 budget includes \$0.3 million from Rhode Island Capital Plan funds for rehabilitation projects at Fort Adams State Park in Newport. The House Finance Committee recommends increasing this amount by \$1.3 million to reflect a revised project schedule, which involves additional phases of the fort's rehabilitation and asset protection projects in the area surrounding the Fort.

193. Capital - Recreational Facilities Improvements. The House Finance Committee recommends \$0.5 million more from Rhode Island Capital Plan funds for improvements at Rhode Island recreational facilities, including parks and management areas. Funding is used for bridges, restroom improvements and replacements, as well as design and construction of additional camping and recreational facilities throughout the state.

194. Community Service Grants. The House Finance Committee recommends a ten percent reduction of \$11,987 to community service grants in the Department of Environmental Management.

195. Turnover. The Governor's FY 2012 budget includes \$1.0 million of turnover savings for the Department, which is the equivalent of approximately 10.0 positions. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 to reflect the projected number of filled positions.

196. Tourism Asset Protection Fund. The Governor's budget includes \$1.7 million for the Department of Environmental Management from the Tourism Asset Protection Fund for tourism related improvements. After FY 2012, use of the funds would be at the discretion of the Department of Administration; however, funds are assumed to be used for projects at Fort Adams State Park in Newport in FY 2012. The House Finance Committee does not concur with the establishment of this fund and removes the funding from the Department's budget.

Coastal Resources Management Council

197. Capital - South Coast Restoration Project. The Governor's FY 2012 budget includes \$0.4 million for dredging and habitat restoration projects as part of the South Coast Restoration Project. The funding was recommended to be used as a match for federal funds for projects at Winnepaug Pond. Due to a delay in this project, the House Finance Committee is shifting the \$0.4 million to FY 2013, and providing \$0.3 million from Rhode Island Capital Plan funds in FY 2012 to maintain the previous dredging of the Charlestown Breachway.

Water Resources Board

198. Merge into Statewide Planning. The House Finance Committee recommends merging the Water Resources Board into the Department of Administration's Division of Statewide Planning in FY 2012. The merger would transfer three of the six positions from the Board to the Department, while maintaining the

Water Resources Board Corporate. The merger would remove \$1.2 million of general revenue expenditures.

Department of Transportation

199. Capital - Paratransit Vehicles. The Governor's capital budget includes a total of \$190,400 from Rhode Island Capital Plan funds in FY 2012 to match federal funds and funds from the Rhode Island Public Transit Authority for the replacement of paratransit vehicles, software upgrades and surveillance equipment. The House Finance Committee does not recommend use of Rhode Island Capital Plan funds for this project.

200. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

201. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.8 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

202. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million which was due to a downward revision of the gasoline tax yield estimate.

Section III

Special Reports

State Aid to Local Governments

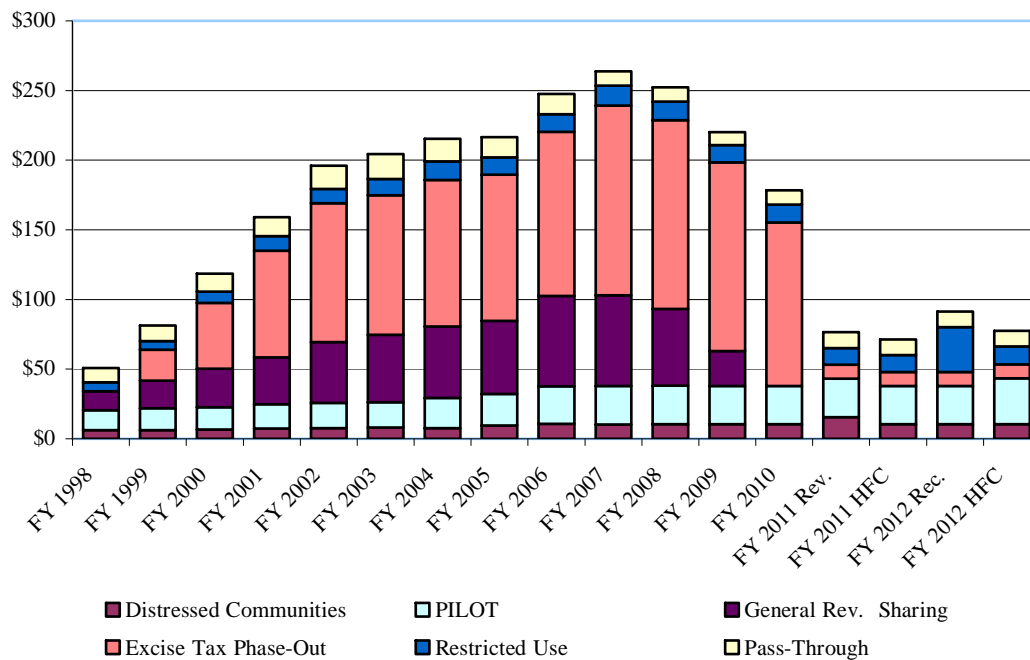
Introduction

The House Finance Committee provides state aid to cities and towns totaling \$60.0 million for FY 2011 and \$66.2 million for FY 2012 from state general revenues. Funding in FY 2011 includes \$48.0 million for general aid programs and \$12.1 million for restricted use programs. Local communities will also receive \$11.4 million in public service corporation property taxes that the state collects and passes through to the communities in both FY 2011 and FY 2012.

The revised general aid recommendation for FY 2011 is consistent with the enacted budget and is \$5.2 million less than the Governor’s budget, which recommended increased funds for the Distressed Communities Relief, provided eligible communities meet certain financial reporting requirements.

The House Finance Committee recommends an additional \$5.5 million for the Payment in Lieu of Taxes program.

The following graph shows historical funding data, in millions. The graph below also shows the allocation of funding for state aid programs from FY 1998 through FY 2012.



The programs are discussed on the following pages, followed by tables that show the distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations’ tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes.

- **General.** The House Finance Committee recommends \$48.0 million in FY 2011 and \$53.5 million in FY 2012. Distributions to communities reflect updated data.

Fiscal Year	2000	2005	2008	2009	2010	2011 Enacted	2011 Gov. Rev.	2011 HFC	HFC to Gov. Rev.	2012 Gov. Rec.	2012 HFC	HFC Gov. Rec.
General Aid - State Sources												
Distressed Communities*	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ 15.6	\$ 10.4	\$ (5.2)	\$ 10.4	\$ 10.4	\$ -
PILOT	16.1	22.7	27.8	27.6	27.6	27.6	27.6	27.6	-	27.6	33.1	5.5
General Rev. Sharing	27.6	52.4	55.1	25.0	-	-	-	-	-	-	-	-
Excise Tax Phase-Out	47.3	105.0	135.3	135.4	117.2	10.0	10.0	10.0	-	10.0	10.0	-
Subtotal	\$ 97.5	\$ 189.7	\$ 228.6	\$ 198.3	\$ 155.1	\$ 48.0	\$ 53.2	\$ 48.0	\$ (5.2)	\$ 48.0	\$ 53.5	\$ 5.5
Restricted Use Aid - State Sources												
State Aid for Libraries	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ 8.8	\$ -
Library Const. Aid	1.6	2.5	2.8	2.6	2.6	2.5	2.5	2.5	-	2.8	2.8	-
Police & Fire Incentive	0.9	1.1	0.7	-	-	-	-	-	-	-	-	-
Prop. Reval. Reimb.	0.0	0.6	1.1	1.1	1.6	1.0	0.8	0.8	-	1.1	1.1	-
MAST Fund										19.3	-	(19.3)
Subtotal	\$ 8.2	\$ 12.3	\$ 13.4	\$ 12.5	\$ 13.0	\$ 12.3	\$ 12.1	\$ 12.1	\$ -	\$ 32.1	\$ 12.7	\$ (19.3)
Total - State Sources	\$ 105.7	\$ 202.0	\$ 241.9	\$ 210.8	\$ 168.2	\$ 60.2	\$ 65.2	\$ 60.0	\$ (5.2)	\$ 80.0	\$ 66.2	\$ (13.8)
Other Aid - Pass-Through												
Public Service Corp.	\$ 12.8	\$ 14.6	\$ 10.3	\$ 9.2	\$ 10.2	\$ 10.2	\$ 11.4	\$ 11.4	\$ -	\$ 11.4	\$ 11.4	\$ -

*FY 2007 reflects recapture of \$230,272 overpayment from FY 2006.

- **Distressed Communities Relief Fund.** The Governor's FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.
- **Payment in Lieu of Taxes Program.** The Committee provides \$27.6 million in FY 2011 and \$33.1 million in FY 2012 to fund the Payment in Lieu of Taxes program. The FY 2012 recommendation represents a reimbursement of 23.4 percent, which is 4.0 percent and \$5.5 million more than the Governor's recommendation. This program reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Distributions to communities reflect updated data and a ratable reduction to the appropriation. The appropriation for the program has been level funded since FY 2008 when funds represented 25.0 percent of the amount that would have been due. With no additional funding, that has fell to 21.1 percent in FY 2011. The Governor's budget reflected a reimbursement of 19.4 percent for FY 2012.
- **General Revenue Sharing.** The budget does not include any funding for the General Revenue Sharing Program. The 2009 Assembly adopted the Governor's recommendation to subject the program permanently to appropriation, deleted the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter, and deleted the two-thirds requirement for repealing or amending the statute relating to the apportionment of aid.
- **Motor Vehicle Excise Tax Phase-Out.** The Committee recommends level funding the program in FY 2011 and FY 2012 at the \$10.0 million enacted amount.
- **Library Resource Sharing Aid.** The Committee provides \$8.8 million in both FY 2011 and FY 2012 for library operating aid. Community distributions in FY 2012 reflect updated data and a ratable reduction to the appropriation.
- **Library Construction Aid.** The Committee provides \$2.5 million in FY 2011 and \$2.8 million in FY 2012 for library construction aid. The state reimburses libraries up to half of the total cost for eligible projects on an installment basis for a period of up to 20 years. It also imposes a three-year moratorium on any library construction project, effective July 1, 2011.

- ***Property Valuation Reimbursement.*** The Committee provides \$0.8 million in FY 2011 and \$1.1 million in FY 2012 to fully fund reimbursements to communities conducting property valuation updates.
- ***Public Service Corporation Tax.*** The FY 2011 and FY 2012 budgets assume the state will collect \$11.4 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.
- ***Municipal Accountability, Stability and Transparency Fund.*** The Governor's budget proposed the establishment of the Municipal Accountability, Stability and Transparency Fund to encourage municipalities to address unfunded liabilities for pensions and other-post employment benefits. His recommended budget includes \$19.3 million and will be available from a 1.0 percent sales tax on meals and beverages with his proposal to rollback the regular sales tax to 6.0 percent, taxpayers would not see a change in the tax paid in meals and beverage. The funds will be distributed based on per capita income and local tax burdens using FY 2009 data from the General Revenue Sharing Program. The House Finance Committee does not concur; it does include some increased financial reporting requirements.

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 327,240	\$ 294,192	\$ (33,048)	\$ 294,192	\$ -
Bristol	695,172	697,446	2,274	697,446	-
Burrillville	763,769	989,970	226,201	769,016	(220,954)
Central Falls	371,587	467,121	95,534	371,025	(96,096)
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	5,191,475	21,950	5,191,475	-
Cumberland	213,801	216,622	2,821	216,622	-
East Greenwich	130,306	131,077	771	131,077	-
East Providence	1,295,314	1,650,388	355,074	1,293,740	(356,648)
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,750	1,324	69,750	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	971,841	(1,333)	971,841	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	234,003	4,804	234,003	-
North Providence	1,324,652	1,317,007	(7,645)	1,317,007	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	3,364,174	797,199	2,559,462	(804,712)
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	28,670,683	2,750,633	25,827,727	(2,842,956)
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	711,000	3,062	711,000	-
South Kingstown	293,327	296,393	3,066	296,393	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,114,127	83,672	2,114,127	-
Westerly	339,542	340,736	1,194	340,736	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,618,602	465,741	1,149,433	(469,169)
Woonsocket	1,318,582	1,716,499	397,917	1,314,806	(401,693)
Total	\$ 47,964,867	\$ 53,157,095	\$ 5,192,228	\$ 47,964,867	\$ (5,192,228)

General Aid Total

Includes Distressed Communities, PILOT, and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 327,240	\$ 290,438	\$ (36,802)	\$ 299,458	\$ 9,020
Bristol	695,172	713,610	18,438	832,543	118,933
Burrillville	763,769	554,681	(209,088)	573,846	19,165
Central Falls	371,587	397,762	26,175	401,735	3,973
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	5,169,525	4,959,452	(210,073)	5,758,680	799,228
Cumberland	213,801	216,616	2,815	216,637	21
East Greenwich	130,306	130,752	446	132,203	1,451
East Providence	1,295,314	1,330,451	35,137	1,355,956	25,505
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,426	69,729	1,303	69,808	79
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	973,174	916,474	(56,700)	1,071,593	155,119
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	229,199	229,852	653	230,181	329
North Providence	1,324,652	1,395,562	70,910	1,479,595	84,033
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	2,566,975	2,561,954	(5,021)	2,634,322	72,368
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	25,920,050	26,029,369	109,319	29,871,643	3,842,274
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	707,938	726,516	18,578	815,173	88,657
South Kingstown	293,327	306,088	12,761	332,795	26,707
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	2,030,455	2,191,425	160,970	2,397,800	206,375
Westerly	339,542	338,015	(1,527)	359,417	21,401
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	1,152,861	1,124,125	(28,736)	1,124,125	-
Woonsocket	1,318,582	1,388,007	69,425	1,413,369	25,362
Total	\$ 47,964,867	\$ 47,964,867	\$ -	\$ 53,464,867	\$ 5,500,000

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	708,688	221,068	487,734	(220,954)
Central Falls	267,573	363,633	96,060	267,537	(96,096)
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	1,114,116	356,511	757,468	(356,648)
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	510,516	-	510,516	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	2,321,986	804,431	1,517,274	(804,712)
Portsmouth	-	-	-	-	-
Providence	5,111,263	7,954,890	2,843,627	5,111,934	(2,842,956)
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	1,394,669	468,984	925,500	(469,169)
Woonsocket	806,641	1,208,188	401,547	806,495	(401,693)
Total	\$ 10,384,458	\$ 15,576,686	\$ 5,192,228	\$ 10,384,458	\$ (5,192,228)

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-	-
Burrillville	487,620	243,867	(243,753)	243,867	-
Central Falls	267,573	293,509	25,936	293,509	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	757,605	757,468	(137)	757,468	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	510,516	624,043	113,527	624,043	-
North Smithfield	-	-	-	-	-
Pawtucket	1,517,555	1,534,272	16,717	1,534,272	-
Portsmouth	-	-	-	-	-
Providence	5,111,263	5,143,906	32,643	5,143,906	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	925,685	900,192	(25,493)	900,192	-
Woonsocket	806,641	887,201	80,560	887,201	-
Total	\$ 10,384,458	\$ 10,384,458	\$ -	\$ 10,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 85,188	\$ 48,984	\$ (36,204)	\$ 48,984	\$ -
Bristol	579,478	580,241	763	580,241	-
Burrillville	66,485	66,573	88	66,573	-
Central Falls	19,133	19,158	25	19,158	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,239,850	5,575	4,239,850	-
Cumberland	109	109	-	109	-
East Greenwich	7,589	7,599	10	7,599	-
East Providence	91,068	91,188	120	91,188	-
Exeter	-	-	-	-	-
Foster	417	417	-	417	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	833,229	1,096	833,229	-
New Shoreham	-	-	-	-	-
North Kingstown	5,795	5,803	8	5,803	-
North Providence	455,764	456,364	600	456,364	-
North Smithfield	-	-	-	-	-
Pawtucket	376,910	377,406	496	377,406	-
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,097,871	25,113	19,097,871	-
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	429,064	564	429,064	-
South Kingstown	124,067	124,230	163	124,230	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	957,595	1,260	957,595	-
Westerly	109,895	110,040	145	110,040	-
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	134,688	178	134,688	-
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 27,580,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 85,188	\$ 45,230	\$ (36,204)	\$ 54,250	\$ 9,020
Bristol	579,478	596,405	763	715,338	118,933
Burrillville	66,485	96,105	88	115,270	19,165
Central Falls	19,133	19,923	25	23,896	3,973
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	4,234,275	4,007,827	5,575	4,807,055	799,228
Cumberland	109	103	-	124	21
East Greenwich	7,589	7,274	10	8,725	1,451
East Providence	91,068	127,899	120	153,404	25,505
Exeter	-	-	-	-	-
Foster	417	396	-	475	79
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	832,133	777,862	1,096	932,981	155,119
New Shoreham	-	-	-	-	-
North Kingstown	5,795	1,652	8	1,981	329
North Providence	455,764	421,392	600	505,425	84,033
North Smithfield	-	-	-	-	-
Pawtucket	376,910	362,900	496	435,268	72,368
Portsmouth	-	-	-	-	-
Providence	19,072,758	19,267,541	25,113	23,109,815	3,842,274
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	428,500	444,580	564	533,237	88,657
South Kingstown	124,067	133,925	163	160,632	26,707
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	956,335	1,034,893	1,260	1,241,268	206,375
Westerly	109,895	107,319	145	128,720	21,401
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	134,510	127,183	178	152,545	25,362
Total	\$ 27,580,409	\$ 27,580,409	\$ -	\$ 33,080,409	\$ 5,500,000

