
Section II

Statewide Overview

Summary

	FY 2013 Enacted	FY 2013 Final	FY 2014 Recommended	FY 2014 Enacted
Expenditures by Function*				
General Government	\$ 1,523.7	\$ 1,609.5	\$ 1,430.7	\$ 1,487.5
Human Services	3,186.7	3,114.6	3,316.7	3,305.8
Education	2,266.7	2,278.3	2,318.8	2,317.9
Public Safety	507.2	530.2	524.6	520.7
Natural Resources	103.9	103.3	111.7	120.9
Transportation	511.6	465.8	469.9	460.2
Total	\$ 8,099.9	\$ 8,101.6	\$ 8,172.5	\$ 8,213.1
Expenditures by Category*				
Salaries and Benefits	\$ 1,540.9	\$ 1,518.6	\$ 1,558.8	\$ 1,548.3
Contracted Services	274.2	291.8	276.6	277.0
Subtotal	\$ 1,815.1	\$ 1,810.4	\$ 1,835.4	\$ 1,825.3
Other State Operations	700.1	719.8	584.3	711.1
Aid to Local Units of Government	1,129.9	1,127.1	1,177.8	1,169.8
Assistance, Grants, and Benefits	3,665.1	3,643.6	3,778.6	3,710.0
Capital	370.5	354.4	379.8	382.1
Capital Debt Service	274.4	283.4	269.4	268.1
Operating Transfers	144.7	162.9	147.1	146.8
Total	\$ 8,099.9	\$ 8,101.6	\$ 8,172.5	\$ 8,213.1
Sources of Funds*				
General Revenue	\$ 3,295.8	\$ 3,233.8	\$ 3,399.2	\$ 3,359.8
Federal Aid	2,676.4	2,723.2	2,645.1	2,717.7
Restricted Receipts	232.5	269.3	252.8	255.0
Other	1,895.2	1,875.3	1,875.5	1,880.6
Total	\$ 8,099.9	\$ 8,101.6	\$ 8,172.5	\$ 8,213.1
FTE Authorization	15,026.3	15,076.4	15,171.6	15,118.3

**Data in millions*

Summary

The House Finance Committee recommended passage of 2013-H 5127, Substitute A on June 18. The House passed it on June 26 and the trailer bill with technical corrections and a revision to the bridge toll delay contained in Article 5, 2013-H 6329, on July 2. The Senate followed suit on June 26, 27 and July 2. The Governor signed them both on July 3.

The Governor's budget recommendations for FY 2014, along with his revisions to the FY 2013 enacted budget, are contained in 2013-H 5127, introduced on January 22, 2013. The Governor released his budget documents on January 16, 2013, following his State of the State address.

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 recommended a total FY 2014 budget of \$8,172.5 million. Total expenditures would increase \$72.6 million from the FY 2013 budget enacted by the 2012 Assembly, or 0.9 percent. His FY 2013 revised budget totals \$8,079.7 million; FY 2012 expenditures were \$7,718.5 million.

The recommended budget includes \$3,399.2 million of expenditures funded from general revenues, \$103.3 million, or 3.1 percent more than the enacted general revenue funded budget. They are also \$131.5 million more than his revised recommendations.

FY 2014	General Revenue	Federal	Restricted	Other	All Funds
FY 2013 Enacted	\$ 3,295.8	\$ 2,676.4	\$ 232.5	\$ 1,895.2	\$ 8,099.9
Governor	3,399.2	2,645.1	252.8	1,875.5	8,172.5
Change to Enacted	\$ 103.3	\$ (31.3)	\$ 20.2	\$ (19.7)	\$ 72.6
Percent Change	3.1%	-1.2%	8.7%	-1.0%	0.9%
Assembly	\$ 3,359.8	\$ 2,717.7	\$ 255.0	\$ 1,880.6	\$ 8,213.1
Change to Enacted	63.9	41.3	22.5	(14.6)	113.2
Percent Change	1.9%	1.5%	9.7%	-0.8%	1.4%
Change to Governor	\$ (39.4)	\$ 72.6	\$ 2.3	\$ 5.1	\$ 40.6
Assembly Change to FY 2013	\$ 125.9	\$ (5.5)	\$ (14.3)	\$ 5.3	\$ 111.5
Percent Change to FY 2013	3.9%	-0.2%	-5.3%	0.3%	1.4%
Assembly Change to FY 2012	\$ 249.5	\$ 118.6	\$ 70.9	\$ 55.5	\$ 494.5
Percent Change to FY 2012	8.0%	4.6%	38.5%	3.0%	6.4%

FY 2013 Revised	General Revenue	Federal	Restricted	Other	All Funds
FY 2013 Enacted	\$ 3,295.8	\$ 2,676.4	\$ 232.5	\$ 1,895.2	\$ 8,099.9
Governor's FY 2013 Revised	3,267.7	2,659.1	270.2	1,882.8	8,079.7
Governor's Change to Enacted	\$ (28.2)	\$ (17.3)	\$ 37.7	\$ (12.4)	\$ (20.2)
Percent Change	-0.9%	-0.6%	16.2%	-0.7%	-0.2%
Assembly	\$ 3,233.8	\$ 2,723.2	\$ 269.3	\$ 1,875.3	\$ 8,101.6
Change to Enacted	(62.0)	46.9	36.8	(19.9)	1.7
Percent Change	-1.9%	1.8%	15.8%	-1.1%	0.0%
Change to Governor	\$ (33.8)	\$ 64.1	\$ (0.9)	\$ (7.5)	\$ 21.9

The Assembly adopted a budget with total expenditures of \$8,213.1 million, which is \$40.6 million more than the Governor recommended. It contains \$3,359.8 million from general revenues, which is \$39.4 million less than the Governor recommended. A significant portion of the changes in the budget relate to payments of unemployment benefits, which are reflected in both federal and other funds. These account for \$74.4 million of the changes to the Governor's budget for FY 2014.