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 242,052	\$ 245,208	\$ 3,156	\$ 245,208	\$ -
Bristol	115,694	117,205	1,511	117,205	-
Burrillville	209,664	214,709	5,045	214,709	-
Central Falls	84,881	84,330	(551)	84,330	-
Charlestown	40,332	41,218	886	41,218	-
Coventry	221,760	225,597	3,837	225,597	-
Cranston	935,250	951,625	16,375	951,625	-
Cumberland	213,692	216,513	2,821	216,513	-
East Greenwich	122,717	123,478	761	123,478	-
East Providence	446,641	445,084	(1,557)	445,084	-
Exeter	78,760	82,437	3,677	82,437	-
Foster	68,009	69,333	1,324	69,333	-
Glocester	93,327	94,919	1,592	94,919	-
Hopkinton	64,211	65,621	1,410	65,621	-
Jamestown	36,592	36,685	93	36,685	-
Johnston	388,129	382,377	(5,752)	382,377	-
Lincoln	231,852	236,662	4,810	236,662	-
Little Compton	25,292	23,548	(1,744)	23,548	-
Middletown	89,716	89,262	(454)	89,262	-
Narragansett	97,870	95,791	(2,079)	95,791	-
Newport	141,041	138,612	(2,429)	138,612	-
New Shoreham	7,639	8,132	493	8,132	-
North Kingstown	223,404	228,200	4,796	228,200	-
North Providence	358,372	350,127	(8,245)	350,127	-
North Smithfield	169,671	173,847	4,176	173,847	-
Pawtucket	672,510	664,782	(7,728)	664,782	-
Portsmouth	106,594	109,483	2,889	109,483	-
Providence	1,736,029	1,617,922	(118,107)	1,617,922	-
Richmond	58,139	60,200	2,061	60,200	-
Scituate	123,750	127,207	3,457	127,207	-
Smithfield	279,438	281,936	2,498	281,936	-
South Kingstown	169,260	172,163	2,903	172,163	-
Tiverton	108,006	108,700	694	108,700	-
Warren	82,216	82,773	557	82,773	-
Warwick	1,074,120	1,156,532	82,412	1,156,532	-
Westerly	229,647	230,696	1,049	230,696	-
West Greenwich	49,116	49,532	415	49,532	-
West Warwick	227,176	223,933	(3,243)	223,933	-
Woonsocket	377,431	373,623	(3,808)	373,623	-
Total	\$ 10,000,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 323,140	\$ -
Bristol	106,449	106,449	-	106,449	-
Burrillville	124,196	124,196	-	124,196	-
Central Falls	76,712	76,712	-	76,712	-
Charlestown	46,444	46,444	-	46,444	-
Coventry	198,364	198,364	-	198,364	-
Cranston	564,855	564,855	-	564,855	-
Cumberland	242,455	242,455	-	242,455	-
East Greenwich	107,800	107,800	-	107,800	-
East Providence	454,240	454,240	-	454,240	-
Exeter	32,685	32,685	-	32,685	-
Foster	34,283	34,283	-	34,283	-
Glocester	68,546	68,546	-	68,546	-
Hopkinton	28,903	28,903	-	28,903	-
Jamestown	76,368	76,368	-	76,368	-
Johnston	96,481	96,481	-	96,481	-
Lincoln	179,391	179,391	-	179,391	-
Little Compton	26,702	26,702	-	26,702	-
Middletown	123,398	123,398	-	123,398	-
Narragansett	113,169	113,169	-	113,169	-
Newport	364,548	364,548	-	364,548	-
New Shoreham	94,072	94,072	-	94,072	-
North Kingstown	246,625	246,625	-	246,625	-
North Providence	154,613	154,613	-	154,613	-
North Smithfield	61,584	61,584	-	61,584	-
Pawtucket	398,156	398,156	-	398,156	-
Portsmouth	99,917	99,917	-	99,917	-
Providence*	2,276,903	2,276,903	-	2,276,903	-
Richmond	21,874	21,874	-	21,874	-
Scituate	92,532	92,532	-	92,532	-
Smithfield	254,642	254,642	-	254,642	-
South Kingstown	205,999	205,999	-	205,999	-
Tiverton	90,485	90,485	-	90,485	-
Warren	51,162	51,162	-	51,162	-
Warwick	657,409	657,409	-	657,409	-
Westerly	287,122	287,122	-	287,122	-
West Greenwich	24,649	24,649	-	24,649	-
West Warwick	171,415	171,415	-	171,415	-
Woonsocket	195,110	195,110	-	195,110	-
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Library Aid

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended**</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 323,140	\$ 323,140	\$ -	\$ 332,622	\$ 9,482
Bristol	106,449	106,449	-	119,255	12,806
Burrillville	124,196	124,196	-	124,048	(148)
Central Falls	76,712	76,712	-	62,301	(14,411)
Charlestown	46,444	46,444	-	47,345	900
Coventry	198,364	198,364	-	203,149	4,785
Cranston	564,855	564,855	-	530,519	(34,337)
Cumberland	242,455	242,455	-	266,209	23,754
East Greenwich	107,800	107,800	-	111,399	3,599
East Providence	454,240	454,240	-	395,804	(58,436)
Exeter	32,685	32,685	-	40,392	7,708
Foster	34,283	34,283	-	31,425	(2,857)
Glocester	68,546	68,546	-	70,178	1,632
Hopkinton	28,903	28,903	-	29,512	609
Jamestown	76,368	76,368	-	77,618	1,250
Johnston	96,481	96,481	-	110,371	13,890
Lincoln	179,391	179,391	-	186,608	7,217
Little Compton	26,702	26,702	-	28,295	1,592
Middletown	123,398	123,398	-	126,526	3,129
Narragansett	113,169	113,169	-	123,812	10,643
Newport	364,548	364,548	-	377,002	12,454
New Shoreham	94,072	94,072	-	73,576	(20,496)
North Kingstown	246,625	246,625	-	257,813	11,188
North Providence	154,613	154,613	-	163,008	8,395
North Smithfield	61,584	61,584	-	63,053	1,468
Pawtucket	398,156	398,156	-	365,315	(32,841)
Portsmouth	99,917	99,917	-	102,565	2,648
Providence*	2,276,903	2,276,903	-	2,337,393	60,490
Richmond	21,874	21,874	-	22,762	887
Scituate	92,532	92,532	-	94,735	2,203
Smithfield	254,642	254,642	-	267,131	12,489
South Kingstown	205,999	205,999	-	203,044	(2,956)
Tiverton	90,485	90,485	-	76,399	(14,087)
Warren	51,162	51,162	-	52,283	1,120
Warwick	657,409	657,409	-	638,711	(18,698)
Westerly	287,122	287,122	-	269,310	(17,812)
West Greenwich	24,649	24,649	-	26,493	1,844
West Warwick	171,415	171,415	-	173,748	2,333
Woonsocket	195,110	195,110	-	191,671	(3,439)
Total	\$ 8,773,398	\$ 8,773,398	\$ -	\$ 8,773,398	\$ -

*Includes the Statewide Reference Library Resource Grant.

**Distribution reflects last year's and is subject to updated data.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2011 Revised</i>	<i>FY 2011 Rev. to Enacted</i>	<i>FY 2011 HFC</i>	<i>HFC to Rev. Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2011 Enacted</i>	<i>FY 2012 Recommended</i>	<i>FY 2012 Rec. to Enacted</i>	<i>FY 2012 HFC</i>	<i>HFC to FY 2012 Rec.</i>
Barrington	\$ 163,557	\$ 182,103	\$ 18,546	\$ 182,103	\$ -
Bristol	218,500	243,277	24,777	243,277	-
Burrillville	153,609	171,027	17,418	171,027	-
Central Falls	184,066	204,938	20,872	204,938	-
Charlestown	76,425	85,091	8,666	85,091	-
Coventry	327,405	364,531	37,126	364,531	-
Cranston	770,853	858,263	87,410	858,263	-
Cumberland	309,629	344,739	35,110	344,739	-
East Greenwich	125,913	140,191	14,278	140,191	-
East Providence	473,467	527,156	53,689	527,156	-
Exeter	58,785	65,451	6,666	65,451	-
Foster	41,563	46,276	4,713	46,276	-
Glocester	96,740	107,709	10,969	107,709	-
Hopkinton	76,201	84,842	8,641	84,842	-
Jamestown	54,671	60,871	6,200	60,871	-
Johnston	274,183	305,274	31,091	305,274	-
Lincoln	203,223	226,267	23,044	226,267	-
Little Compton	34,940	38,902	3,962	38,902	-
Middletown	168,565	187,679	19,114	187,679	-
Narragansett	159,103	177,144	18,041	177,144	-
Newport	257,457	286,651	29,194	286,651	-
New Shoreham	9,822	10,935	1,113	10,935	-
North Kingstown	256,008	285,038	29,030	285,038	-
North Providence	315,181	350,921	35,740	350,921	-
North Smithfield	103,255	114,963	11,708	114,963	-
Pawtucket	709,481	789,933	80,452	789,933	-
Portsmouth	166,766	185,676	18,910	185,676	-
Providence	1,688,352	1,879,801	191,449	1,879,801	-
Richmond	70,230	78,194	7,964	78,194	-
Scituate	100,396	111,780	11,384	111,780	-
Smithfield	200,452	223,182	22,730	223,182	-
South Kingstown	271,518	302,307	30,789	302,307	-
Tiverton	148,396	165,223	16,827	165,223	-
Warren	110,471	122,997	12,526	122,997	-
Warwick	834,442	929,063	94,621	929,063	-
Westerly	223,333	248,658	25,325	248,658	-
West Greenwich	49,449	55,056	5,607	55,056	-
West Warwick	287,661	320,280	32,619	320,280	-
Woonsocket	420,333	467,996	47,663	467,996	-
Total	\$ 10,194,401	\$ 11,350,385	\$ 1,155,984	\$ 11,350,385	\$ -

FY 2012 Education Aid

The House Finance Committee funds the first year of the education funding formula adopted by the 2010 Assembly. The calculation for FY 2012 uses March 14, 2011 student enrollment data adjusted for FY 2012 projected charter school enrollments, a per pupil core instruction amount of \$8,333 and census data released in December 2010. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less funding will have that loss phased in over ten years. The budget includes \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues.

Total Funding to Districts

A. Column **A** is the amount that districts would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that districts that will receive more state funding will have the additional funding phased in over seven years and districts that are going to receive less state funding will have that loss phased in over ten years.

B. Column **B** is the amount of group home aid districts will receive in FY 2012. Group home aid will be paid pursuant to current law in addition to aid paid through the funding formula.

C. The formula allows for additional funding from the state for high-cost special education students, high-cost career and technical programs, early childhood education programs, transportation costs and a limited two-year bonus for regionalized districts. Column **C** shows the House Finance Committee recommendation that provides funding for transportation and the regionalization bonus.

D. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **D** shows the amount of the general revenue reduction.

E. Column **E** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

F. Column **F** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that districts will carry forward their FY 2011 allocation for use in FY 2012.

G. Column **G** shows the House Finance Committee's total FY 2012 recommended aid from general revenues and federal education jobs funds.

H. Column **H** is the FY 2011 enacted aid from all sources including group home aid.

I. Column **I** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the FY 2011 enacted budget in Column **H**.

J. Column **J** is the Governor's FY 2012 recommended budget. It was based on June 30, 2010 student enrollment data.

K. Column **K** is the difference between the House Finance Committee's FY 2012 recommendation from all sources of funds shown in Column **G** and the Governor's FY 2012 recommendation shown in Column **J**.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>District</i>	<i>FY 2012 HFC Formula Aid</i>	<i>Group Home Aid</i>	<i>All Categoricals</i>	<i>Education Jobs Fund</i>
Barrington	\$ 2,362,934	\$ -	\$ 11,920	\$ (80,453)
Burrillville	12,585,056	420,000	3,716	(598,764)
Charlestown	1,670,987	-	33,462	-
Coventry	18,550,838	120,000	-	(829,477)
Cranston	34,041,838	-	106,220	(1,530,264)
Cumberland	12,644,415	-	18,664	(542,840)
East Greenwich	1,502,848	-	4,350	(60,142)
East Providence	24,736,571	636,000	3,037	(1,124,364)
Foster	1,241,245	-	1,069	(59,261)
Glocester	2,860,166	-	2,667	(135,039)
Hopkinton	5,613,789	-	112,406	-
Jamestown	369,267	-	-	(17,559)
Johnston	9,937,661	120,000	74,255	(440,076)
Lincoln	6,864,255	135,000	301	(288,938)
Little Compton	313,858	-	-	(13,144)
Middletown	8,927,808	480,000	-	(438,250)
Narragansett	1,488,608	-	-	(64,722)
Newport	10,221,213	480,000	-	(495,479)
New Shoreham	61,851	-	-	(2,501)
North Kingstown	10,674,839	-	-	(486,804)
North Providence	12,460,586	255,000	35,970	(554,729)
North Smithfield	4,500,714	120,000	10,011	(198,918)
Pawtucket	63,745,780	855,000	-	(2,878,291)
Portsmouth	5,072,149	690,000	-	(273,250)
Providence	183,074,948	2,730,000	-	(8,683,552)
Richmond	5,537,977	-	110,889	-
Scituate	3,150,369	-	5,573	(133,191)
Smithfield	4,718,805	240,000	8,115	(223,988)
South Kingstown	8,441,331	375,000	16,139	(420,852)
Tiverton	5,329,648	-	-	(241,531)
Warwick	33,436,513	360,000	65	(1,533,605)
Westerly	5,982,372	-	-	(261,313)
West Warwick	19,131,939	-	11,765	(864,504)
Woonsocket	44,843,051	165,000	4,472	(2,034,796)
Bristol-Warren	17,880,233	210,000	534,814	(866,462)
Chariho	344,882	-	297,200	(616,626)
Exeter-West Greenwich	6,306,153	210,000	302,195	(307,172)
Foster-Glocester	5,157,169	-	215,809	(239,219)
Central Falls	41,131,440	-	13,997	(1,969,619)
Total	\$ 636,916,106	\$ 8,601,000	\$ 1,939,081	\$ (29,509,695)
<i>Adjusted Chariho</i>	13,167,634	-	553,957	(616,626)

<i>District</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>
	<i>FY 2012 HFC</i>			
	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>	<i>FY 2011 Enacted</i>
Barrington	\$ 2,294,401	\$ 80,453	\$ 2,374,854	\$ 1,777,692
Burrillville	12,410,008	598,764	13,008,772	13,049,312
Charlestown	1,704,449	-	1,704,449	1,708,264
Coventry	17,841,361	829,477	18,670,838	18,106,570
Cranston	32,617,794	1,530,264	34,148,058	31,729,746
Cumberland	12,120,239	542,840	12,663,079	11,853,639
East Greenwich	1,447,056	60,142	1,507,198	1,327,711
East Providence	24,251,244	1,124,364	25,375,608	24,531,957
Foster	1,183,053	59,261	1,242,314	1,293,021
Glocester	2,727,794	135,039	2,862,833	2,946,000
Hopkinton	5,726,195	-	5,726,195	5,695,888
Jamestown	351,708	17,559	369,267	386,846
Johnston	9,691,840	440,076	10,131,916	9,609,655
Lincoln	6,710,618	288,938	6,999,556	6,320,677
Little Compton	300,714	13,144	313,858	288,570
Middletown	8,969,558	438,250	9,407,808	9,562,746
Narragansett	1,423,886	64,722	1,488,608	1,423,684
Newport	10,205,734	495,479	10,701,213	10,812,053
New Shoreham	59,350	2,501	61,851	56,081
North Kingstown	10,188,035	486,804	10,674,839	10,633,129
North Providence	12,196,827	554,729	12,751,556	12,107,544
North Smithfield	4,431,807	198,918	4,630,725	4,342,683
Pawtucket	61,722,489	2,878,291	64,600,780	62,743,324
Portsmouth	5,488,899	273,250	5,762,149	5,968,097
Providence	177,121,396	8,683,552	185,804,948	179,813,040
Richmond	5,648,866	-	5,648,866	5,669,397
Scituate	3,022,751	133,191	3,155,942	2,913,522
Smithfield	4,742,932	223,988	4,966,920	4,899,277
South Kingstown	8,411,618	420,852	8,832,470	9,198,692
Tiverton	5,088,117	241,531	5,329,648	5,275,223
Warwick	32,262,973	1,533,605	33,796,578	33,493,714
Westerly	5,721,059	261,313	5,982,372	5,721,304
West Warwick	18,279,200	864,504	19,143,704	18,855,252
Woonsocket	42,977,727	2,034,796	45,012,523	44,356,033
Bristol-Warren	17,758,585	866,462	18,625,047	18,896,443
Chariho	25,456	616,626	642,082	383,667
Exeter-West Greenwich	6,511,176	307,172	6,818,348	6,708,949
Foster-Glocester	5,133,759	239,219	5,372,978	5,219,945
Central Falls	39,175,818	1,969,619	41,145,437	42,865,644
Total	\$ 617,946,492	\$ 29,509,695	\$ 647,456,187	\$ 632,544,990
<i>Adjusted Chariho</i>	13,104,965	616,626	13,721,591	13,457,216

<i>District</i>	<i>I</i> <i>Total FY 2012</i> <i>Change to</i> <i>Enacted</i>	<i>J</i> <i>FY 2012</i> <i>Governor</i>	<i>K</i> <i>FY 2012 Total</i> <i>Change to Gov</i>
Barrington	\$ 597,162	\$ 2,358,427	\$ 16,427
Burrillville	(40,540)	13,009,609	(838)
Charlestown	(3,816)	1,696,758	7,690
Coventry	564,268	18,690,799	(19,961)
Cranston	2,418,312	34,056,094	91,964
Cumberland	809,440	12,701,212	(38,133)
East Greenwich	179,487	1,504,606	2,593
East Providence	843,651	25,475,858	(100,249)
Foster	(50,708)	1,237,402	4,912
Glocester	(83,167)	2,866,365	(3,532)
Hopkinton	30,306	5,735,135	(8,940)
Jamestown	(17,579)	368,955	312
Johnston	522,261	10,155,696	(23,779)
Lincoln	678,879	6,949,637	49,919
Little Compton	25,289	314,727	(869)
Middletown	(154,938)	9,442,812	(35,004)
Narragansett	64,924	1,481,749	6,859
Newport	(110,840)	10,717,477	(16,264)
New Shoreham	5,770	61,803	48
North Kingstown	41,710	10,667,391	7,449
North Providence	644,012	12,729,686	21,870
North Smithfield	288,042	4,648,180	(17,455)
Pawtucket	1,857,456	64,576,209	24,572
Portsmouth	(205,948)	5,767,514	(5,365)
Providence	5,991,908	185,990,614	(185,666)
Richmond	(20,531)	5,642,629	6,237
Scituate	242,420	3,154,451	1,490
Smithfield	67,643	4,974,687	(7,767)
South Kingstown	(366,222)	8,828,084	4,386
Tiverton	54,425	5,343,549	(13,900)
Warwick	302,864	33,920,827	(124,250)
Westerly	261,069	5,970,828	11,545
West Warwick	288,452	19,171,353	(27,649)
Woonsocket	656,490	45,304,983	(292,459)
Bristol-Warren	(271,395)	18,622,094	2,954
Chariho	258,415	641,957	125
Exeter-West Greenwich	109,399	6,816,998	1,350
Foster-Glocester	153,033	5,380,618	(7,641)
Central Falls	(1,720,208)	40,468,382	677,054
Total	\$ 14,911,197	\$ 647,446,154	\$ 10,033
<i>Adjusted Chariho</i>	264,375	13,716,480	5,112

Total Funding to Charter and State Schools

A. Column **A** is the amount that charter and state schools would receive in the first year of the new formula's implementation pursuant to the ten-year phase in of the formula. It assumes that schools that will receive more state funding will have the additional funding phased in over seven years and schools that are going to receive less state funding will have that loss phased in over ten years.