General Revenue Surplus Statement

The Governor recommended an ending FY 2014 surplus of \$1.4 million, and an operating deficit of \$77.9 million reflecting use of the FY 2013 surplus. The Assembly adopted an FY 2014 budget with an ending surplus of \$0.4 million, and an operating deficit of \$83.0 million. The FY 2014 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures.

	FY 2012	FY 2013	FY 2014
Opening Surplus			
Free Surplus	\$ 64,229,426	\$ 115,187,511	\$ 93,407,399
Reappropriated Surplus	4,532,242	7,726,521	-
Subtotal	\$ 68,761,668	\$ 122,914,032	\$ 93,407,399
Revenues	3,270,716,491	3,323,825,000	3,381,008,418
Cash Stabilization Fund	(93,378,486)	(103,170,375)	(104,232,474)
Total Available Resources	\$ 3,246,099,673	\$ 3,343,568,657	\$ 3,370,183,343
Total Expenditures	\$ 3,110,242,012	\$ 3,233,811,258	\$ 3,359,755,123
Total Surplus	\$ 135,857,661	\$ 109,757,399	\$ 10,428,220
Transfers: Retirement, IT & Fleet, Accelerated Depreciation	(12,943,629)	(16,350,000)	(10,000,000)
Reappropriations	(7,726,521)	-	-
Free Surplus	\$ 115,187,511	\$ 93,407,399	\$ 428,220
<i>Operating Surplus/(Deficit)</i>	<i>71,628,235</i>	<i>(5,430,112)</i>	<i>(82,979,179)</i>
Budget Stabilization and Cash Reserve	\$ 153,407,512	\$ 171,950,626	\$ 173,720,791
Percent of Revenues	4.7%	5.2%	5.1%

The budget reserve and cash stabilization account, the "rainy day fund" would have ending balances of \$153.4 million in FY 2012, \$172.0 million in FY 2013, and \$173.7 million in FY 2014. The account received 2.8 percent of general revenues plus free surplus in FY 2012, 3.0 percent in FY 2013, and will receive 3.0 percent in FY 2014.

Out-Year Forecasts

House Fiscal Staff estimates that in preparing the FY 2014 budget, the Governor faced a projected revenue-expenditure gap of \$128 million as of July. By November, that had dropped to \$115 million, assuming no FY 2013 surplus.

This was somewhat lower than Staff's FY 2014 forecast in the FY 2013 enacted budget, mainly because of revisions and corrections to expenditure assumptions and continued caseload savings. There was no significant change in the long term projection that the budget gap would grow to over \$400 million by FY 2018. The Governor's budget resolved a significant majority of this gap with the prior year surplus in addition to other one-time savings.

The gap narrowed in FY 2013 by \$12.2 million but grew by \$44.6 million in FY 2014 due to weaker than expected revenue estimates offset by caseload changes adopted at the May 2013 Revenue and Caseload Estimating Conference. The two-year impact of the changes meant \$30 million less in available resources compared to the Governor's budget.

The Governor's budget projected the out-years to be significantly unbalanced. The forecast included with the Budget estimates a \$170.5 million gap for FY 2015, equating to 5.0 percent of useable revenues, that grows to \$468.9 million in FY 2018, 13.4 percent of useable revenues. The FY 2015 gap is due to the significant use of one-time items, primarily the prior year surplus in the resolution of the current budget gap as well as commitment of future expenses and revenue reductions not reflected in FY 2014. Beginning in FY 2016, the estimate reflects the potential impact of casino gaming in Massachusetts. Those losses account for \$140.8 million or nearly 30 percent of the FY 2018 gap.

The Assembly's budget closed the May budget gap by accepting only some of the Governor's new spending initiatives, maximizing the benefits available under the Affordable Care Act and making additional spending reductions in agency budgets.

The enacted budget also includes a number of initiatives that do not reflect a full year's savings or do not produce savings until FY 2015 or later. This is necessary to offset the use of FY 2013 surplus funds and other one-time savings in FY 2014 to limit the impact on out-year deficits. Examples of this include the Affordable Care Act savings that begin on January 1, the elimination of future benefits for former spouses of state employees, and exchanging the Governor's business tax plan that costs more in the later years for one that has a declining cost.

The enacted budget improves, but does not resolve, the out-year budget gaps. Current service expenditures for FY 2015 are likely to exceed available resources under current law by \$137.2 million.