B. The Budget uses federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues. Column **B** shows the amount of the general revenue reduction.

C. Column **C** includes the House Finance Committee's FY 2012 general revenue recommendation. This is the total funding minus the jobs fund allocation.

D. Column **D** shows the amount from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012. The Budget assumes that charter and state schools will carry forward their FY 2011 allocation for use in FY 2012.

E. Column **E** shows the House Finance Committee's FY 2012 recommended formula aid from general revenues and federal education jobs funds.

F. Column **F** shows the Governor's FY 2012 recommendation. It is based on June 30, 2010 enrollment data. The Department of Elementary and Secondary Education provided March 14, 2011 enrollment data at the beginning of April.

G. Column **G** is the difference between the total House Finance Committee's FY 2012 recommended funding in Column **E** and the Governor's FY 2012 recommendation in Column **F**.

H. Column **H** is the starting point for calculating FY 2011 base formula aid. It is the FY 2011 enacted aid plus an adjustment done by the Department of Elementary and Secondary Education based on Budget Office target instructions sent out in July 2010. The reason for this adjustment is unclear.

I. Column **I** is the difference between the House Finance Committee's total FY 2012 recommended funding in Column **E** and the FY 2011 base amounts in Column **H**.

<i>School</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY 2012 HFC</i>				
	<i>FY 2012 HFC Formula Aid</i>	<i>Education Jobs Fund</i>	<i>General Revenues</i>	<i>Education Jobs Fund Offset</i>	<i>Total FY 2012 HFC</i>
Beacon	\$ 1,722,314	\$ (85,927)	\$ 1,636,387	\$ 85,927	\$ 1,722,314
Blackstone	1,552,492	(71,435)	1,481,056	71,435	1,552,491
Compass	608,800	(29,362)	579,438	29,362	608,800
Greene School	667,150	(26,637)	640,513	26,637	667,150
Highlander	2,716,793	(125,425)	2,591,368	125,425	2,716,793
International	2,896,237	(134,076)	2,762,161	134,076	2,896,237
Kingston Hill	727,276	(35,188)	692,088	35,188	727,276
Learning Community	5,954,782	(230,278)	5,724,504	230,278	5,954,782
New England Laborers	1,648,397	-	1,648,397	-	1,648,397
Nurses Institute	1,130,376	-	1,130,376	-	1,130,376
Paul Cuffee	6,805,659	(279,528)	6,526,131	279,528	6,805,659
Mayoral Academies Blackstone Valley	4,050,453	(93,285)	3,957,168	93,285	4,050,453
Segue Institute	2,562,049	(79,612)	2,482,437	79,612	2,562,049
Textron	2,323,795	-	2,323,795	-	2,323,795
Times2 Academy	7,111,479	-	7,111,479	-	7,111,479
Trinity	726,533	(18,714)	707,819	18,714	726,533
<i>Charter Schools Subtotal</i>	43,204,586	(1,209,467)	\$ 41,995,118	\$ 1,209,467	\$ 43,204,585
Davies Career and Tech	14,090,211	(673,955)	13,416,256	673,955	14,090,211
Met School	12,236,284	(593,721)	11,642,563	593,721	12,236,284
Total	\$ 69,531,081	\$ (2,477,143)	\$ 67,053,937	\$ 2,477,143	\$ 69,531,080

<i>School</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>
	<i>FY 2011 For</i>			
	<i>FY 2012 Gov Rec</i>	<i>HFC Change to Gov</i>	<i>Base Calculation</i>	<i>Change to Base Funding</i>
Beacon	\$ 1,732,711	\$ (10,397)	\$ 1,755,873	\$ (33,559)
Blackstone	1,553,291	(800)	1,563,108	(10,617)
Compass	609,710	(910)	642,210	(33,410)
Greene School	681,222	(14,072)	521,480	145,670
Highlander	2,713,276	3,517	2,741,436	(24,643)
International	2,887,024	9,213	2,932,501	(36,264)
Kingston Hill	724,215	3,061	769,530	(42,254)
Learning Community	5,786,707	168,075	5,267,909	686,873
New England Laborers	1,645,409	2,988	1,697,870	(49,473)
Nurses Institute	1,126,220	4,156	-	1,130,376
Paul Cuffee	6,719,793	85,866	6,259,303	546,356
Mayoral Academies Blackstone Valley	3,942,777	107,676	2,163,075	1,887,378
Segue Institute	2,541,835	20,214	1,740,632	821,417
Textron	2,314,584	9,211	2,341,876	(18,081)
Times2 Academy	7,107,590	3,889	7,217,958	(106,479)
Trinity	727,112	(579)	397,647	328,886
<i>Charter Schools Subtotal</i>	\$ 42,813,476	\$ 391,109	\$ 38,012,408	\$ 5,192,177
Davies Career and Tech	13,984,084	106,127	14,820,328	(730,117)
Met School	12,165,708	70,576	13,013,531	(777,247)
Total	\$ 68,963,268	\$ 567,812	\$ 65,846,267	\$ 3,684,813

Section IV

Adjustments to Governor's Revised Budget

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Revenue Changes					
1	May Revenue Conference	51,408,835	-	-	-	51,408,835
2	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
	Total	51,424,942	73,747,284	2,697,879	(39,518,816)	88,351,289
	Expenditures Changes					
	Administration					
3	Capital - Cranston Street Armory	-	-	-	(72,658)	(72,658)
4	Capital - Fire Code Compliance	-	-	-	(400,000)	(400,000)
5	Capital - Old State House	-	-	-	(200,000)	(200,000)
6	Capital - Pastore Buildings Demolition	-	-	-	(1,000,000)	(1,000,000)
7	Capital - Pastore Central Power Plant Rehabilitation	-	-	-	(670,000)	(670,000)
8	Capital - Pastore Utility Systems Water Tanks & Pipes	-	-	-	(120,000)	(120,000)
9	Capital - State Office Building	-	-	-	(400,000)	(400,000)
10	Capital - Washington County Government Center	-	-	-	(1,000,000)	(1,000,000)
11	Capital - William Powers Administration Building	-	-	-	(97,000)	(97,000)
12	Capital - Zambarano Utilities and Infrastructure	-	-	-	325,000	325,000
13	Central Falls Deficit	(1,800,000)	-	-	-	(1,800,000)
14	Centralized IT Savings (GBA)	(92,696)	-	-	-	(92,696)
15	Community Development Block Grant Adjustments	-	653,000	-	-	653,000
16	Distressed Enhancement	(5,192,229)	-	-	-	(5,192,229)
17	DoIT Victims of Crime Act Grant Adjustments	-	50,000	-	-	50,000
18	DOT Debt Service - Operating Deficit	(3,400,000)	-	-	3,400,000	-
19	DOT Debt Service BAB funds (GBA)	(1,688,447)	1,688,447	-	-	-
20	Fidelity Job Rent Credits (GBA)	(733,053)	-	-	-	(733,053)
21	New Positions (2.0 FTE)	(127,987)	-	-	-	(127,987)
22	Purchasing Website Delay (GBA)	(30,000)	-	-	-	(30,000)
23	Rainy Day Fund Payback	22,000,000	-	-	-	22,000,000
24	Stimulus - Homelessness Prevention Fund	-	396,210	-	-	396,210
25	Stimulus - Weatherization Assistance Adjustments	-	1,237,950	-	-	1,237,950
26	Turnover and Operating Savings (3rd Quarter)	(427,357)	-	-	-	(427,357)
	Business Regulation					
27	Turnover (3rd Quarter)	(175,000)	-	-	-	(175,000)
28	Assessments for Rate Filings	-	-	25,000	-	25,000
	Labor and Training					
29	3rd Quarter Changes and Surplus	(74,824)	-	-	-	(74,824)
30	Capital - Center General Roof	-	-	-	(770,000)	(770,000)
31	Emergency TANF Grants (GBA)	-	398,000	-	-	398,000
32	Extension of Emergency Unemployment Compensation (GBA)	-	66,253,500	-	(11,782,000)	54,471,500
33	Trade Adjustment Grant Award (GBA)	-	1,072,000	-	-	1,072,000

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
Department of Revenue						
34	Central Falls Receivership (3rd Quarter)	249,146	-	-	-	249,146
35	Turnover and Operations (3rd Quarter)	(243,000)	-	-	-	(243,000)
36	Central Falls Receivership Staffing	(195,267)	-	-	-	(195,267)
37	Capital - Tax Data Warehouse	-	-	-	155,000	155,000
38	DMV RIMS Computer Project	-	250,000	-	-	250,000
Lieutenant Governor						
39	Health Policy Director (GBA)	35,698	-	-	-	35,698
40	Turnover Savings	(26,698)	-	-	-	(26,698)
Office of the General Treasurer						
41	Build Out Costs for Move to Warwick (GBA)	88,588	15,416	232,360	15,416	351,780
42	Unclaimed Property	-	-	1,664,663	-	1,664,663
Board of Elections						
43	HAVA Fund Expenditure from FY 2010 (GBA)	-	109,694	-	-	109,694
Governor's Office						
44	Turnover and Operating Savings (3rd Quarter)	(71,207)	-	-	-	(71,207)
Commission for Human Rights						
45	COLA Deferral Correction	(8,101)	(2,598)	-	-	(10,699)
Office of Health and Human Services						
46	Turnover and Operating Savings (3rd Quarter)	(14,295)	-	-	-	(14,295)
Children, Youth and Families						
47	Byrne Formula Grant (GBA)	-	20,343	-	-	20,343
48	Capital - NAFI Center	-	-	-	(450,000)	(450,000)
49	Capital - Sprinkler Head Retrofit	-	-	-	(25,360)	(25,360)
50	Capital - Training School Repairs/Improvements	-	-	-	(49,500)	(49,500)
51	Nurse and Family Partnership Grant (GBA)	-	90,000	-	-	90,000
52	Olmstead Grant (GBA)	20,000	-	-	-	20,000
Elderly Affairs						
53	Home and Community Care	451,773	(77,400)	-	-	374,373
54	Pharmaceutical Assistance	(400,000)	-	400,000	-	-
Health						
55	Turnover and Operating Savings (3rd Quarter)	(350,000)	-	-	-	(350,000)
56	Cancer Registries Research (GBA)	16,107	-	-	-	16,107
57	Federal Fund Adjustments (GBA)	-	377,130	-	-	377,130
58	Women, Infants and Children Nutrition Program	-	(19,642,672)	-	-	(19,642,672)
Human Services						
59	Hardship	(37,500)	-	-	-	(37,500)
60	May Caseload Adjustments	4,766,407	(5,544,902)	-	-	(778,495)
61	Ride Program Gas Tax adjustment (GBA)	-	-	-	(41,761)	(41,761)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
62	Women, Infants and Children Nutrition Program	-	19,642,672	-	-	19,642,672
BHDDH						
63	Behavioral Health - 3rd Quarter Surplus	(835,203)	-	-	-	(835,203)
64	Capital - DD Private Waiver Community Facilities Fire Code Upgrades	-	(820,829)	-	(500,000)	(1,320,829)
65	Capital - Eleanor Slater Hospital Consolidation	-	-	-	(1,900,000)	(1,900,000)
66	Capital - Mental Health Community Facilities	-	-	-	(100,000)	(100,000)
67	Capital - MR Community Facilities	-	-	-	(200,000)	(200,000)
68	Capital - Regional Center Repair\Rehabilitation	-	-	-	(550,000)	(550,000)
69	Capital - Zambarano Buildings	-	-	-	(900,000)	(900,000)
70	Developmental Disabilities 3rd Quarter Deficit	835,203	(124,501)	-	-	710,702
71	Hospital Turnover	(500,000)	(734,872)	-	-	(1,234,872)
Governor's Commission on Disabilities						
72	New England ADA Grant Adjustment	-	2,282	-	-	2,282
Office of the Mental Health Advocate						
73	Turnover	(29,000)	-	-	-	(29,000)
Elementary & Secondary Education						
74	Capital - Cranston Career and Technical	-	-	-	(280,000)	(280,000)
75	Capital - Davies Lighting	-	-	-	(375,453)	(375,453)
76	Capital - Met School East Bay	-	-	-	(580,000)	(580,000)
77	Formula Aid Adjustments (GBA)	(60,577)	-	-	-	(60,577)
78	FY 2010 Central Falls Balance to FY 2012	(2,000,000)	-	-	-	(2,000,000)
79	Perkins Tuition	(13,216)	-	-	-	(13,216)
80	Stabilization Funds Reduction	729,663	(729,663)	-	-	-
81	Turnover Savings - Third Quarter Report	(100,000)	-	-	-	(100,000)
Public Higher Education						
82	Office of Higher Education Turnover	(240,000)	-	-	-	(240,000)
83	Capital - RIC - New Art Center Renovation/Addition	-	-	-	(1,300,000)	(1,300,000)
84	Capital - URI - New Chemistry Building	-	-	-	(2,000,000)	(2,000,000)
85	Capital - URI - Biotechnology Center	-	-	-	(4,500,000)	(4,500,000)
Arts Council						
86	Third Quarter Personnel and Operating	(26,903)	-	-	-	(26,903)
87	Percent for Arts Adjustment (GBA)	-	-	-	500,000	500,000
Higher Education Assistance Authority						
88	LEAP Funds	-	6,385	-	-	6,385
Historical Preservation and Heritage Commission						
89	Turnover	(26,000)	-	-	-	(26,000)

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	RI Public Telecommunications Authority					
90	Turnover	(50,000)	-	-	-	(50,000)
	Attorney General					
91	Federal Grant Adjustments	-	21,810	-	-	21,810
92	Turnover (3rd Quarter)	(180,000)	-	-	-	(180,000)
	Corrections					
93	Capital - Asset Protection	-	-	-	(1,000,000)	(1,000,000)
94	Capital - Women's Plumbing and Bathroom Renovations	-	-	-	(1,235,000)	(1,235,000)
95	Third Quarter Personnel and Operating	(900,000)	-	-	-	(900,000)
96	Capital - Women's Roof, Masonry and General Renovations	-	-	-	(2,800,000)	(2,800,000)
97	Victim Services - Parole Board (GBA)	-	11,090	-	-	11,090
	Judicial					
98	Federal Grant Adjustments (GBA)	-	(394,778)	-	-	(394,778)
	Military Staff					
99	Capital - Armory of Mounted Commands	-	-	-	(1,000,000)	(1,000,000)
100	Capital - Asset Protection	-	-	-	(100,000)	(100,000)
101	Capital - Federal Armories - Fire Code Compliance	-	-	-	(50,000)	(50,000)
102	Capital - Logistics/Maintenance Facilities Fire Code Compliance	-	-	-	(65,563)	(65,563)
103	Capital - State Armories Fire Code Compliance	-	-	-	(155,000)	(155,000)
104	Excess Flood Match	(200,000)	-	-	-	(200,000)
105	Federal Grant Adjustments (GBA)	-	607,964	-	-	607,964
106	Nuclear Mitigation Fund-Balance Forward	-	-	71,686	-	71,686
	Public Safety					
107	Capital - Statewide Microwave/IT Upgrade	-	-	-	(1,000,000)	(1,000,000)
108	Federal Fund Adjustments (GBA)	-	154,825	-	-	154,825
109	Fire Training Academy	-	-	50,000	-	50,000
110	General Revenue Expenses to Forfeiture Funds	(125,000)	-	55,448	-	(69,552)
111	JAG Interest	-	-	11,577	-	11,577
112	Polygraph Training	-	-	1,145	-	1,145
113	Stabilization Fund Correction - Audit Finding	-	404,916	-	-	404,916
114	Third Quarter Adjustment	100,000	-	-	-	100,000
	Environmental Management					
115	Capital - Blackstone Valley Bikepath/State Park	-	-	-	(250,000)	(250,000)
116	Capital - Dam Repair	-	-	-	(640,000)	(640,000)
117	Capital - Galilee Piers	-	-	-	(750,000)	(750,000)
118	Capital - Newport Piers	-	-	-	(150,000)	(150,000)
119	Environmental Protection Grant Adjustments	-	325,000	-	-	325,000
120	Natural Resources Grant Adjustments	-	372,356	186,000	261,007	819,363