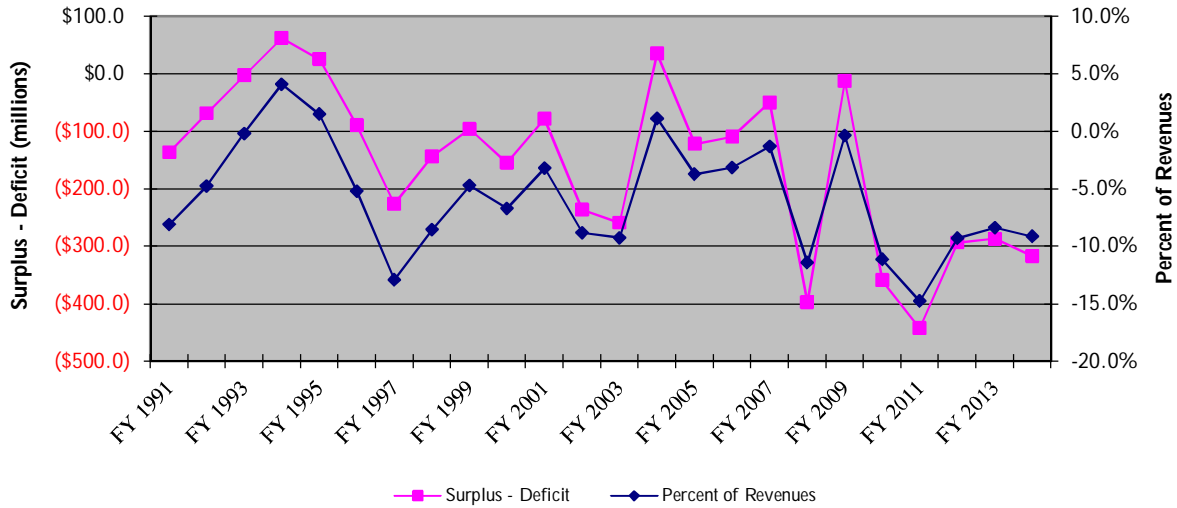
	FY 2015	FY 2016	FY 2017	FY 2018
Opening Surplus	\$ 0.4	\$ -	\$ -	\$ -
Revenues	3,479.2	3,577.8	3,662.0	3,758.5
Cash Stabilization Fund	(104.4)	(107.3)	(109.9)	(112.8)
Useable Revenues	\$3,375.3	\$ 3,470.5	\$3,552.2	\$3,645.8
Expenditures	3,512.5	3,662.5	3,802.5	3,936.5
Total Surplus	\$ (137.2)	\$ (192.0)	\$ (250.3)	\$ (290.7)
Revenue Growth	2.9%	2.8%	2.4%	2.6%
Useable Revenue Growth	3.0%	2.8%	2.4%	2.6%
Expenditure Growth	4.5%	4.3%	3.8%	3.5%
Surplus Percent of Useable Revenues	-4.1%	-5.5%	-7.0%	-8.0%

Budgets in the early 1990s had out-year deficits projected for the subsequent budget cycle. By the FY 1994 budget; however, the upcoming years were balanced. Beginning with the FY 1996 budget, budgets were recommended with increasingly larger structural deficits. While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million in Governor Carcieri's final budget.

Governor Chafee's outlook for FY 2015 assumed a \$169.2 million deficit, which represents 5.0 percent of usable revenues. That grew to \$468.9 million and 13.4 percent of revenues by FY 2018; deficits during the four-year period average \$317.6 million and 9.2 percent of revenues.

The following chart shows the average surpluses and deficits for the four out-years for each of the Governor's budgets since FY 1991.

Average Four Year Surplus - Deficit

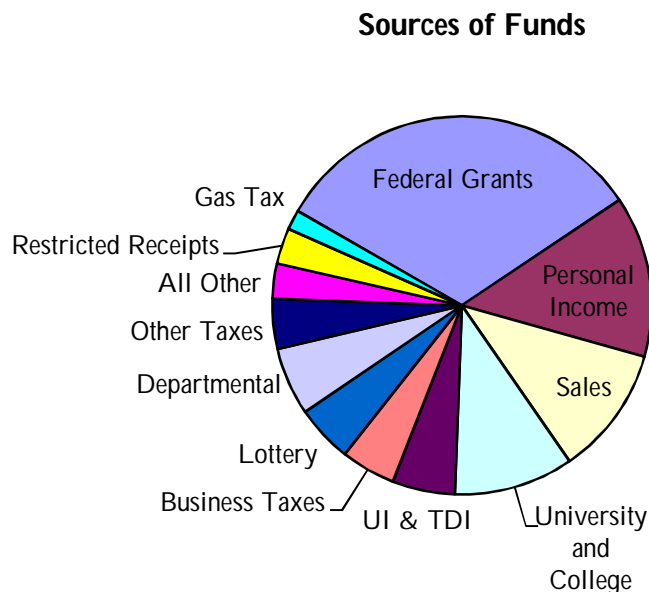


However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2015 through FY 2018 and the FY 2014 budget itself. The growing out-year gaps illustrate the fact that expenditures are projected to grow at faster rates than revenues grow. The economic data used for the Governor’s budget is from the November consensus economic forecast. This had been revised from earlier projections and was revised again in May.

Fiscal staff’s projections generally use the expenditure growth assumptions consistent with the Governor’s budget but modified for changes the Assembly enacted and updated information such as the impact of debt refinancing in FY 2015 and FY 2016. Staff’s revenue projections differ from those in the Governor’s projection in that they reflect the updated forecast and actions taken in the budget. Additionally they use different assumptions regarding revenue growth. Both estimates include similar casino impacts. The first official revenue estimate for FY 2015 will be established at the November 2013 Revenue Estimating Conference.

Sources of Funds

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.



- *Federal funds* continue to be the single largest source, accounting for approximately 32.3 percent of all revenues in FY 2014. Recommended expenditures from federal sources of \$2,662.9 million, excluding unemployment, are \$58.8 million more than enacted for FY 2013, a 2.3 percent increase, and are from 309 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$1,194.8 million from Medicaid, 44.9 percent of all federal funds, and 14.5 percent of all revenues. Supplemental Nutrition funding of \$298.3 million is the second largest category, 11.2 percent of federal funds.

The following table shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 78.1 percent of all federal funds expenditures, with the remaining 299 programs accounting for the other 21.9 percent.

Top Ten Federal Sources	<i>Amount</i>	<i>Percent of Total</i>	<i>Cumulative Percent</i>
Medicaid	\$1,194,785,515	44.9%	44.9%
Supplemental Nutrition (Food Stamps)	298,251,738	11.2%	56.1%
Federal Highway Funds	282,428,911	10.6%	66.7%
Temporary Assistance to Needy Families (TANF)	81,381,870	3.1%	69.7%
Title I Grants to Local Education Agencies	52,531,967	2.0%	71.7%
Special Education Grants to States	46,060,582	1.7%	73.4%
CHIP Children's Health Insurance	34,111,074	1.3%	74.7%
LIHEAP and Weatherization	31,822,033	1.2%	75.9%
National School Lunch Program	29,016,981	1.1%	77.0%
Rhode Island Health Benefits Exchange	28,846,138	1.1%	78.1%

- *Sales and personal income taxes* combine for 24.2 percent of all revenues in FY 2014 and 59.0 percent of all general revenues. Combined with federal funds, they total over half, 56.6 percent.
- *Personal Income taxes* of \$1,109.2 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2014 estimate is \$28.3 million more than the FY 2013 enacted budget estimates, or 2.6 percent.
- *Sales tax* revenues of \$887.2 million are the second largest of general revenue sources. That amount is \$0.5 million more than enacted for FY 2013, or 0.1 percent.
- *University and College Funds* are \$834.7 million and 10.1 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like Pell grants. These would increase \$0.1 million over FY 2013 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$492.7 million, which are \$84.5 million less than the levels estimated for the FY 2013 enacted budget.
- *Business taxes* of \$384.4 million account for 4.7 percent of total revenues and 11.4 percent of general revenues for FY 2014. They would increase \$15.2 million or 4.1 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$394.1 million, which is 4.8 percent of all revenues and 11.7 percent of general revenues, the third largest source.
- *Departmental Revenues* of \$348.7 million include \$141.3 million from extending the hospital licensing fee another year. Departmental revenues would be 4.2 percent of all revenues and 10.3 percent of general revenues.
- *Other taxes* include motor vehicle, cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$242.2 million in the FY 2014 budget and comprise 2.9 percent of all sources but 7.2 percent of general revenues.
- The *gas tax*, currently 32.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.17 million from each cent in FY 2014 for a total of \$137.6 million.
- The remaining sources, estimated at \$485.6 million, constitute 5.9 percent of all FY 2014 sources and include sources dedicated to specific purposes (restricted receipts), unclaimed property and miscellaneous other items.

The following table shows FY 2014 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

All Sources	All Funds	Contribution	General Revenue	Contribution
Federal Grants	\$ 2,662.9	32.3%	\$ -	0.0%
Personal Income	1,109.2	13.5%	1,109.2	32.8%
Sales	887.2	10.8%	887.2	26.2%
University and College	834.7	10.1%	-	0.0%
UI & TDI	492.7	6.0%	-	0.0%
Business Taxes	384.4	4.7%	384.4	11.4%
Lottery	394.1	4.8%	394.1	11.7%
Departmental	348.7	4.2%	348.7	10.3%
Other Taxes	242.2	2.9%	242.2	7.2%
All Other	485.6	5.9%	15.2	0.5%
Restricted Receipts	255.0	3.1%	-	0.0%
Gas Tax	137.6	1.7%	-	0.0%
Total	\$ 8,234.3	100.0%	\$ 3,381.0	100.0%

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues; \$3,381.0 million, 41.1 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor who must achieve consensus on their forecast; votes are not taken. The estimates are to be based upon current law at the times of the conferences.

Available general revenues also include a recommended balance forward from FY 2013 of \$93.4 million minus transfer of \$104.2 million to the Budget Stabilization and Cash Reserve Account, or "rainy day fund" to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account in FY 2013. These amounts had been increasing by 0.2 percent per year until reaching 3.0 percent in FY 2013. Any amounts used must be replaced in the following year.

The account is limited; once the limit is reached, the excess revenues are transferred to the Rhode Island Capital Plan account, where they may be used to fund capital projects. Maximum amounts in the budget reserve are also defined by statute and increased to a maximum of 5.0 percent in 0.4 percent increments in FY 2013. Amounts above the maximum amount transfer to the Rhode Island Capital Plan funds for use for capital projects. The table below shows the percents.

Percents of Revenues	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Transfer to Budget Reserve	2.0%	2.2%	2.4%	2.6%	2.8%	3.0%
Budget Reserve Maximum	3.0%	3.4%	3.8%	4.2%	4.6%	5.0%

The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

FY 2014 Expenditures

The Assembly enacted expenditures of \$8,213.1 million, which are \$113.2 million more than enacted for FY 2013, 1.4 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

Expenditures by Function

- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$3,305.8 million are 40.3 percent of all expenditures and 39.2 percent of those funded from general revenues. These expenditures are \$119.1 million more than enacted for FY 2013 by the 2012 Assembly. Those funded from general revenues are \$23.5 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts and historical preservation and heritage. Aid to local units of government represents 47.3 percent, \$1,096.5 million of the \$2,317.9 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 28.2 percent of total expenditures, but 34.3 percent of general revenue funded ones. They increase by \$51.2 million over the enacted FY 2013 budget, and those funded from general revenues increase by \$34.5 million.
- The Budget includes \$520.7 million for *Public Safety* expenditures, \$13.5 million more than the enacted budget. They comprise 6.3 percent of all expenditures and 12.3 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$120.9 million, which is \$17.0 million more than enacted for FY 2013. They are 1.5 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 5.6 percent of expenditures and include the state's highway and transit programs. Funding of \$460.2 million, none from general revenues, is \$51.4 million less than enacted for FY 2013.
- The remaining 18.1 percent of expenditures, \$1,487.5 million, are for the *General Government* programs. These include those programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training. The expenditures also include all the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. Expenditures for General Government are \$36.2 million or 2.4 percent less than the enacted budget.