FY 2011 Changes to Governor		Gen. Rev.	Federal	Restricted	Other	Total
	Water Resources Board					
121	Third Quarter Adjustment	(19,927)	-	-	-	(19,927)
	Department of Transportation					
122	DOT - Gasoline Tax Adjustment	-	-	-	(908,628)	(908,628)
123	NHTSA Grant Increase (GBA)	-	1,087,056	-	-	1,087,056
124	RIPTA - Gasoline Tax Adjustment	-	-	-	(407,316)	(407,316)
125	Stimulus Fund Shift	-	6,571,453	-	-	6,571,453
126	Winter Maintenance	-	-	-	(3,400,000)	(3,400,000)
	Total	8,899,098	73,747,284	2,697,879	(39,518,816)	45,825,445

FY 2011 Revised Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 9 and revised the FY 2011 estimate to \$3,091.1 million, which is \$53.8 million more than the revenues included in the November estimate and \$51.4 million more than the Governor's budget revised for his changes included in the estimate.
- 2. Cancer Registries Research (GBA).** The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

Expenditure Changes

Department of Administration

- 3. Capital – Cranston Street Armory.** The Governor's capital budget includes a total of \$6.6 million from Rhode Island Capital Plan funds, including \$72,658 in FY 2011 to be used for ongoing renovations of the Cranston Street Armory building including replacement of the HVAC system and windows. Subsequently, the Department indicated that the FY 2011 appropriation would not be needed. The House Finance Committee includes the savings and shifts \$0.3 million from FY 2012 to FY 2013.
- 4. Capital – Fire Code Compliance.** The FY 2011 revised budget includes \$0.8 million from Rhode Island Capital Plan funds to bring state buildings into compliance with new fire code regulations. The project is intended to provide necessary funding to allow state buildings to comply with the state's 2003 and 2006 revised fire code. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect anticipated expenditures.
- 5. Capital – Old State House.** The FY 2012 through FY 2016 Capital Budget includes \$1.5 million from Rhode Island Capital Plan funds for various renovations at the Old State House including repaving the parking lot and replacing the heating system. The House Finance Committee shifts \$0.2 million from FY 2011 to FY 2014 to reflect the Department's revised schedule.
- 6. Capital – Pastore Buildings Demolition.** The Governor's capital plan includes a total project cost of \$6.0 million from Rhode Island Capital Plan funds to remove asbestos and demolish buildings A and D in the Pastore Center, which have been vacant for more than 15 years. The House Finance Committee shifts \$1.0 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 7. Capital – Pastore Central Power Plant Rehabilitation.** The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds in FY 2011 to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. The House Finance Committee shifts \$0.7 million from FY 2011 to FY 2012 to reflect the Department's revised project schedule.
- 8. Capital – Pastore Utility Systems Water Tanks and Pipes.** The Governor's FY 2012 through FY 2016 Capital Budget includes a total of \$2.0 million from Rhode Island Capital Plan funds, of which \$0.6 million in FY 2011 will be used to identify and address deficiencies at the Pastore Center with respect to water supply and distribution. Subsequently, the Department indicated that \$120,000 in FY 2011 would

not be needed. The House Finance Committee includes the savings and shifts \$150,000 from FY 2012 to FY 2015.

9. Capital – State Office Building. The FY 2011 revised budget includes \$1.0 million from Rhode Island Capital Plan funds for renovations at the State Office Building. The project includes bathroom repairs, roof repairs, fixing water damaged areas and other repairs. The House Finance Committee shifts \$0.4 million from FY 2011 to FY 2012 to reflect updated expenditure plans.

10. Capital – Washington County Government Center. The FY 2011 revised budget includes \$1.1 million from Rhode Island Capital Plan funds for fire code improvements and for renovations of the facility to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.1 million would be spent in the current year. The House Finance Committee shifts \$1.0 million, including \$0.7 million to FY 2012 and \$0.3 million in FY 2013 to reflect updated expenditure plans.

11. Capital - William Powers Administration Building. The FY 2011 revised budget includes \$0.5 million from Rhode Island Capital Plan funds for repairs and renovations at the William Powers Building. General renovations include bathroom repairs, painting and security upgrades. Subsequently, the Department indicated that it would only spend \$0.4 million of its FY 2011 appropriation. The House Finance Committee reduces the project costs to reflect the savings.

12. Capital – Zambarano Utilities and Infrastructure. The FY 2011 revised budget includes \$1.0 million for capital repairs to various buildings and equipment at the Zambarano Campus of the Eleanor Slater Hospital in Burrillville. The Governor requested an amendment to provide \$0.3 million of additional funds to reflect actual expenditures. The House Finance Committee concurs.

13. Central Falls Deficit. In July 2010, the state appointed a temporary receiver in Central Falls who issued a report in December 2010 regarding the city's structural fiscal problems. It indicated that Central Falls ended FY 2010 with a \$2.4 million deficit with current assets of \$623,000, which can be used to reduce the deficit to \$1.8 million. The report also projected a deficit of \$4.9 million in FY 2012. The Governor's FY 2011 revised and FY 2012 recommended budgets include \$1.8 million and \$4.9 million, respectively, to eliminate the FY 2010 and the FY 2012 projected deficit for Central Falls. The House Finance Committee does not recommend funding.

14. Centralized IT Savings (GBA). The revised budget includes \$363,237 from general revenues for the Department of Human Services use of contractors in the Division of Information Technology. Subsequently, the Governor requested an amendment to include \$92,696 in general revenue savings due to enhanced federal match. The House Finance Committee concurs and includes the savings.

15. Community Development Block Grant Adjustments. The revised budget includes \$5.0 million from federal community development block grants, which provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities. The Governor subsequently requested an amendment to provide an additional \$653,000 to reflect anticipated increases. Due to the timing of payments, grant funds often overlap fiscal years. The House Finance Committee concurs.

16. Distressed Enhancement. The FY 2011 revised budget adds \$5.2 million in new funding for the Distressed Communities Relief program to be distributed to the eight eligible communities provided they meet certain financial reporting requirements. The House Finance Committee does not concur and recommends funding the program at the FY 2011 enacted level of \$10.4 million.

17. DoIT Victims of Crime Act Grant Adjustments. The FY 2011 budget includes \$47,500 from federal Victims of Crime Act funds for the Division of Information Technology to maintain an internet portal, which collects data from the Department of Corrections and the Judiciary. Subsequently, the Governor requested an amendment to provide an additional \$50,000 to make enhancements to the portal. The House Finance Committee concurs.

18. DOT Debt Service - Operating Deficit. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.6 million. This would allow the deficit to be covered with \$3.4 million less from general revenues, which would increase available general revenue proceeds by the same amount. The House Finance Committee includes this savings.

19. DOT Debt Service BAB Funds (GBA). The Governor's FY 2011 revised budget includes \$43.7 million for the Department of Transportation debt service costs including \$12.6 million from general revenues because of a projected shortfall in gasoline tax proceeds. Subsequently, the Governor requested an amendment to shift \$1.7 million of general revenue debt service expenditures to available federal Build America Bonds, which was created under the American Recovery and Reinvestment Act of 2009. The House Finance Committee concurs.

20. Fidelity Job Rent Credits (GBA). Subsequent to his budget submission, the Governor requested an amendment to decrease general revenue debt service payments by \$0.7 million in both FY 2011 and FY 2012 from the recommended \$3.4 million required payments under the Fidelity Job Rent Credits agreement. The reduction is based on actual average filled positions. Under the incentive based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base. The House Finance Committee concurs.

21. New Positions (2.0 FTE). The Governor's FY 2011 revised and FY 2012 recommended budgets include \$0.1 million and \$0.3 million to fund 2.0 new positions, consisting of an executive director and an executive assistant to the director positions in Central Management within the Department of Administration. The House Finance Committee does not recommend funding the positions and adjusts staffing accordingly.

22. Purchasing Website Delay (GBA). The Governor recommends \$100,000 from general revenues, including \$50,000 each in FY 2011 and FY 2012 to enhance the website for the Division of Purchasing. The Department indicates that the current server that handles all state bids and provides information to the public has experienced downtime and the technology for it is outdated and is no longer supported. Subsequently, he requested an amendment to shift \$30,000 from FY 2011 to FY 2012 to reflect a project delay. The House Finance Committee concurs and includes the adjustments.

23. Rainy Day Fund Payback. The FY 2011 enacted budget includes a one-time expenditure of \$22.0 million to pay back the Rhode Island Capital Plan Fund for funds borrowed from the state budget reserve and cash stabilization account in FY 2009. Rhode Island General Law requires that any amounts used must be replaced in the following year but the 2010 Assembly authorized a one-year delay. The Governor proposed legislation to further delay the repayment to FY 2013. The House Finance Committee recommends the repayment in FY 2011.

24. Stimulus - Homelessness Prevention Fund. The FY 2011 revised budget includes \$1.6 million from federal stimulus funds for homelessness prevention, which can be used for rental assistance, housing relocation and stabilization services to include housing search, security or utility deposits, utility payments and moving costs. Subsequently, the Governor requested an amendment to increase expenditures by \$0.4 million to reflect funds from FY 2010. The House Finance Committee concurs.

25. Stimulus - Weatherization Assistance Program Adjustments. The FY 2011 revised budget includes \$11.2 million from federal stimulus funds for the Weatherization Assistance Program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. Subsequently, the Governor requested an amendment to provide an additional \$1.2 million for grant expenditures. The House Finance Committee includes the adjustment.

26. Turnover and Operating Savings (3rd Quarter). The revised budget includes \$76.8 million from all funds, including \$60.5 million from general revenues to fund 873.6 full-time equivalent positions in the Department of Administration. The Department has an average of 802.7 positions filled, or 68.9 vacant positions since the beginning of the fiscal year. The House Finance Committee recommends savings of \$0.4 million, including \$0.3 million from turnover and \$0.1 million from operating to reflect the Department's projected expenses.

Department of Business Regulation

27. Turnover (3rd Quarter). The House Finance Committee recommends reducing general revenue expenditures by \$175,000 to reflect additional turnover savings projected in the Department's third quarter report.

28. Assessments for Rate Filings. The Governor's FY 2011 revised budget recommends expenditures of \$231,031 from assessments for the use of staff time to review rate filings of workers' compensation insurance. Subsequently, the Governor requested an amendment to add \$25,000 from restricted receipts based upon increased use of staff time. The House Finance Committee concurs.

Department of Labor and Training

29. 3rd Quarter Changes and Surplus. The Department's third quarter report reflects a general revenue surplus of \$74,824. The Governor requested an amendment to shift \$10,000 budgeted for legal expenses for the Labor Relations Board to address higher than anticipated teacher arbitration costs. The House Finance Committee recommends reducing the Department's budget by \$74,824 to capture the third quarter savings and included the requested funding shift.

30. Capital – Center General Roof. The Governor's FY 2012 budget includes \$788,584 in FY 2011 from Rhode Island Capital Plan funds for the roof replacement or repair project at the Center General Complex in Cranston. This project has routinely been delayed and additional delays occurred in FY 2011. The House Finance Committee shifts \$770,000 from FY 2011 to FY 2012 to reflect the delays.

31. Emergency TANF Grants (GBA). The Governor requested an amendment to increase federal Emergency Temporary Assistance to Needy Families grant funds by \$398,000 to reflect expenditures made prior to September 30, 2010 that the Department inadvertently omitted from its revised request. The grants were made through the Governor's Workforce Board to the local workforce agencies. The House Finance Committee concurs.

32. Extension of Emergency Unemployment Compensation (GBA). On December 17, 2010, Congress extended the Emergency Unemployment Compensation program, which had ended on November 30, 2010. This allows for full federal funding of the four federal benefit tiers and state extended benefits, extending the pre-November 30, 2010 program through January 3, 2012. The Governor requested an amendment to increase funding for benefits by \$54.5 million in FY 2011 and by \$74.9 million in FY 2012. For FY 2011, this is an increase of \$66.3 million from federal funds and a reduction of \$11.8 million from the Employment Security Trust Fund. The House Finance Committee concurs.

33. Trade Adjustment Grant Award (GBA). The Governor requested an amendment to increase federal Trade Adjustment Act grant funding by \$1.1 million, reflecting the receipt of an additional grant award in FY 2011. Grants are provided to help workers from Rhode Island companies who lost their jobs due to the adverse impact of foreign trade and include weekly benefit allowances and expenses related to training programs. The House Finance Committee concurs.

Department of Revenue

34. Central Falls Receivership (3rd Quarter). The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. This includes \$0.5 million in legal fees to be provided by Orson & Brusini and Edwards, Angell, Palmer and Dodge, as the constitutionality of the act was being questioned. The third quarter report projects additional expenditures of \$249,146. Subsequently, the Governor requested an amendment to provide the additional funding. The House Finance Committee concurs.

35. Turnover and Operations (3rd Quarter). The Department’s third quarter report projects a general revenue surplus of \$243,000, of which \$158,000 is from additional turnover savings and \$85,000 is from software maintenance costs pertaining to the new computer system for the Registry. The House Finance Committee reduces expenditures to include the savings.

36. Central Falls Receivership Staffing. The 2010 Assembly enacted the “Providing Financial Stability Act” to enable the state to work with cities and towns undergoing financial distress that threatens the fiscal well being, public safety and welfare of such cities and towns. The revised budget includes \$0.9 million for various costs pertaining to the non-judicial receivership for Central Falls. The total includes \$0.2 million for staffing to assist the state appointed receiver. The House Finance Committee does not recommend funding for the positions and decreases funding and staffing accordingly.

37. Capital – Tax Data Warehouse. The Governor’s capital budget includes new capital expenditures of \$2.0 million from Rhode Island Capital Plan funds for the expansion of the tax data warehouse project to include automated compliance, collections improvements, data-driven audit selection process and risk-based sales tax audit. The 2006 Assembly approved \$2.5 million from Certificates of Participation for Phase I of this project. The 2010 Assembly provided \$0.5 million from Rhode Island Capital funds for this project. The House Finance Committee does not recommend further use of Rhode Island Capital Plan funds for this project.

38. DMV RIMS Computer Project. The FY 2011 revised budget includes \$1.1 million from restricted receipts supported by a \$1.50 transaction surcharge. The funds will be used to modernize the computer system at the Registry, which would allow for more web site functionality to reduce wait times for transactions performed at the Registry such as titles and registrations. Subsequently, the Governor

requested an amendment to provide \$250,000 in expenditures from available federal funds. The House Finance Committee concurs.

Lieutenant Governor

39. Health Policy Director (GBA). The Governor requested an amendment to add \$35,698 from general revenues for 1.0 full-time health policy director to assist in the implementation of the federal health insurance reform. The House Finance Committee concurs.

40. Turnover Savings. The House Finance Committee recommends additional general revenue turnover savings of \$26,698 based on updated personnel projections.

Office of the General Treasurer

41. Build Out Costs for Move to Warwick (GBA). The current lease on Fountain Street expired on April 30, 2011 and the operations housed there including the Retirement System will be moving to 50 Service Avenue in Warwick. Based on construction delays, the move is now scheduled for the beginning of FY 2012. The Governor requested an amendment to add \$0.4 million from all sources including \$0.1 million from general revenues for build out costs for the offices in Warwick. This represents 66 percent of the total build out expense; the remainder is requested for FY 2012. The House Finance Committee concurs.

42. Unclaimed Property. Unclaimed property claims and transfers to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$1.7 million for FY 2011 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$1.8 million transfer to the state General Fund.

Board of Elections

43. HAVA Fund Expenditure from FY 2010 (GBA). The Governor requested an amendment to include \$109,694 from federal Help America Vote Act funds for the Board of Elections for election expenditures made in FY 2010, but not paid until FY 2011. The House Finance Committee concurs.

Office of the Governor

44. Turnover and Operating Savings (3rd Quarter). The Office's third quarter report projected a \$71,207 surplus, primarily from turnover savings. The House Finance Committee reduces expenditures to reflect the projected savings.

Human Rights

45. COLA Deferral Correction. The House Finance Committee recommends additional savings of \$10,699, including \$8,101 from general revenues to reflect savings from the six month deferral of the cost-of-living adjustment, which was inadvertently excluded from the Governor's FY 2011 revised budget.