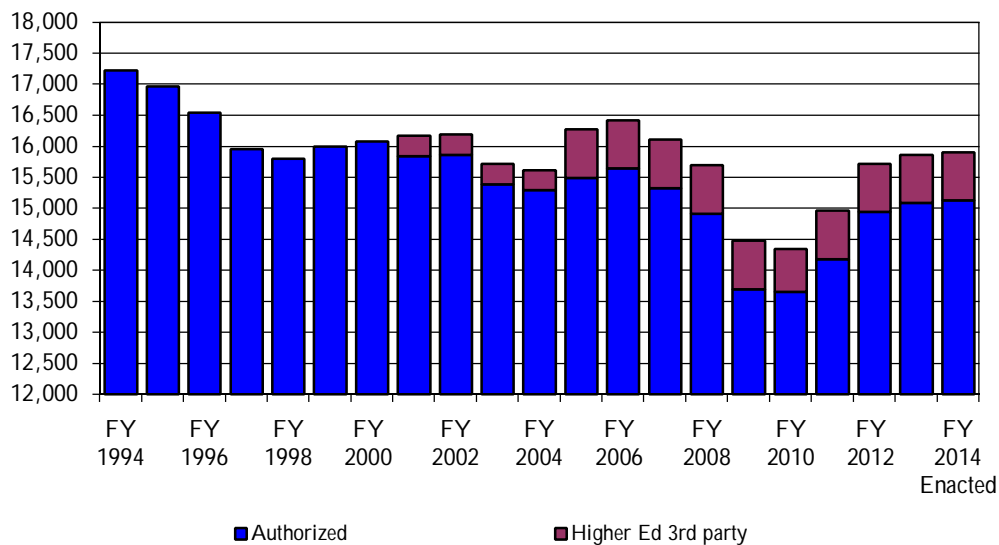
Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital, and operating transfers.

State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

The Budget includes \$1,548.3 million for total *salaries and benefits* for 15,118.3 full-time equivalent positions and *contracted services* expenditures of \$277.0 million. Salary and benefit expenditures would be \$7.4 million more than the enacted budget; contracted services expenditures would increase \$2.8 million. Salaries and benefits account for 18.9 percent of total expenditures and 24.3 percent of those funded from general revenues. Expenditures for contracted services account for 3.4 percent of the total recommended budget and 1.4 percent of those funded from general revenues.

Full-Time Equivalent Positions



The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 enacted budget.

The Budget includes \$711.1 million for *other state operations*, which constitutes 8.7 percent of FY 2014 expenditures from all sources and 3.8 percent of those funded with general revenues. This is \$11.0 million more than enacted. The budget does not reflect the change in the presentation of expenses for Eleanor Slater Hospital and the state group home system that was included in the Governor's budget. This change, which is described more fully in the analysis of the budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, aggregated spending

formerly allocated to specific categories into grants and shows negative expenses in operating categories in order to treat expenses similar to how the state pays for externally provided services. The Assembly did not concur with this change as it prevents a transparent accounting of actual expenses.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RItE Share and RItE Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure. The table shows the major grants in human services.

Human Services Grants	All Funds				General Revenues			
	FY 2012 Reported	FY 2013 Final	FY 2014 Enacted	Change	FY 2012 Reported	FY 2013 Final	FY 2014 Enacted	Change
<i>OHHS/Human Services</i>								
Managed Care	\$ 560.4	\$ 556.2	\$ 593.2	\$ 37.0	\$ 256.0	\$ 260.7	\$ 281.7	\$ 21.0
Long Term Care	420.5	431.3	459.5	28.2	200.8	209.3	227.9	18.6
Hospitals	219.0	216.2	218.9	2.7	108.7	104.1	107.5	3.4
Rhody Health	173.9	185.4	202.3	16.9	83.9	90.6	100.7	10.1
Other	115.8	117.0	205.7	88.7	42.7	40.5	46.0	5.5
Pharmacy	45.1	49.9	52.0	2.1	47.1	50.6	51.7	1.2
Subtotal: Medical Assistance	\$1,534.7	\$1,556.0	\$1,731.7	\$175.7	\$ 739.2	\$ 755.7	\$ 815.5	\$59.8
Child Care	\$ 48.3	\$ 48.5	\$ 51.1	\$ 2.6	\$ 9.7	\$ 9.7	\$ 9.7	\$ -
Rhode Island Works Program	40.1	39.4	38.9	(0.5)	-	-	-	-
SSI State Program	18.5	18.2	18.2	-	18.5	18.2	18.2	-
Subtotal: Cash Assistance	\$ 107.0	\$ 106.1	\$ 108.2	\$ 2.1	\$ 28.2	\$ 27.9	\$ 27.9	\$ -
Supplemental Nutrition Assistance	\$ 289.9	\$ 298.2	\$ 298.2	\$ -	\$ -	\$ -	\$ -	\$ -
Women, Infants and Children	18.6	19.4	19.4	-	-	-	-	-
Low Income Heating and Energy Assistance Program (LIHEAP)*	-	30.9	31.2	0.3	-	-	-	-
HIV/AIDS Treatment	2.3	-	-	-	0.7	-	-	-
Weatherization*	-	8.0	8.0	-	-	-	-	-
Subtotal: Other Assistance	\$ 310.7	\$ 356.5	\$ 356.7	\$ 0.3	\$ 0.7	\$ -	\$ -	\$ -
<i>DHS/Division of Elderly Affairs</i>								
RIPAE/Supplemental Pharm.	\$ 0.2	\$ 0.2	\$ 0.2	\$ (0.1)	\$ 0.0	\$ -	\$ 0.2	\$ 0.2
Medical Assistance	15.8	17.3	6.6	(10.7)	7.5	8.4	3.3	(5.1)
Grants to Providers	8.4	8.4	7.4	(0.9)	1.4	1.3	1.3	-
<i>Behavioral Healthcare, Developmental Disabilities and Hospitals</i>								
Developmental Disabilities	\$ 171.9	\$ 181.8	\$ 186.0	\$ 4.2	\$ 83.1	\$ 88.0	\$ 91.7	\$ 3.7
Behavioral Health	95.5	89.8	89.1	(0.7)	34.0	30.5	37.6	7.1
<i>Children, Youth and Families</i>								
Child Welfare	\$ 114.5	\$ 122.0	\$ 122.5	\$ 0.5	\$ 80.9	\$ 88.2	\$ 88.5	\$ 0.3
Children's Behavioral Health	13.7	7.2	6.4	(0.8)	8.0	3.1	2.7	(0.4)
Juvenile Corrections	7.7	2.9	2.8	(0.1)	6.6	2.9	2.8	(0.1)
Higher Ed. Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
<i>Health</i>								
HIV Surveillance	\$ 0.6	\$ 1.0	\$ 0.7	\$ (0.3)	\$ 0.1	\$ 0.2	\$ 0.2	\$ -
Tobacco and Smoking Cessation	1.5	0.3	0.0	-	0.0	0.0	0.0	-
Grants to Providers	10.5	16.7	13.2	(3.5)	1.0	1.0	1.0	-

*These grants were previously shown in the Department of Administration's budget.

Assistance, grants, and benefits would be \$3,710.0 million and constitute the largest category, 45.2 percent of all expenditures and 34.9 percent of general revenue funded expenditures. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$44.9 million more than the enacted budget considering all sources, and \$21.2 million more from general revenues.

Local Aid, or Aid to Local Units of Government, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The budget includes \$1,169.8 million for *aid to local units of government* that includes \$1,096.5 million in education aid and \$73.2 million in general state aid. Education aid increases \$34.0 million while general aid is \$5.9 million more than enacted for FY 2013 by the 2012 Assembly. These expenditures comprise 14.2 percent of all expenditures. However, they comprise 34.9 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$994.6 million consist of \$922.3 million in education aid and \$72.3 million in general state aid. General revenue funded education aid increases \$26.2 million; general aid is \$5.9 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

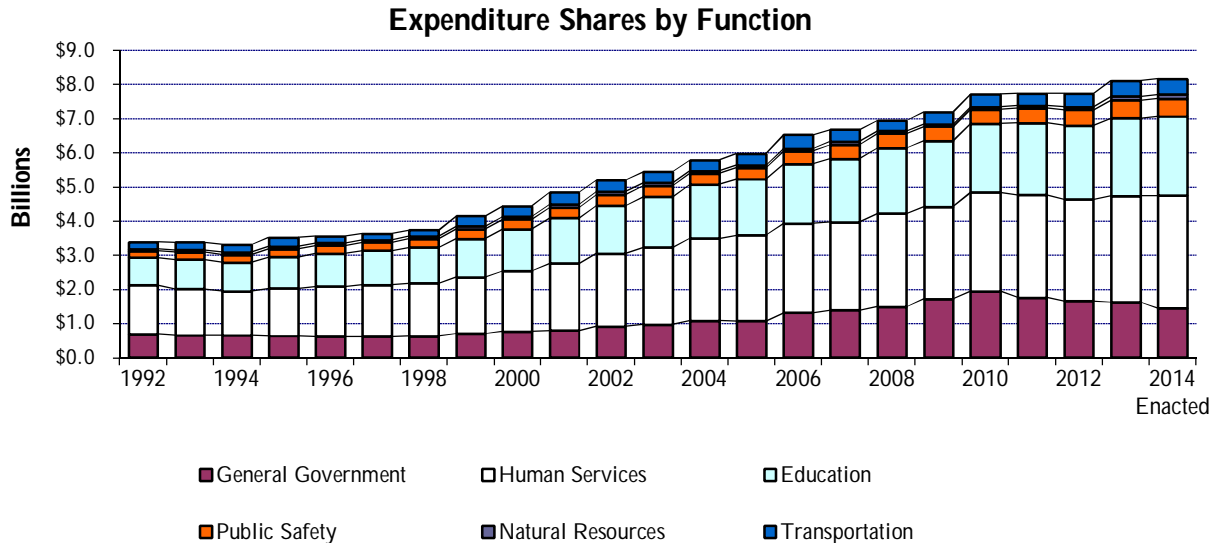
Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget presented as part of the Governor's budget.

Capital expenses total \$382.1 million, or 4.7 percent of all expenditures; debt service of \$268.1 million is 3.3 percent. Capital expenditures would be \$11.5 million more than enacted for FY 2013 and debt service \$6.3 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Economic Development Corporation. They total \$146.8 million and constitute 1.8 percent of the total budget. The general revenues portion is \$6.8 million, 0.2 percent of general revenue funded expenditures.

Distribution of Total Expenditures

Expenditures can be aggregated a number of ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.



General Government programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

Human Services includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

Education includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, historical preservation and heritage, and public television.