Office of Health and Human Services

46. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends general revenue personnel and operating savings of \$14,295 for the Office of Health and Human Services consistent with its third quarter report.

Department of Children, Youth and Families

47. Byrne Formula Grant (GBA). The Governor requested an amendment to add \$20,343 from federal funds for the Juvenile Corrections program to be used for an educational and vocational training program for youth at risk of recidivism. The House Finance Committee concurs.

48. Capital – NAFI Center. The Governor's FY 2012 through FY 2016 Capital Budget includes \$500,000 in FY 2011 from Rhode Island Capital Plan funds for repairs to the North American Family Institute on New London Avenue in Cranston. The Department of Children, Youth and Families indicates that this project has not started and that it plans to meet with engineers to discuss the accuracy of the estimates. The House Finance Committee recommends shifting \$450,000 of FY 2011 funding to FY 2013.

49. Capital – Sprinkler Head Retrofit. The Governor's FY 2012 through FY 2016 Capital Budget includes \$25,360 in FY 2011 from Rhode Island Capital Plan funds for new sprinkler heads to be installed at the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School.

50. Capital – Training School Repairs/Improvements. The Governor's FY 2012 through FY 2016 Capital Budget includes \$125,000 in FY 2011 and \$1,200,000 in FY 2012 from Rhode Island Capital Plan funds for various repairs and improvements to the Training School. This project fits the definition of an asset protection project; therefore, the House Finance Committee recommends providing funding as part of an asset protection project for the Training School. The Committee also reduces funding by \$49,500 in FY 2011 and \$0.3 million in FY 2012 to reflect revised spending projections.

51. Nurse and Family Partnership Grant. The Governor requested an amendment to add \$90,000 from federal funds in FY 2011 and \$165,000 in FY 2012 for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will address the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. The House Finance Committee concurs.

52. Olmstead Grant (GBA). The Governor requested an amendment to shift \$20,000 of general revenue expenditures for the Olmstead grant from FY 2012 to FY 2011. The grant is awarded to the Parent Support Network, which supports families with children, youth, and young adults who experience or are at risk for serious behavioral, emotional, and/or mental health challenges. The House Finance Committee concurs.

Department of Elderly Affairs

53. Home and Community Care. The Governor's revised budget inadvertently omitted \$0.5 million from general revenues for the home and community care program in an effort to properly reflect the Medicaid match rate. The House Finance Committee recommends \$0.5 million more from general revenues and \$0.1 million less from federal funds to correct the Medicaid match rate.

54. Pharmaceutical Assistance. The House Finance Committee recommends shifting \$0.4 million in expenses from general revenues to available drug rebate restricted receipts based on updated collections data.

Department of Health

55. Turnover and Operating Savings (3rd Quarter). The House Finance Committee recommends savings of \$350,000, including \$100,000 from turnover savings and \$250,000 from operating expenses based on the Department's third quarter projections.

56. Cancer Registries Research (GBA). The Hospital Association of Rhode Island provided \$16,107 to the Department of Health for cancer registries research to be deposited as general revenues. The Governor requested an amendment to include these funds as both a revenue and offsetting expenditure, and the House Finance Committee concurs.

57. Federal Fund Adjustments (GBA). The Governor requested an amendment to add \$1.1 million from nine separate federal grants. The Department subsequently indicated that only a portion of the new funds will be used in FY 2011. The House Finance Committee recommends adding \$0.4 million in FY 2011 with the balance in FY 2012.

58. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Department of Human Services

59. Hardship. The Governor's FY 2011 revised budget includes \$452,700 from general revenues for general public assistance hardship payments to individuals who do not qualify for any other form of assistance. The Department's third quarter report indicated a surplus of \$37,500 in this program, and the House Finance Committee recommends reducing expenditures by that amount to capture the savings.

60. May Caseload Adjustments. The House Finance Committee recommends a reduction of \$0.8 million, which includes \$4.8 million more from general revenues and \$5.5 million less from federal funds to adjust the FY 2011 budget for the May Caseload Conference estimates for cash assistance and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

61. RIdE Program Gas Tax Adjustment (GBA). The Governor's budget includes \$4.3 million from the Intermodal Surface Transportation Fund, \$0.1 million more than enacted, which helps to support the operation of the RIdE transit program. He subsequently requested an amendment to reduce funding by \$41,761 in FY 2011 and \$38,078 in FY 2012 to reflect the updated yield per penny forecast associated with the revised gas tax estimate. The House Finance Committee concurs.

62. Women, Infants and Children Nutrition Program. The Governor includes Article 9 of 2011-H 5894 to reverse the 2010 Assembly's action to transfer the Women, Infants and Children's nutrition program from the Department of Human Services to the Department of Health. The House Finance Committee does not concur and keeps the program, including \$19.6 million from federal funds and 12.0 full-time equivalent positions in the Department of Human Services.

Behavioral Healthcare, Developmental Disabilities and Hospitals

63. Behavioral Health - 3rd Quarter Surplus. The House Finance Committee recommends reducing general revenue expenditures for behavioral health programs by \$835,203 based on a surplus identified in the Department's third quarter report.

64. Capital - DD Private Waiver Community Facilities Fire Code Upgrades. The Governor's FY 2012 through FY 2016 Capital Budget includes \$4.4 million to install and upgrade fire alarm and sprinkler systems in the private developmental disabilities residences. This includes \$2.1 million from Rhode Island Capital Plan funds and \$2.4 million from matching Medicaid funds. The House Finance Committee recommends reducing FY 2011 funding by \$1.3 million based on the Department's projected spending for fire code upgrades. This includes \$0.5 million less from Rhode Island Capital Plan funds in FY 2011 which the Committee shifts to FY 2015.

65. Capital – Eleanor Slater Hospital Consolidation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$28.2 million for the hospital consolidation plan. The House Finance Committee concurs with the total; however, shifts \$1.9 million to FY 2013 to reflect an updated schedule.

66. Capital – Mental Health Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million for repairs to mental health community facilities including \$0.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.1 million based on the Department's projected spending in its third quarter report.

67. Capital - MR Community Facilities. The Governor's FY 2012 through FY 2016 Capital Budget includes \$7.3 million for asset protection projects at the state's 270 group homes for the developmentally disabled in addition to \$1.1 million in FY 2011. The House Finance Committee recommends reducing FY 2011 funding by \$0.2 million based on the Department's projected spending in its third quarter report.

68. Capital - Regional Center Repair/Rehabilitation. The Governor's FY 2012 through FY 2016 Capital Budget includes \$3.8 million for repairs and renovations to the state's 11 regional workshop centers in addition to \$1.0 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$550,000 based on the Department's projected spending in its third quarter report.

69. Capital - Zambarano Buildings. The Governor's FY 2012 through FY 2016 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for the ongoing maintenance at the Zambarano unit of Eleanor Slater Hospital located in Burrillville in addition to \$1.4 million in FY 2011. The House Finance Committee reduces FY 2011 funding by \$0.9 million to reflect updated spending consistent with the Department's third quarter report.

70. Developmental Disabilities 3rd Quarter Deficit. The House Finance Committee recommends adding \$835,203 from general revenues and reducing federal funds by \$124,501 to eliminate the deficit in programs that support adults with developmental disabilities based on the projection contained in the Department's third quarter report. The revised budget assumed the Department would find equal alternate savings for initiatives included in the enacted budget that the Department did not implement.

71. Hospital Turnover. The House Finance Committee recommends additional turnover savings of \$1.2 million, \$0.5 million from general revenues in the hospital program. The Governor's FY 2011 revised budget assumes 63.9 vacant positions throughout the Department and it averaged 140.0 vacant positions.

Governor's Commission on Disabilities

72. New England ADA Grant Adjustment. The Governor requested an amendment to add \$2,282 to reflect available federal funding from the New England Americans with Disabilities Act grant. The House Finance Committee concurs.

Office of the Mental Health Advocate

73. Turnover. The House Finance Committee recommends savings of \$29,000 to reflect updated staffing costs resulting from a vacant position.

Elementary & Secondary Education

74. Capital – Cranston Career and Technical School. The Governor recommends \$1.7 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to cover remaining miscellaneous life and fire safety repairs and the replacement of the HVAC system at the Cranston Career and Technical Center. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to FY 2013 based on current spending plans. Total funding is as recommended.

75. Capital - Davies Lighting. The Governor recommends \$0.4 million from Rhode Island Capital Plan funds and \$0.3 million from National Grid for a new project in FY 2011 to replace the lighting at the Davies Career and Technical Center with new energy efficient lighting fixtures. The Department has indicated that National Grid is offering to pay \$0.3 million of the total cost. The House Finance Committee includes this project as part of the school's asset protection project.

76. Capital – Met School East Bay. The Governor recommends \$8.8 million from Rhode Island Capital Plan funds through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the future growth in student enrollment at the Met School's East Bay Campus. Requested funding is \$1.3 million less than the approved capital plan based on revised estimates in the completed feasibility study. Based on a delay in the project, the House Finance Committee recommends shifting \$2.6 million from FY 2011 and FY 2012 to FY 2014 and retains total funding as recommended.

77. Formula Aid Adjustments (GBA). The Governor requested an amendment to reduce formula education aid by \$60,577 to reflect current law requirements for two aid programs. Changes include savings of \$46,495 for school housing aid updates and \$14,082 in charter school aid based on updated enrollment data. The House Finance Committee concurs.

78. FY 2010 Central Falls Balance to FY 2012. The Central Falls School District ended FY 2010 with a \$2.0 million balance. The House Finance Committee recommends reducing the FY 2011 appropriation to the school district by this amount.

79. Perkins Tuition. The Department's third quarter report indicated that there are savings of \$13,216 for Perkins School for the Blind tuition. Most blind students are educated in their own districts with support from the state's vision services program, but in certain cases the Commissioner may authorize placement in an out-of-state institution. Local districts pay only their per-pupil special education cost towards tuition and the state pays the difference. The House Finance Committee adjusts general revenues accordingly.

80. Stabilization Funds Reduction. The revised budget includes a decrease of \$0.7 million in education aid to reflect less available fiscal stabilization funds based on the final allocation between higher and lower education. The FY 2011 enacted budget included \$16.4 million from fiscal stabilization funds in lieu of general revenues for distribution to districts through education aid. The Governor's budget inadvertently

omitted the federal funds reduction in the Department's budget and the Governor requested an amendment to correct that. The House Finance Committee concurs and adds \$0.7 million from general revenues in lieu of the unavailable fiscal stabilization funds.

81. Turnover Savings - Third Quarter Report. The House Finance Committee recommends additional general revenue turnover savings of \$100,000 for the Department of Elementary and Secondary Education for FY 2011 based on the Department's third quarter report. This is equivalent to 0.7 vacant positions based on an average cost per position of \$152,000. The Governor's FY 2011 revised budget assumes 4.8 vacant positions; the Department has averaged 21.5 vacant positions though not all are funded from general revenues.

Public Higher Education

82. Office of Higher Education Turnover. The revised budget includes \$2.2 million from general revenues to fund 18.4 full-time equivalent positions in the Office of Higher Education and assumes \$0.2 million in turnover savings, which is approximately 2.0 positions. The Department has averaged 13.6 filled positions for FY 2011. The House Finance Committee recommends additional turnover savings of \$0.2 million.

83. Capital – RIC New Art Center Renovation/Addition. The Governor recommends total funding of \$18.8 million programmed through FY 2013 for a new art center at Rhode Island College. The recommendation includes \$17.0 million from general obligation bond funds that were approved by the voters on the November 2010 ballot and \$1.8 million from Rhode Island Capital Plan funds. Based on a delay in the contract, the House Finance Committee recommends shifting \$1.3 million from Rhode Island Capital Plan funds from FY 2011 to FY 2012.

84. Capital – URI New Chemistry Building. The Governor recommends Rhode Island Capital Plan funding of \$4.8 million programmed through FY 2011 to study and plan construction of a new chemistry building at the University. The project will provide classrooms, research laboratories, faculty and administrative offices. Based on a delay in the project, the House Finance Committee recommends reducing FY 2011 funding by \$2.0 million and adding \$1.0 million to both FY 2012 and FY 2013. Total funding is as recommended.

85. Capital – URI Biotechnology Center. The Governor recommends \$5.6 million from Rhode Island Capital Plan funds to build out the space on the fourth floor of the Biotechnology Center. The fourth floor will consist of office and laboratory space. Based on a delay in the project, the House Finance Committee recommends shifting \$4.5 million from FY 2011 to FY 2012.

State Council on the Arts

86. Third Quarter Personnel and Operating. Based on the Council's third quarter report and revised spending projections, the House Finance Committee recommends general revenue savings of \$26,903.

87. Percent for Arts Adjustment (GBA). The Governor requested an amendment to increase the expenditure limit on the Art for Public Facilities program by \$0.5 million from Percent for Art funds for several large projects through the Council on the Arts. Rhode Island General Law requires that at least one percent of each capital construction appropriation be dedicated to the acquisition of works of art to be placed in the state facilities constructed, remodeled, or renovated. The House Finance Committee concurs.

Higher Education Assistance Authority

88. LEAP Funds. The Governor requested an amendment to add \$6,385 from federal “Leveraging Educational Assistance Partnerships” (LEAP) funds for scholarships. The federal government makes funds available to state scholarship or grant assistance agencies to make grants or provide work study financial assistance to students. The House Finance Committee concurs.

Historical Preservation and Heritage Commission

89. Turnover. The House Finance Committee recommends general revenue turnover savings of \$26,000 based on a vacancy that occurred during the fiscal year that was not filled.

RI Public Telecommunications Authority

90. Turnover. The House Finance Committee recommends additional turnover savings of \$50,000 from a continued vacancy.

Attorney General

91. Federal Grant Adjustments. The Governor requested an amendment to add \$26,810 from federal funds, including \$10,000 for a new long-term care grant to provide background checks for healthcare workers and \$16,810 for adult drug court expenses that occurred in FY 2010. The House Finance Committee recommends \$5,000 for the new long term care grant based on anticipated expenses and \$16,810 for drug court expenses.

92. Turnover (3rd Quarter). The House Finance Committee recommends additional general revenue turnover savings of \$180,000 for the Office of the Attorney General for FY 2011 based on the Office’s third quarter report. This is equivalent to approximately two vacant positions.

Department of Corrections

93. Capital – Asset Protection. The Governor’s capital budget includes \$19.7 million from Rhode Island Capital Plan funds, of which \$3.7 million is for FY 2011 for various asset protection projects at the Pastore Center. The Department notes that several projects were delayed because of the bidding process and currently are awaiting purchase orders to be awarded to the selected contractors. The House Finance Committee recommends a reduction of \$1.0 million for FY 2011, of which \$0.5 million is shifted to FY 2012 based on updated project schedules and anticipated expenses.

94. Capital - Women’s Plumbing & Bathroom Renovations. The Governor’s capital budget includes a total of \$1.7 million from Rhode Island Capital Plan funds, of which \$1.3 million is in FY 2011 for plumbing and bathroom renovations at the Dix facility. The Department notes this project was delayed in order to redesign the original plan and move department staff into the Dix building. The House Finance Committee recommends shifting \$1.2 million of uncommitted funding from FY 2011 to FY 2013 based on updated project schedules and anticipated expenses.

95. Third Quarter Personnel and Operating. The House Finance Committee recommends additional general revenue savings of \$0.9 million from personnel and operating expenses for FY 2011 based on the Department’s third quarter report. This includes reduced overtime and population related expenditures based on fewer inmates than assumed in the Governor’s revised budget.

96. Capital - Women's Roof, Masonry & General Renovations. The Governor's capital budget includes \$4.5 million from Rhode Island Capital Plan funds from FY 2011 through FY 2013 for renovation of the Dix facility for re-use as office space for the staff currently housed at the Pinel and Bernadette Guay facilities. The House Finance Committee recommends shifting \$2.8 million of uncommitted funding from FY 2011 to FY 2012 and FY 2013 based on updated project schedules and anticipated expenses.

97. Victim Services – Parole Board (GBA). The Governor requested an amendment to add \$11,090 from federal funds to reflect a carried forward balance from FY 2010 for victim services in the Parole Board program. The funds are expected to pay for direct services to crime victims. The House Finance Committee concurs.

Judicial

98. Federal Fund Adjustments (GBA). The Governor's revised budget includes \$896,402 from federal funds for several programs within the Judiciary. Subsequent to his budget submission, he requested an amendment to adjust grants based on projected expenses. The House Finance Committee recommends a total reduction of \$394,778 based on updated projections.

Military Staff

99. Capital – Armory of Mounted Commands. The Governor's capital budget includes \$1.3 million from Rhode Island Capital Plan funds in FY 2011 for the Armory of Mounted Commands. The House Finance Committee reduces FY 2011 funding by \$1.0 million based on the Department's projected spending in its third quarter report.

100. Capital – Asset Protection. The Governor's capital budget includes \$4.8 million from all sources, of which \$1.5 million is from Rhode Island Capital Plan funds. Based on the Department's third quarter report the House Finance Committee reduces FY 2011 funding by \$100,000 and adds \$130,000 to FY 2012 to reflect updated spending projections.

101. Capital - Federal Armories - Fire Code Compliance. The Governor's capital budget includes \$0.4 million from all sources, of which \$0.1 million is from Rhode Island Capital Plan funds for federal armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$50,000 and shifts it to FY 2012 to reflect updated spending projections.

102. Capital – Logistics/Maintenance Facilities Fire Code Compliance. The Governor's capital budget includes \$330,000 from all sources, of which \$82,500 is from Rhode Island Capital Plan funds for logistics/maintenance facilities fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$65,563 and shifts it to FY 2012 to reflect updated spending projections.

103. Capital – State Armories Fire Code Compliance. The Governor's capital budget includes \$0.8 million from all sources, of which \$0.4 million is from Rhode Island Capital Plan funds for the state armories fire code compliance projects. Based on the Department's third quarter report, the House Finance Committee reduces FY 2011 funding by \$0.2 million and shifts it to FY 2012 to reflect updated spending projections.

104. Excess Flood Match. The Governor's revised budget adds \$20.0 million from all sources, which includes \$0.5 million from general revenues for the state match for reimbursement of Federal Emergency

Management Agency funds to all state agencies, quasi-agencies and municipalities for projects submitted as a result of the March 2010 flood. The Department's third quarter projections indicate that approximately \$0.3 million from general revenues will be spent by June 30, 2011 for those projects that relate to state agencies. Therefore, the House Finance Committee recommends \$0.2 million less from general revenues in FY 2011.

105. Federal Grant Adjustments (GBA). The Governor requested an amendment to add \$607,964 from federal funds in FY 2011 for four separate grants. This includes funds carried forward from FY 2010 and funds advanced from FY 2012 due to accelerated grant spending. Grants will be used to reimburse municipalities for expenses related to homeland security, hazard mitigation and metropolitan medical response expenses. The House Finance Committee concurs.

106. Nuclear Mitigation Fund-Balance Forward. The Governor requested an amendment to add \$71,686 from nuclear mitigation restricted receipt funds carried forward from FY 2010. Funds will be used to construct a vault in the Scituate facility to store radiological samples currently maintained in the sub-basement of the State House. The House Finance Committee concurs.

Department of Public Safety

107. Capital – Statewide Microwave/IT Upgrade. The Governor's budget includes \$2.3 million from Rhode Island Capital Plan funds for a statewide microwave and information technology upgrade project. The House Finance Committee shifts \$1,000,000 from FY 2011 to FY 2012 due to project delays.

108. Federal Fund Adjustments (GBA). Subsequent to his budget submission, the Governor requested an amendment to add \$0.7 million from anticipated federal grant expenditures in FY 2011 for eight different grants. The House Finance Committee includes \$0.2 million based upon updated spending projections.

109. Fire Training Academy. Subsequent to his budget submission, the Governor requested an amendment to add \$50,000 from available restricted receipts to be used for trainings at the fire training academy. The House Finance Committee concurs.

110. General Revenue Expenses to Forfeiture Funds. The FY 2011 enacted budget includes \$102,761 from restricted receipts from available forfeiture funds. The House Finance Committee adds \$55,448 from available forfeiture funds and reduces general revenues by \$125,000 using forfeiture funds to purchase dispatch equipment.

111. JAG Interest. The Governor's FY 2011 revised budget includes \$2,737 from available restricted receipts for interest accrued from Edward M. Byrne Memorial and justice assistance grants. Subsequently, the Governor requested an amendment to add \$11,577 from available restricted receipts. The House Finance Committee concurs.

112. Polygraph Training. The Governor's FY 2011 revised budget includes \$4,000 from available restricted receipts for polygraph training. Subsequently, the Governor requested an amendment to add \$1,145 from available restricted receipts for the recertification of two polygraph examiners. The House Finance Committee concurs.

113. Stabilization Fund Correction - Audit Finding. The Governor requested an amendment to include \$404,916 from federal fiscal stabilization funds based upon an audit finding that determined that the 0.5 percent administrative charge to the Department of Public Safety had never been recorded. The Department's FY 2010 closing statements indicated that the Department spent \$9.6 million from federal

fiscal stabilization funds; however, did not include the administrative charge used to fund the Office of Economic Recovery and Reinvestment. The House Finance Committee concurs.

114. Third Quarter Adjustment. The Department's third quarter report projects a general revenue deficit of \$0.2 million, of which a portion relates to a billing error. The House Finance Committee provides an additional \$0.1 million from general revenues based on revised projections.

Department of Environmental Management

115. Capital – Blackstone Valley Bikepath/State Park. The Governor's FY 2011 budget includes \$0.5 million from Rhode Island Capital Plan funds for the Blackstone Valley Bikepath. The Blackstone Valley Bikepath is scheduled to be a 17.1 mile by 12-foot wide scenic bike-path that will connect to the East Bay Bikepath, eventually making a continuous 31.9 mile route for alternative transportation. The House Finance Committee recommends shifting \$0.3 million from FY 2011 to the out-years to reflect delays in construction.

116. Capital – Dam Repair. The Governor's FY 2011 budget includes \$0.8 million from Rhode Island Capital Plan funds for repairs to state owned dams throughout the state. The Governor's plan includes funding for construction costs, but the Department notes it is in the design and engineering stage for its current project, the J.L. Curran Dam in Cranston. The House Finance Committee recommends reducing this amount by \$0.6 million to reflect revised expenditures for the project.

117. Capital – Galilee Piers. The House Finance Committee recommends shifting \$0.8 million of Rhode Island Capital Plan funds from FY 2011 to FY 2014 to reflect anticipated expenditures for construction projects at the state owned piers in Galilee.

118. Capital – Newport Piers. The House Finance Committee recommends removing \$0.2 million of Rhode Island Capital Plan funds from the Department of Environmental Management's FY 2011 budget to reflect anticipated expenditures for construction projects at the state owned piers in Newport. The Governor's recommendation includes \$0.3 million for FY 2011; however, the Department notes that actual expenditures will be \$0.1 million.

119. Environmental Protection Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase the Department of Environmental Management's federal funds by \$0.3 million to reflect increases in four separate grants in the Bureau of Environmental Protection. Funding is based on anticipated awards and expenditures for water quality planning, underground storage tank remediation, brownfields assessments and dam incident reporting. The House Finance Committee concurs.

120. Natural Resources Grant Adjustments. Subsequent to his budget submission, the Governor requested an amendment to increase funding in the Department of Environmental Management's Bureau of Natural Resources. Increased funding includes \$0.4 million from federal funds, \$0.3 million from Department of Transportation funds and \$0.2 million from restricted receipts. The additional funds are based on anticipated awards and expenditures for vehicle purchases, animal disease monitoring and recreational projects. The House Finance Committee concurs.

Water Resources Board

121. Third Quarter Adjustment. The Water Resources Board's third quarter report reflects a general revenue surplus of \$19,927. The House Finance Committee recommends reducing the Department's budget by the same amount to capture the savings.

Department of Transportation

122. DOT - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax for the Department of Transportation by \$0.9 million to reflect a downward revision of the gasoline tax yield estimate. The decrease will lower the debt service payment for the Department's GARVEE bonds and also reduce available proceeds for operations in the Division of Maintenance.

123. NHTSA Grant Increase (GBA). The Governor's FY 2011 revised budget includes \$2.0 million from federal funds in the Division of Central Management for two grants from the National Highway Traffic Safety Administration. Subsequent to his submission, the Governor requested an amendment to add \$1.1 million to reflect anticipated awards and expenditures for these grants. The House Finance Committee concurs.

124. RIPTA - Gasoline Tax Adjustment. The House Finance Committee reduces available gasoline tax in the Department of Transportation to reflect a reduced transfer to the Rhode Island Public Transit Authority of \$0.4 million to reflect a downward revision of the gasoline tax yield estimate.

125. Stimulus Fund Shift. The Governor's budget includes a total of \$43.5 million from stimulus funds for FY 2011. However, due to projects being completed ahead of schedule, the House Finance Committee recommends shifting \$6.6 million of available funds from FY 2012 to FY 2011 to cover additional expenditures.

126. Winter Maintenance. The Department of Transportation's FY 2011 budget includes an additional \$12.6 million of gasoline tax proceeds that would be made available by lowering debt service payments on its general obligation bonds, which are paid from the same source. The Department incurred higher than budgeted winter maintenance expenses during FY 2011, and the proposal would alleviate a projected shortfall in gasoline tax proceeds of \$12.6 million. Recent estimates put the winter maintenance shortfall at approximately \$9.2 million. This would allow the deficit to be covered with \$3.4 million less from general revenues while lowering available gasoline tax by the same amount. The House Finance Committee includes these savings.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 499,299,809	\$ 537,086,462	\$ 415,042,687	\$ 377,716,331
Business Regulation	10,899,430	11,266,788	12,924,686	18,007,098
Labor and Training	833,558,439	919,053,019	495,678,123	571,666,655
Revenue	236,330,417	260,319,158	335,895,736	316,676,398
Legislature	39,049,144	38,545,405	38,697,252	38,197,252
Lieutenant Governor	924,479	898,100	997,002	1,090,172
Secretary of State	7,503,274	7,340,745	6,931,292	6,872,860
General Treasurer	33,018,358	29,369,293	32,677,673	33,200,576
Board of Elections	3,957,971	3,329,526	1,965,905	1,875,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	6,251,152	5,195,987	5,256,095	5,256,095
Human Rights	1,371,667	1,376,215	1,455,570	1,455,570
Public Utilities Commission	7,726,656	7,715,020	8,105,006	8,105,006
Subtotal - General Government	\$ 1,681,373,455	\$ 1,822,950,587	\$ 1,357,187,035	\$ 1,381,679,926
Human Services				
Health and Human Services	\$ 7,167,709	\$ 7,727,690	\$ 16,778,680	\$ 17,033,418
Children, Youth and Families	237,598,173	229,715,013	210,943,797	211,004,272
Elderly Affairs	26,712,596	32,588,121	27,486,148	-
Health	116,146,808	137,262,439	151,467,696	110,193,818
Human Services	2,285,305,550	2,241,419,981	2,239,993,085	2,368,062,307
BHDDH	446,750,327	448,934,619	441,952,625	441,122,327
Veterans' Affairs	-	-	28,688,112	-
Child Advocate	589,627	602,749	652,432	652,432
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	824,453	820,911	829,892	829,892
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 3,121,899,017	\$ 3,099,846,058	\$ 3,119,649,170	\$ 3,149,755,169
Education				
Elementary and Secondary	\$ 1,128,732,869	\$ 1,169,821,597	\$ 1,138,601,394	\$ 1,133,884,351
Higher Education	937,802,389	988,040,552	994,958,261	996,844,842
Arts Council	3,054,336	3,545,952	3,027,174	3,086,926
Atomic Energy	1,492,350	1,472,182	1,511,526	1,511,526
HEAA	25,789,109	27,523,158	27,412,147	27,412,147
Historical Preservation	2,663,971	2,693,579	2,826,017	2,869,173
Public Telecommunications	1,672,717	1,576,059	1,781,172	1,631,172
Subtotal - Education	\$ 2,101,207,741	\$ 2,194,673,079	\$ 2,170,117,691	\$ 2,167,240,137

Expenditures from All Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 23,861,219	\$ 25,018,436	\$ 25,344,121	\$ 26,711,046
Corrections	187,181,519	188,071,176	198,975,598	194,625,598
Judicial	97,379,996	98,804,238	102,703,922	101,948,934
Military Staff	26,638,164	60,648,441	35,161,325	35,119,240
Public Safety	86,749,570	92,118,940	102,344,254	104,450,377
Public Defender	10,020,401	10,160,218	10,876,941	10,876,941
Subtotal-Public Safety	\$ 431,830,869	\$ 474,821,449	\$ 475,406,161	\$ 473,732,136
Natural Resources				
Environmental Management	\$ 93,120,711	\$ 100,019,007	\$ 97,582,385	\$ 97,520,399
CRMC	4,383,711	9,265,099	4,954,375	5,254,375
Water Resources	1,436,540	1,809,613	1,430,267	-
Subtotal-Natural Resources	\$ 98,940,962	\$ 111,093,719	\$ 103,967,027	\$ 102,774,774
Transportation				
Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Subtotal-Transportation	\$ 428,893,766	\$ 453,801,024	\$ 434,974,524	\$ 426,986,933
Total	\$ 7,864,145,810	\$ 8,157,185,916	\$ 7,661,301,608	\$ 7,702,169,075

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 324,063,375	\$ 334,437,010	\$ 250,047,213	\$ 249,996,221
Business Regulation	9,156,047	8,744,355	9,696,378	9,436,378
Labor and Training	7,117,031	6,930,789	7,262,954	7,575,486
Revenue	35,479,085	35,941,529	91,720,012	92,610,905
Legislature	37,474,136	36,970,091	37,048,053	36,548,053
Lieutenant Governor	924,479	898,100	997,002	965,940
Secretary of State	6,908,707	6,754,217	6,434,744	6,376,312
General Treasurer	2,270,649	2,342,202	2,240,128	2,300,852
Board of Elections	3,957,971	3,219,832	1,915,905	1,825,905
Rhode Island Ethics Commission	1,482,659	1,454,869	1,560,008	1,560,008
Governor's Office	4,752,606	4,343,698	4,338,521	4,338,521
Human Rights	1,014,978	1,214,446	1,154,038	1,154,038
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 434,601,723	\$ 443,251,138	\$ 414,414,956	\$ 414,688,619
Human Services				
Health and Human Services	\$ 3,420,163	\$ 3,526,817	\$ 9,623,834	\$ 9,878,572
Children, Youth and Families	153,046,095	152,893,449	139,413,049	145,198,983
Elderly Affairs	10,100,599	9,700,012	9,319,591	-
Health	27,624,903	27,988,683	26,748,244	24,248,025
Human Services	715,328,654	741,295,264	864,108,853	891,480,061
BHDDH	163,684,244	170,429,040	190,519,884	184,249,569
Veterans' Affairs	-	-	19,039,528	-
Child Advocate	543,822	556,047	603,384	603,384
Deaf and Hard of Hearing	362,824	364,802	387,985	387,985
Commission on Disabilities	367,229	363,308	388,786	388,786
Mental Health Advocate	440,950	409,733	468,718	468,718
Subtotal - Human Services	\$ 1,074,919,483	\$ 1,107,527,155	\$ 1,260,621,856	\$ 1,256,904,083
Education				
Elementary and Secondary	\$ 856,068,541	\$ 845,970,065	\$ 869,014,643	\$ 863,077,600
Higher Education	163,606,843	162,333,194	173,400,638	166,487,219
Arts Council	1,668,346	1,660,383	1,619,110	1,678,862
Atomic Energy	875,781	861,031	879,592	879,592
HEAA	6,723,347	7,320,186	6,163,104	5,913,104
Historical Preservation	1,348,717	1,376,519	1,501,641	1,469,797
Public Telecommunications	1,035,967	929,325	1,097,960	947,960
Subtotal - Education	\$ 1,031,327,542	\$ 1,020,450,703	\$ 1,053,676,688	\$ 1,040,454,134

Expenditures from General Revenues

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 21,209,730	\$ 21,263,366	\$ 22,580,366	\$ 22,442,867
Corrections	178,329,401	177,661,565	188,141,365	182,141,365
Judicial	84,575,255	84,392,428	88,111,808	87,073,983
Military Staff	2,782,435	3,966,145	3,618,028	3,470,928
Public Safety	67,024,490	68,540,272	89,407,711	89,407,711
Public Defender	9,590,261	9,541,448	10,300,580	10,300,580
Subtotal-Public Safety	\$ 363,511,572	\$ 365,365,224	\$ 402,159,858	\$ 394,837,434
Natural Resources				
Environmental Management	\$ 34,403,329	\$ 34,268,194	\$ 35,495,587	\$ 35,383,601
CRMC	2,038,515	2,063,203	2,236,814	2,236,814
Water Resources	1,316,540	1,278,435	1,230,267	-
Subtotal-Natural Resources	\$ 37,758,384	\$ 37,609,832	\$ 38,962,668	\$ 37,620,415
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,942,118,704	\$ 2,974,204,052	\$ 3,169,836,026	\$ 3,144,504,685

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 79,572,545	\$ 107,645,920	\$ 69,057,151	\$ 30,315,187
Business Regulation	-	758,454	1,460,861	6,803,273
Labor and Training	181,957,663	221,153,642	49,345,402	99,763,402
Revenue	2,289,770	2,615,000	2,636,059	2,636,059
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	124,232
Secretary of State	100,000	127,092	-	-
General Treasurer	1,108,180	1,131,024	1,117,483	1,128,051
Board of Elections	-	109,694	50,000	50,000
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	132,605	139,898	139,898
Human Rights	356,689	161,769	301,532	301,532
Public Utilities Commission	296,330	296,330	309,373	309,373
Subtotal - General Government	\$ 265,681,177	\$ 334,131,530	\$ 124,417,759	\$ 141,571,007
Human Services				
Health and Human Services	\$ 2,873,533	\$ 3,309,016	\$ 6,250,134	\$ 6,250,134
Children, Youth and Families	77,855,163	72,879,472	62,869,525	59,625,993
Elderly Affairs	15,936,066	21,743,018	17,769,466	-
Health	63,259,111	83,287,872	97,985,313	59,124,539
Human Services	1,556,245,695	1,484,547,658	1,359,554,881	1,458,150,370
BHDDH	259,918,758	262,742,172	220,049,930	225,489,947
Veterans' Affairs	-	-	8,005,072	-
Child Advocate	45,805	46,702	49,048	49,048
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	193,598	198,495	181,842	181,842
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,976,327,729	\$ 1,928,754,405	\$ 1,772,715,211	\$ 1,808,871,873
Education				
Elementary and Secondary	\$ 239,980,896	\$ 298,689,173	\$ 238,146,015	\$ 238,146,015
Higher Education	15,004,667	32,657,457	4,594,756	4,594,756
Arts Council	950,990	950,569	973,064	973,064
Atomic Energy	300,159	314,104	324,104	324,104
HEAA	12,044,337	13,182,313	13,508,323	13,508,323
Historical Preservation	835,804	841,508	846,195	846,195
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 269,116,853	\$ 346,635,124	\$ 258,392,457	\$ 258,392,457