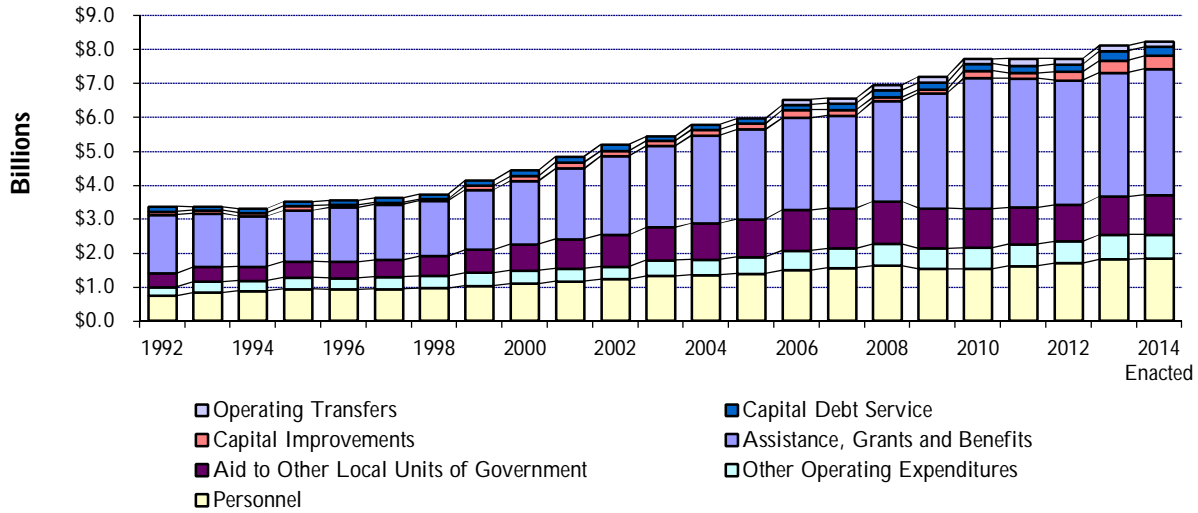
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

Transportation programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; and capital.

Expenditure Shares by Category



State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers' compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RItE Share and RItE Care, pharmaceutical assistance programs, property tax circuit breaker expenditures, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the Budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Economic Development Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor's recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. These analyses are presented in the next section along with the Assembly's final action on those items. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. The percentages shown in the table represent the percent of the total shown in each cell.

The presentation of expenditure by function and category for the Governor's FY 2014 budget is distorted by the change in presentation of expenses at the state hospital and state run group home system in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Assembly reversed this in the enacted budget.

Expenditures from All Funds

FY 2012 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 208.9 2.7%	\$ 332.6 4.3%	\$ 480.2 6.2%	\$ 348.2 4.5%	\$ 48.4 0.6%	\$ 60.9 0.8%	\$ 1,479.2 19.2%
Contracted Services	21.8 0.3%	60.8 0.8%	67.1 0.9%	16.8 0.2%	5.4 0.1%	43.9 0.6%	215.8 2.8%
Other State Operations	317.2 4.1%	78.4 1.0%	201.2 2.6%	42.6 0.6%	9.5 0.1%	(11.1) -0.1%	637.8 8.3%
Aid to Local Units of Government	69.5 0.9%	- 0.0%	1,010.6 13.1%	- 0.0%	- 0.0%	- 0.0%	1,080.1 14.0%
Assistance, Grants, & Benefits	789.4 10.2%	2,491.1 32.3%	299.7 3.9%	48.0 0.6%	7.5 0.1%	25.4 0.3%	3,661.1 47.4%
Capital	13.8 0.2%	3.5 0.0%	55.7 0.7%	9.1 0.1%	9.3 0.1%	164.3 2.1%	255.7 3.3%
Debt Service	170.6 2.2%	- 0.0%	45.4 0.6%	- 0.0%	- 0.0%	- 0.0%	216.0 2.8%
Operating Transfers	56.9 0.7%	7.5 0.1%	4.3 0.1%	- 0.0%	0.0 0.0%	104.0 1.3%	172.7 2.2%
Total	\$ 1,648.1 21.4%	\$ 2,973.9 38.5%	\$ 2,164.2 28.0%	\$ 464.8 6.0%	\$ 80.1 1.0%	\$ 387.4 5.0%	\$ 7,718.5 100.0%

FY 2013 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 218.8 2.7%	\$ 347.0 4.3%	\$ 498.8 6.2%	\$ 353.7 4.4%	\$ 48.1 0.6%	\$ 74.5 0.9%	\$ 1,540.9 19.0%
Contracted Services	40.9 0.5%	79.5 1.0%	86.3 1.1%	16.7 0.2%	13.6 0.2%	37.2 0.5%	274.2 3.4%
Other State Operations	299.3 3.7%	87.4 1.1%	212.9 2.6%	48.0 0.6%	10.9 0.1%	41.6 0.5%	700.1 8.6%
Aid to Local Units of Government	67.3 0.8%	- 0.0%	1,062.6 13.1%	- 0.0%	- 0.0%	- 0.0%	1,129.9 13.9%
Assistance, Grants, & Benefits	599.3 7.4%	2,647.5 32.7%	319.7 3.9%	58.9 0.7%	7.5 0.1%	32.3 0.4%	3,665.1 45.2%
Capital	39.6 0.5%	19.3 0.2%	33.7 0.4%	29.8 0.4%	23.7 0.3%	224.4 2.8%	370.5 4.6%
Debt Service	221.7 2.7%	- 0.0%	52.6 0.6%	- 0.0%	- 0.0%	- 0.0%	274.4 3.4%
Operating Transfers	36.8 0.5%	6.1 0.1%	0.1 0.0%	- 0.0%	0.1 0.0%	101.7 1.3%	144.7 1.8%
Total	\$ 1,523.7 18.8%	\$ 3,186.7 39.3%	\$ 2,266.7 28.0%	\$ 507.2 6.3%	\$ 103.9 1.3%	\$ 511.6 6.3%	\$ 8,099.9 100.0%