Expenditures from Federal Grants

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,248,830	\$ 2,000,143	\$ 1,391,520	\$ 2,895,944
Corrections	2,794,860	3,706,708	2,914,545	2,914,545
Judicial	2,326,527	3,542,233	3,293,751	3,576,588
Military Staff	22,150,754	55,402,213	29,933,986	29,418,438
Public Safety	7,131,554	12,414,738	6,541,865	7,647,988
Public Defender	430,140	618,770	576,361	576,361
Subtotal-Public Safety	\$ 36,082,665	\$ 77,684,805	\$ 44,652,028	\$ 47,029,864
Natural Resources				
Environmental Management	\$ 35,386,175	\$ 43,028,188	\$ 38,356,542	\$ 38,356,542
CRMC	2,095,196	6,951,896	2,038,461	2,038,461
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 37,481,371	\$ 49,980,084	\$ 40,395,003	\$ 40,395,003
Transportation				
Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Subtotal-Transportation	\$ 318,808,127	\$ 347,774,535	\$ 316,591,958	\$ 309,995,579
Total	\$ 2,903,497,922	\$ 3,084,960,483	\$ 2,557,164,416	\$ 2,606,255,783

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 17,140,339	\$ 25,689,655	\$ 19,898,084	\$ 19,059,071
Business Regulation	1,743,383	1,763,979	1,767,447	1,767,447
Labor and Training	17,529,145	18,004,845	17,104,361	17,104,361
Revenue	824,191	1,966,459	21,191,727	1,861,496
Legislature	1,575,008	1,575,314	1,649,199	1,649,199
Lieutenant Governor	-	-	-	-
Secretary of State	494,567	459,436	496,548	496,548
General Treasurer	29,420,614	25,653,498	29,103,041	29,544,084
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	1,498,546	719,684	777,676	777,676
Human Rights	-	-	-	-
Public Utilities Commission	7,430,326	7,418,690	7,795,633	7,795,633
Subtotal - General Government	\$ 77,656,119	\$ 83,251,560	\$ 99,783,716	\$ 80,055,515
Human Services				
Health and Human Services	\$ 874,013	\$ 891,857	\$ 904,712	\$ 904,712
Children, Youth and Families	2,306,915	2,485,137	5,571,223	3,389,296
Elderly Affairs	675,931	1,145,091	397,091	-
Health	25,082,953	25,869,684	26,670,739	26,757,854
Human Services	9,446,201	10,587,200	11,873,994	14,014,597
BHDDH	10,688,634	8,049,478	7,997,979	7,997,979
Veterans' Affairs	-	-	1,643,512	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	13,626	9,108	9,264	9,264
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 49,088,273	\$ 49,037,555	\$ 55,068,514	\$ 53,073,702
Education				
Elementary and Secondary	\$ 23,930,750	\$ 19,019,883	\$ 24,039,421	\$ 26,334,421
Higher Education	930,000	930,000	941,338	941,338
Arts Council	-	-	-	-
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	479,450	475,552	478,181	478,181
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 25,340,200	\$ 20,425,435	\$ 25,458,940	\$ 27,753,940

Expenditures from Restricted Receipts

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 1,202,659	\$ 1,317,657	\$ 1,122,235	\$ 1,122,235
Corrections	87,134	124,774	34,371	34,371
Judicial	9,628,214	10,018,790	10,198,363	10,198,363
Military Staff	842,475	448,468	389,311	609,311
Public Safety	803,106	502,583	335,749	335,749
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 12,563,588	\$ 12,412,272	\$ 12,080,029	\$ 12,300,029
Natural Resources				
Environmental Management	\$ 14,136,916	\$ 14,860,427	\$ 15,831,035	\$ 14,131,035
CRMC	250,000	250,000	250,000	250,000
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 14,386,916	\$ 15,110,427	\$ 16,081,035	\$ 14,381,035
Transportation				
Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 180,035,096	\$ 181,237,249	\$ 209,472,234	\$ 188,564,221

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	\$ 78,523,550	\$ 69,313,877	\$ 76,040,239	\$ 78,345,852
Business Regulation	-	-	-	-
Labor and Training	626,954,600	672,963,743	421,965,406	447,223,406
Revenue	197,737,371	219,796,170	220,347,938	219,567,938
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	218,915	242,569	217,021	227,589
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Subtotal - General Government	\$ 903,434,436	\$ 962,316,359	\$ 718,570,604	\$ 745,364,785
Human Services				
Health and Human Services	-	-	-	-
Children, Youth and Families	4,390,000	1,456,955	3,090,000	2,790,000
Elderly Affairs	-	-	-	-
Health	179,841	116,200	63,400	63,400
Human Services	4,285,000	4,989,859	4,455,357	4,417,279
BHDDH	12,458,691	7,713,929	23,384,832	23,384,832
Veterans' Affairs	-	-	-	-
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	250,000	250,000	250,000	250,000
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 21,563,532	\$ 14,526,943	\$ 31,243,589	\$ 30,905,511
Education				
Elementary and Secondary	\$ 8,752,682	\$ 6,142,476	\$ 7,401,315	\$ 6,326,315
Higher Education	758,260,879	792,119,901	816,021,529	824,821,529
Arts Council	435,000	935,000	435,000	435,000
Atomic Energy	316,410	297,047	307,830	307,830
HEAA	7,021,425	7,020,659	7,740,720	7,990,720
Historical Preservation	-	-	-	75,000
Public Telecommunications	636,750	646,734	683,212	683,212
Subtotal - Education	\$ 775,423,146	\$ 807,161,817	\$ 832,589,606	\$ 840,639,606

Expenditures from Other Funds

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	\$ 200,000	\$ 437,270	\$ 250,000	\$ 250,000
Corrections	5,970,124	6,578,129	7,885,317	9,535,317
Judicial	850,000	850,787	1,100,000	1,100,000
Military Staff	862,500	831,615	1,220,000	1,620,563
Public Safety	11,790,420	10,661,347	6,058,929	7,058,929
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 19,673,044	\$ 19,359,148	\$ 16,514,246	\$ 19,564,809
Natural Resources				
Environmental Management	\$ 9,194,291	\$ 7,862,198	\$ 7,899,221	\$ 9,649,221
CRMC	-	-	429,100	729,100
Water Resources	120,000	531,178	200,000	-
Subtotal-Natural Resources	\$ 9,314,291	\$ 8,393,376	\$ 8,528,321	\$ 10,378,321
Transportation				
Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Subtotal-Transportation	\$ 109,085,639	\$ 105,026,489	\$ 117,382,566	\$ 115,991,354
Total	\$ 1,838,494,088	\$ 1,916,784,132	\$ 1,724,828,932	\$ 1,762,844,386

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
General Government				
Administration	871.6	871.6	693.6	686.4
Business Regulation	90.0	93.0	93.0	96.0
Labor and Training	519.4	512.2	470.2	470.2
Revenue	426.0	426.5	428.5	434.5
Legislature	295.9	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	7.0	8.0
Secretary of State	57.0	57.0	57.0	57.0
General Treasurer	82.0	82.0	82.0	82.0
Board of Elections	12.0	11.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	46.0	46.0	46.0
Subtotal - General Government	2,479.4	2,477.3	2,259.3	2,262.1
Human Services				
Health and Human Services	75.6	77.6	149.0	150.0
Children, Youth and Families	691.0	691.0	662.5	662.5
Elderly Affairs	31.0	31.0	32.0	-
Health	410.7	424.7	473.3	426.3
Human Services	963.6	1,000.2	674.0	991.4
BHDDH	1,372.2	1,372.2	1,376.2	1,378.2
Veterans' Affairs	-	-	268.2	-
Child Advocate	5.8	5.8	5.8	5.8
Deaf and Hard of Hearing	3.0	3.0	3.0	3.0
Commission on Disabilities	4.0	4.0	4.0	4.0
Mental Health Advocate	3.7	3.7	3.7	3.7
Subtotal - Human Services	3,560.6	3,613.2	3,651.7	3,624.9
Education				
Elementary and Secondary	325.4	348.4	348.4	348.4
Higher Education	4,152.1	4,202.1	4,234.6	4,214.6
Arts Council	8.6	8.6	8.6	8.6
Atomic Energy	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	41.6	41.6	41.6	41.6
Historical Preservation	16.6	16.6	16.6	16.6
Public Telecommunications	16.0	16.0	16.0	15.0
Subtotal - Education	4,568.9	4,641.9	4,674.4	4,653.4

Full-Time Equivalent Positions

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Committee
Public Safety				
Attorney General	231.1	231.1	231.1	231.1
Corrections	1,419.0	1,419.0	1,419.0	1,419.0
Judicial	723.3	723.3	723.3	723.3
Military Staff	111.0	117.0	117.0	117.0
Public Safety	423.1	423.2	603.2	605.8
Public Defender	93.0	93.0	93.0	93.0
Subtotal-Public Safety	3,000.5	3,006.6	3,186.6	3,189.2
Natural Resources				
Environmental Management	410.0	410.0	410.0	410.0
CRMC	30.0	30.0	30.0	30.0
Water Resources	6.0	6.0	6.0	-
Subtotal-Natural Resources	446.0	446.0	446.0	440.0
Transportation				
Transportation	772.2	772.6	772.6	772.6
Subtotal-Transportation	772.2	772.6	772.6	772.6
Total Positions	14,827.6	14,957.6	14,990.6	14,942.2

Section VI

Article Explanations

Explanations of Budget Articles

2011-H 5894 Substitute A

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2012.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section of Article 1 authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section of Article 1 allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. Section 5 of Article 1 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 6. Legislative Intent. This section of Article 1 authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. Section 7 of Article 1 appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2012. This section appears annually.

Section 8. Employment Security Funds. Section 8 of Article 1 appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2012. This section appears annually.

Section 9. Rhode Island Housing and Mortgage Finance Corporation. This section of Article 1 requires that the Rhode Island Housing and Mortgage Finance Corporation provide \$1.5 million from its resources to fund the Neighborhood Opportunities Program for FY 2012.

Section 10. Lottery. This section of Article 1 appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 11. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2012. It also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Officer and the State Director of Personnel and determination of need by the Director of Administration. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides

Explanations of Budget Articles

that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,942.2 full-time equivalent positions, which are 114.6 more than the FY 2011 enacted budget.

Section 12. Multi Year Appropriations. Section 12 of Article 1 makes multi-year appropriations for a number of capital projects included in the FY 2012 through FY 2016 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2012 and multi-year appropriations supersede appropriations made for capital projects in Section 12 of Article 1 of the FY 2011 Appropriations Act.

Section 13. Reappropriations. This section of Article 1 provides for automatic reappropriation of unexpended balances from FY 2011 Rhode Island Capital Plan fund projects over \$500. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Balances of less than \$500 can be reappropriated at the discretion of the State Budget Officer. The provision for the Budget Officer's discretion over balances less than \$500 appeared for the first time in FY 2006.

Section 14. Extension of Previous Authorizations. This section authorizes the extension of the issuance of \$1.2 million of Preservation, Recreation and Heritage general obligation bonds until June 30, 2014, and \$5.0 million of Emergency Water Interconnect general obligation bonds and \$21.9 million of Open Space Recreation, Bay and Watershed Protection general obligation bonds until November 2, 2013.

Section 15. Resource Recovery Transfer. This section would mandate the transfer of \$3.5 million from insurance settlement proceeds from the Resource Recovery Corporation to general revenues by June 30, 2012.

Section 16. Effective Date. This section of Article 1 establishes July 1, 2011 as the effective date of the article.

Article 2. FY 2011 Revised Appropriations

Section 1. FY 2011 Appropriations. This section of Article 2 contains the revised appropriations for FY 2011.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 2 constitutes an appropriation.

Section 3. Internal Service Funds. Section 3 of Article 2 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section of Article 2 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2011. This section also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings, recommendations by the Budget Office and State Director of Personnel and determination of need by the Director of Administration. In

Explanations of Budget Articles

addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,957.6 full-time equivalent positions, 130.0 more than the FY 2011 enacted budget.

Section 5. Effective Date. This section establishes that this article is effective upon passage.

Article 3. Tipping Fees

This article mandates that any municipality entering into contracts with the Resource Recovery Corporation must include plans explaining how those municipalities will divert 50 percent of its solid waste, 35 percent of which must be recycled, beginning with the contracts currently in place. The article also extends the current municipal tipping fees through FY 2014. This includes \$32.00 per ton for any municipalities recycling between zero and 24.99 percent, \$31.00 per ton for municipalities recycling between 25 and 29.99 percent, \$30.00 per ton for those recycling between 30 and 34.99 percent and \$29.00 per ton for those recycling 35 percent or more of its solid waste at the Corporation's materials recycling facility.

Article 4. Unemployment Insurance

This article makes changes to the state's unemployment insurance system to progressively increase the balance of the Trust Fund over the next four years. It makes two changes to taxes. First, it changes the method of determining the taxable wage base and increases it from \$19,000 to 46.5 percent of 2010 wages and all future wages, which is an estimated \$19,600 in CY 2012 for all employers. Secondly, it increases the new taxable wage base by \$1,500 for employers who have the highest negative reserve account balances, since these employers pay less into the fund than their former employees receive in benefits.

The article also makes three changes to reduce benefit rates through incremental changes over the next four years. It reduces the percent of wages used to determine benefits from 36 percent to 33 percent of wages earned, reduces the percent of wages replaced from 4.62 percent to 3.85 percent of the average quarterly wage and reduces the maximum weekly benefit from 67.5 percent to 57.5 percent of the average weekly wage. Finally the article makes two eligibility changes. The first of which increases the earnings needed to overcome disqualifications from misconduct, refusal of suitable work and voluntarily leaving work, while the second change delays the receipt of benefits by any amount received from severance pay.

Tax changes begin January 1, 2012 and benefit and eligibility changes begin July 1, 2012. The article assumes additional tax revenues of \$2.5 million into the Trust Fund in FY 2012 and assumes the Trust Fund will become solvent in FY 2015.

Article 5. Education Aid

Article 5 makes changes to FY 2011 and FY 2012 education aid to districts. Section 1 adds \$0.7 million from general revenues for FY 2011 education aid to districts in lieu of \$0.7 million less available from state fiscal stabilization funds based on the final allocation between elementary and secondary education and

Explanations of Budget Articles

higher education and adjusts group home beds consistent with current law requirements. Section 2 uses \$32.0 million from federal education jobs funds that districts will receive for use in FY 2011 and FY 2012 in lieu of general revenues to fund education aid for FY 2012.

Section 3 imposes a three-year moratorium on the approval of new school housing aid projects with exception for projects necessitated by health and safety reasons effective July 1, 2011. It also requires the Department of Elementary and Secondary Education to develop recommendations for cost containment strategies in the school housing aid program

Article 6. Host Beach Community Reimbursement

This article decreases the reimbursement rate for the distribution of beach revenue collections to the four host beach communities of Charlestown, Westerly, Narragansett and South Kingstown from 27.0 percent to 16.0 percent. The Department of Environmental Management collects fees for daily and seasonal parking at seven facilities across the state and reimburses the host communities. The budget assumes the Department would raise the fees through its administrative rules process, and the article decreases the reimbursement rate to maintain communities' payments at their current level, while capturing the additional \$1.5 million of revenue for state use.

Article 7. Tax Anticipation Notes

Article 7 allows the state to borrow a maximum of \$350.0 million during FY 2012 for cash flow purposes in anticipation of tax receipts. The note must be repaid by June 30, 2012.

Article 8. Longevity Payments

Article 8 ends new longevity payments for all state employees effective July 1, 2011 or upon the expiration of any current collective bargained contract. Employees would 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. The out year estimate for FY 2013 includes savings of \$4.0 million from this action.

Article 9. Government Restructuring

Section 1. Crime Lab. This section of Article 9 shifts the enacted level of \$775,000 from general revenues for the Rhode Island State Crime Lab from the Department of Health to the University of Rhode Island's budget into its own appropriation line.

Section 2. Elderly Affairs. This section of Article 9 merges the Department of Elderly Affairs with the Department of Human Services effective July 1, 2011. The budget includes general revenue savings of \$0.1 million from the merger.

Sections 3 through 7. Veterans Affairs. Sections 3 through 7 of Article 9 maintain the Division of Veterans' Affairs in the Department of Human Services, instead of creating a new Department of Veterans' Affairs on July 1, 2011. It also creates the position of Undersecretary for Veterans' Affairs in the Executive Office of Health and Human Services whose duties are to periodically review the procedures at

Explanations of Budget Articles

the Veterans' Home, review complaints and investigate conditions at the Home, and appear to and produce an annual report to the House and Senate Finance Committees each January.

Section 8. HIV. Section 8 of Article 9 shifts the HIV/AIDS direct service programs and all resources from the Department of Health to the Department of Human Services. This reflects the transfer of 4.0 full-time staff and FY 2012 recommended funding of \$13.1 million from all sources, including \$2.6 million from general revenues.

Sections 9 through 13. Water Resources Board. These sections of Article 9 merge the Water Resources Board into the Department of Administration's Division of Statewide Planning, effective July 1, 2011. The merger would transfer three of the six positions from the Board to the Division, while maintaining the Water Resources Board Corporate. The merger will more closely align the water planning aspects of the Board with the statewide planning process.

Section 14. Weatherization and LIHEAP. This section of Article 9 transfers the Low Income Home Energy Assistance Program and the Weatherization Assistance Program from the Office of Energy Resources in the Department of Administration to the Department of Human Services, effective July 1, 2011. This includes the transfer of \$38.8 million from federal funds and 8.2 full-time equivalent positions.

Section 15. Fraud and Abuse. This section of Article 9 requires the auditor general to chair a task force of state and local officials to develop and implement a plan that identifies and coordinates programs that prevent fraud, waste, abuse, and mismanagement of public funds.

Section 16. Public Safety Communications Dispatch. This section of Article 9 delays the transfer of the dispatch functions of the Division of Enforcement from the Department of Environmental Management to the Department of Public Safety, until January 1, 2012.

Section 17. Higher Education. Section 17 of Article 9 directs the Department of Administration to submit a revised plan for the organizational structure for higher education administration, staff support and resource allocation. The plan shall address the goal of improving affordability and accessibility to public higher education and maximizing efficiencies while providing sufficient support to the governance structure of public higher education.

Section 18 through 24. Sheriffs. These sections of Article 9 transfer the funding, positions, and responsibilities of the Division of Sheriffs from the Department of Administration to the Department of Public Safety. These sections of Article 9 maintain the 10-year appointment of the Executive High Sheriff, the Sheriffs and the Chief Deputy Sheriffs; however, converts the employees from the unclassified service to the classified service. These sections will take effect on July 1, 2011.

Article 10. Education

Article 10 makes technical changes to the statewide transportation statutes to clarify the intent of the legislation. It also allows districts to use small vans to transport students if the vans meet certain safety requirements.

Explanations of Budget Articles

Article 10 authorizes the School for the Deaf to rent or lease space in its school building and retain the rental fees in a restricted receipt account to support its operations. The Budget assumes savings of \$67,500 from offsetting expenditures with rental income.

The article adds language clarifying the legislative intent when it established a fee for service program in FY 2010 to the section of law that describes the mechanism for payment of certain education services at the School for the Deaf.

Article 10 creates a restricted receipt account for local tuition payments to the Davies Career and Technical School from local school districts in accordance with the new education funding formula.

Article 11. Children's Health Account

The article changes the method of the annual assessment applied to all insurers for home health services, children and adolescent intensive treatment services and Comprehensive Evaluation, Diagnosis, Assessment, Referral and Re-evaluation services by charging the assessment for each individual service provided. Currently, the assessment is charged on the aggregate costs of services within one of the three expense categories. The article also increases the maximum assessment from \$6,000 to \$7,500 per child per service per year, effective upon passage.

Article 12. Municipal Accountability, Stability and Transparency

Section 1. School Committees. This section of this article removes the requirement that school committees publish notice of meetings in the newspaper.

Section 2. Retiree Health. This section allows municipalities to require its retirees to enroll in Medicare upon eligibility as a condition of receiving or continuing to receive retirement and other post employment benefits.

Sections 3 through 8. IOD/Disability. These sections give the Workers' Compensation court the power and authority to hear and decide appeals relating to injuries on duty and accidental disability claims. It requires individuals receiving injured on duty benefits to apply for an accidental disability retirement within 18 months of being injured. It also allows individuals that have been denied a disability pension and municipalities or the state that believe the Retirement Board erred in granting a disability pension the right to appeal.

Sections 9 through 11. Distressed. These sections specify that \$784,458 of the appropriation in FY 2011 and FY 2012 from the Distressed Communities Relief Fund shall be distributed equally to each qualifying distressed community in the FY 2011 and FY 2012 budgets. This provision was inadvertently omitted from the FY 2011 enacted budget, though the distribution reflects that. Currently, eight communities receive funding from this program. The article takes effect upon passage.

Section 12. Library Construction. This section imposes a three-year moratorium on library construction aid projects.

Sections 13 through 18. Municipal Reporting. These sections amend current law to require that municipalities notify the auditor general and the Division of Municipal Finance within 30 days after the end

Explanations of Budget Articles

of the fiscal year if it is likely to incur a deficit. It also requires municipalities to submit the certified tax roll to the Division of Municipal Finance no later than the next succeeding August 15.

Article 13. Vehicle Registration

This article allows the Division of Motor Vehicles to assess a fee up to \$25 for each temporary registration plate. Current law allows car dealers to purchase temporary registration plates in a packet of 10 at a fee of \$200, which equates to \$20 each. The amount charged above \$20 would be retained by a vendor for a convenience fee.

The article also delays the requirement for a general reissuance plate by two years from September 1, 2011 to September 1, 2013. The act takes effect July 1, 2011.

Article 14. Nursing Home Reimbursement Rates

This article eliminates the current nursing home principles of reimbursement and replaces it with a methodology to pay a base rate to each nursing home continuing to recognize patient acuity and the minimum occupancy requirements beginning January 1, 2012.

Article 15. Hospital Payments

Article 15 restricts the rates used by the Department of Human Services to pay hospitals for both inpatient and outpatient services through the state's managed care plans, which cannot be higher than national growth rates set by the Centers for Medicare and Medicaid Services. The current restriction on outpatient rates is set to expire on January 1, 2012 with the inpatient restriction expiring January 1, 2013. This article also specifies that fee-for-service outpatient rates will be equal to what Medicare pays for similar services.

Article 15 also adds language to end hospitals year end settlement reports for payments for outpatient and inpatient services, beginning in FY 2010 and FY 2011 respectively, with FY 2010 inpatient claims between October 1, 2009 and June 30, 2010 subject to the settlement process. This action coincides with the new hospital rate reimbursement system that pays closer to cost. The article also increases the thresholds that trigger hospital compliance with the certificate of need process adjusted annually for the consumer price index.

The Article instructs the secretary of the Office of Health and Humans Services, along with the health insurance commissioner, replacing the director of the Department of Health, to appoint the health services council by September 30, 2011. The article replaces the health insurance commissioner with the Director of the Department of Health as a council member and allows for certain designees. The council has the authority to develop ongoing assessments of state's health care needs and health care system, including the capacity of health care providers, services, including transportation and equipment. The article provides that an annual report be submitted every July to the Governor and General Assembly on the implementation of the plan that was adopted by the council. The budget includes \$150,000 to support this.

Article 16. Medicaid Global Waiver

Article 16 is a resolution to notify the Assembly and seek approval to make ten changes to the Medicaid global waiver for programs through the Department of Human Services, the Department of Behavioral

Explanations of Budget Articles

Healthcare, Developmental Disabilities and Hospitals, and the Department of Children, Youth and Families. The changes affect reimbursement methodologies for services provided by nursing homes, hospitals, and agencies serving adults with developmental disabilities. The article also makes changes to programs provided to adults with mental health and substance abuse issues and children through the Department of Children, Youth and Families and increasing monthly cost sharing requirement for RIte Care families. These are considered category 2 because the changes are statutory with potential changes to the state's rules and regulations.

The article also requires a review of managed care plans with a report to be submitted to the Assembly and encourages the Department of Human Services to enter into a contract by July 1, 2012 to manage the long term care and acute care benefits of Medicaid eligible individuals and those eligible for both Medicare and Medicaid, also called dual eligibles.

Article 17. Department of Children, Youth and Families

Section 1. Abused and Neglected Children. This section of Article 17 amends the definition of child abuse and neglect to conform with federal standards in the Child Abuse and Prevention Act. Currently, the Department may remove a child from the home if child protective investigators feel that a child has suffered abuse or neglect and that continued care and custody by the parents may result in further harm to the child. This article amends current law to define child abuse as any recent act or failure to act on the part of a parent or caretaker which results in death, serious physical or emotional harm, sexual abuse or exploitation. The budget assumes savings of \$0.6 million from general revenues from reduced investigations and removals from homes.

Section 2. Rules and Regulations. This section of Article 17 authorizes the Department of Children, Youth and Families to promulgate rules and regulations to impose fees or charges for background checks on individuals who are seeking to operate a facility which is required to be licensed by the Department, who is seeking employment at the Department which involves supervisory or disciplinary power over a child and involves routine contact with a child without the presence of other employees, or who is seeking employment at the Training School. The budget includes savings of \$0.1 million from assessing a \$10 fee for background checks done through the Child Abuse and Neglect Tracking System.

Sections 3 and 4. Electronic Monitoring. Sections 3 and 4 of Article 17 add language to authorize the Family Court to place a youth detained at the Training School in an appropriate community based setting where he or she shall be supervised by a probation officer. During the period of time that the youth is in a community based setting or on probation, the Family Court may include the use of electronic surveillance or monitoring devices. This budget includes general revenue savings of \$0.4 million from this initiative.

Article 18. Hospital Uncompensated Care

This article extends the uncompensated care payments to the community hospitals with the state making a payment for FY 2013 that does not exceed \$129.8 million. This article also includes a \$12.1 million outpatient upper payment limit reimbursement to the community hospitals.

Article 19. Fees

Sections 1 through 3. LP and LLP. Sections 1 and 2 of this article subject limited partnership and limited liability partnerships to the Corporate Minimum Tax, which is currently at \$500. These entities are

Explanations of Budget Articles

currently exempt from the minimum tax; however, they are required to file annually with the Secretary of State. The budget assumes \$0.8 million in new revenues from both limited partnership and limited liability partnerships paying this tax. The annualized revenue increase would be \$1.6 million.

Section 4. Combined Reporting. This section of Article 19 requires a corporation that is part of a “unitary business” to file returns as if combined reporting were required along with their regular return for three years. This will allow the Division of Taxation to collect enough data to gauge the potential impact of implementing combined reporting and the various approaches to this policy.

Sections 5 through 10. Tax Incentives. These sections of Article 19 require tax credit recipients to report to the tax administrator the number of full-time, part-time and seasonal employee’s name, social security number, date of hire and hourly wage. It further requires that the Department of Revenue compile and publish an annual unified report by January 15 of each fiscal year. This report must include a summary of jobs created or retained, an overview of benefits offered and the amount of the tax credit. Currently, the Division of Taxation annually reports the names, addresses and amount of tax credits received during the previous fiscal year.

Section 11. Hospital Licensing Fee. This section includes an FY 2012 hospital licensing fee at 5.43 percent of hospitals’ net patient services revenue for the hospital fiscal year ending on or after September 30, 2010. It also includes the due date for filing returns and making the payment.

The total revenue collected from the hospitals will be \$144.0 million including \$138.0 million from the community hospitals and \$6.0 million from Eleanor Slater Hospital at the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. This article appears annually in the Appropriations Act.

Section 12. Department of Business Regulation. This section of Article 19 amends Rhode Island General Law to increase fees for the application and/or the renewal of two specific professional licenses. The security sales representative licensing fee would increase by \$15 from \$60 to \$75 and the federal covered advisor licensing fee by \$50 per year from \$250 to \$300. These increases will yield \$1.2 million in additional revenues for FY 2012.

Section 13. Commercial Drivers License. This section of Article 19 authorizes the Board of Governors for Higher Education to establish a fee of up to \$100 for the Community College of Rhode Island to administer a skill test examination for a commercial driver’s license. Currently, there is a \$50 fee for a skill test examination administered by the division, which is dedicated to the Community College of Rhode Island to offset administrative costs of conducting the driving skills examination.

Section 14. Lottery Winnings. This section of Article 19 would allow for the garnishing of lottery winnings over \$600 when unpaid state taxes are owed. The FY 2012 Budget assumes \$141,457 in revenues from this action.

Section 15. Estate Filing Fee. This section of Article 19 increases the estate filing fee from \$25 to \$50. The fee has been \$25 since it was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$108,915.

Explanations of Budget Articles

Section 16. Letter of Good Standing. This section of Article 19 increases the fee to obtain a letter of good standing from the Division of Taxation from \$25 to \$50. This fee was instituted in 1993. The FY 2012 Budget assumes increased revenues of \$122,925.

Section 17. Compassion Center. This section of Article 19 imposes a 4.0 percent surcharge on net patient revenues generated at the Compassion Centers. The Budget assumes revenues of \$0.7 million which will be deposited into the general fund.

Section 18. Lists of Tax Delinquents. This section of Article 19 allows the Division of Taxation to list the top 100 individuals and the top 100 businesses that are delinquent in paying taxes in excess of 90 days. The Division of Taxation currently posts a list of the top 100 tax delinquents. The FY 2012 Budget assumes revenues of \$1.8 million from passage of this section.

Section 19. Return Checks Fee. This section of Article 19 authorizes the Division of Motor Vehicles to assess a fee up to \$50 on returned checks. The Division of Motor Vehicles indicates that it incurs \$3.71 in various fees whenever a check is returned for insufficient funds. The FY 2012 Budget includes \$18,720 in revenues assuming a fee of \$25.

Sections 21 and 22. EDC and Industrial Facilities Corporation. These sections of Article 19 rescind the authority for the Economic Development Corporation and the Industrial Facilities Corporation to grant project status, effective July 1, 2011. These projects are exempt from the sales tax. Eliminating the authority for the corporations to grant project status would generate additional revenues of \$0.1 million in FY 2012 growing to \$4.4 million in FY 2016. The 2009 Assembly enacted legislation returning the authority to grant “project status” to the Economic Development Corporation and the Rhode Island Industrial Facilities Corporation and removed the requirement for Assembly approval. The legislation also required that the sales tax exemption be reimbursed rather than an up-front purchase exemption.

Sections 23 through 26. Sales Tax. These sections apply sales and use tax to over-the-counter or nonprescription drugs, the trade-in allowance of proceeds for motor vehicles that have been declared a loss, damaged or stolen, medical marijuana and package tours and prewritten computers software, effective October 1, 2011. It also stipulates that in the event that Congress enacts legislation to require remote sellers to collect and remit taxes, the sales tax would decrease from 7.0 percent to 6.5 percent; the hotel and local meals and beverage taxes would increase from 1.0 percent to 1.5 percent.

Article 20. Corrections

This article allows certain inmates with chronic and incurable illnesses to be eligible for medical parole, particularly when incarceration is no longer punitive and/or rehabilitative. It also authorizes the Parole Board to determine when psychiatric reports are required rather than having the state psychiatrist examine every prisoner applying for parole. Lastly, it includes a provision that requires the director of the Department of Corrections to submit a quarterly report to the chairs of the House and Senate Finance Committees and their respective advisors on the progress of consolidating inmates out of the Donald Price Medium Security facility into available bed spaces in the rest of the system.

Article 21. Retiree Healthcare Trust Fund

Explanations of Budget Articles

Article 21 amends the retiree health care trust fund statute based on recommendations made by the Other Post Employment Benefits (OPEB) Board. It clarifies that the board may collect contributions from quasi-public agencies that are part of the Trust Fund. It also removes the Board's authority to interpret or decide claims for benefits or resolve disputes and gives the Board the right to research, question, investigate and make recommendations of findings to the Department of Administration. It also delays the submission of the first report of the Board to October 2012; it had been January 2011. It also changes the requirement for actuarial valuation and experience study from every year to every two years. Finally, it modifies the method of payment of administration costs from the Fund. This article also requires anyone entitled to post employment benefits offered by the state to enroll in Medicare upon eligibility as a condition or receiving or continuing to receive access to post-employment benefits.

Article 22. Transportation Funding

This article creates a transportation trust fund and provides that incremental increases of transportation related surcharges will be dedicated to the fund. Article 22 will reduce the Department of Transportation's reliance on borrowing while transitioning to a pay-go system. Beginning on July 1, 2013 there will be a \$10.00 surcharge on biannual vehicle registrations that will increase in \$10.00 increments to a total of \$30.00, the annual registration surcharge will increase in \$5.00 increments to a total of \$15.00 and the license surcharge will increase in \$10.00 increments to a total of \$30.00.

The incremental increases will begin in FY 2014 and end in FY 2016, where they will generate approximately \$20 million annually. These funds will be combined with a dedicated annual stream of \$20 million from Rhode Island Capital Plan funds, which will be provided in Section 12 of Article 1 in future appropriations acts. Together the funds will provide the \$80 million of state matching funds for transportation funding that is currently generated through debt issuance.

Article 23. Human Services

Article 23 makes three changes relating to human services. First, it reduces the state's portion of the supplemental security income monthly payment made to assisted living residents to its federally required minimum payment of \$332. Secondly, it mandates that any medical benefit claim first be submitted to commercial insurers, Medicare and/or a Medicaid managed care plan before a state agency pays the claim. Thirdly, it also allows Rhode Island Works clients to immediately enter into intensive education and training programs if the client needs these services in order to obtain gainful employment instead of requiring the individual to seek employment first.

Article 24. Job Training Funds

This article requires the Human Resource Investment Council to provide a funding plan outlining resources necessary to achieve the Council's priorities and to serve the anticipated number of participants within the biennial employment and training plan submitted to the Governor and General Assembly. It also requires the Council develop and maintain a comprehensive inventory and analysis of all workforce development activities in the state, establish an advisory group to assist in the analysis and requires all departments and agencies to provide information that is necessary or desirable by the Council for this analysis.

Article 25. Effective Date

Explanations of Budget Articles

Article 25 provides that the act shall take effect upon passage, except where a provision within the article specifies a retroactive or prospective effective date.

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