Expenditures from All Funds

FY 2014 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 228 2.8%	\$ 358 4.4%	\$ 492 6.0%	\$ 362 4.4%	\$ 50 0.6%	\$ 68 0.8%	\$ 1,558.8 19.1%
Contracted Services	47.3 0.6%	81.8 1.0%	76.4 0.9%	20.6 0.3%	13.4 0.2%	37.0 0.5%	276.6 3.4%
Other State Operations	306.6 3.8%	(35.9) -0.4%	213.8 2.6%	47.8 0.6%	12.1 0.1%	39.9 0.5%	584.3 7.1%
Aid to Local Units of Government	81.2 1.0%	- 0.0%	1,096.6 13.4%	- 0.0%	- 0.0%	- 0.0%	1,177.8 14.4%
Assistance, Grants, & Benefits	460.3 5.6%	2,881.8 35.3%	331.3 4.1%	58.8 0.7%	6.5 0.1%	39.9 0.5%	3,778.6 46.2%
Capital	50.7 0.6%	24.7 0.3%	55.6 0.7%	35.3 0.4%	29.9 0.4%	183.6 2.2%	379.8 4.6%
Debt Service	216.8 2.7%	- 0.0%	52.6 0.6%	- 0.0%	- 0.0%	- 0.0%	269.4 3.3%
Operating Transfers	39.7 0.5%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	101.1 1.2%	147.1 1.8%
Total	\$ 1,430.7 17.5%	\$ 3,316.7 40.6%	\$ 2,318.8 28.4%	\$ 524.6 6.4%	\$ 111.7 1.4%	\$ 469.9 5.7%	\$ 8,172.5 100.0%

FY 2014 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 9.2 12.7%	\$ 11.0 15.2%	\$ (6.4) -8.8%	\$ 8.4 11.5%	\$ 1.7 2.3%	\$ (6.1) -8.4%	\$ 17.9 24.6%
Contracted Services	6.4 8.8%	2.3 3.2%	(9.9) -13.6%	3.9 5.3%	(0.2) -0.3%	(0.1) -0.2%	2.4 3.3%
Other State Operations	7.3 10.1%	(123.2) -169.7%	0.9 1.2%	(0.3) -0.3%	1.2 1.7%	(1.7) -2.4%	(115.8) -159.5%
Aid to Local Units of Government	13.9 19.2%	- 0.0%	34.0 46.9%	- 0.0%	- 0.0%	- 0.0%	48.0 66.1%
Assistance, Grants, & Benefits	(139.0) -191.5%	234.4 322.8%	11.6 16.0%	(0.1) -0.1%	(1.0) -1.4%	7.6 10.5%	113.5 156.3%
Capital	11.1 15.3%	5.4 7.4%	21.9 30.2%	5.5 7.6%	6.2 8.5%	(40.8) -56.2%	9.3 12.8%
Debt Service	(4.9) -6.8%	- 0.0%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	(4.9) -6.8%
Operating Transfers	2.9 4.0%	0.1 0.1%	(0.1) -0.1%	- 0.0%	- 0.0%	(0.6) -0.8%	2.4 3.2%
Total	\$ (93.1) -128.1%	\$ 130.0 179.1%	\$ 52.1 71.8%	\$ 17.4 24.0%	\$ 7.8 10.8%	\$ (41.7) -57.4%	\$ 72.6 100.0%

Expenditures from All Funds

FY 2014 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 222.9 2.7%	\$ 354.9 4.3%	\$ 491.7 6.0%	\$ 360.1 4.4%	\$ 49.7 0.6%	\$ 69.0 0.8%	\$ 1,548.3 18.9%
Contracted Services	47.3 0.6%	82.1 1.0%	76.4 0.9%	20.6 0.3%	13.6 0.2%	37.0 0.5%	277.0 3.4%
Other State Operations	306.5 3.7%	91.8 1.1%	213.6 2.6%	47.3 0.6%	12.1 0.1%	39.8 0.5%	711.1 8.7%
Aid to Local Units of Government	73.2 0.9%	- 0.0%	1,096.5 13.4%	- 0.0%	- 0.0%	- 0.0%	1,169.8 14.2%
Assistance, Grants, & Benefits	529.6 6.4%	2,746.0 33.4%	331.5 4.0%	56.9 0.7%	6.1 0.1%	39.9 0.5%	3,710.0 45.2%
Capital	53.2 0.6%	24.7 0.3%	55.6 0.7%	35.8 0.4%	39.4 0.5%	173.4 2.1%	382.1 4.7%
Debt Service	215.4 2.6%	- 0.0%	52.6 0.6%	- 0.0%	- 0.0%	- 0.0%	268.1 3.3%
Operating Transfers	39.4 0.5%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	101.2 1.2%	146.8 1.8%
Total	\$ 1,487.5 18.1%	\$ 3,305.8 40.3%	\$ 2,317.9 28.2%	\$ 520.7 6.3%	\$ 120.9 1.5%	\$ 460.2 5.6%	\$ 8,213.1 100.0%

FY 2014 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 4.1 3.6%	\$ 8.0 7.1%	\$ (7.2) -6.4%	\$ 6.3 5.6%	\$ 1.6 1.4%	\$ (5.5) -4.8%	\$ 7.4 6.5%
Contracted Services	6.4 5.7%	2.7 2.3%	(9.9) -8.8%	3.8 3.4%	(0.1) -0.1%	(0.1) -0.1%	2.8 2.4%
Other State Operations	7.3 6.4%	4.5 3.9%	0.7 0.6%	(0.7) -0.6%	1.1 1.0%	(1.9) -1.7%	11.0 9.7%
Aid to Local Units of Government	5.9 5.2%	- 0.0%	34.0 30.0%	- 0.0%	- 0.0%	- 0.0%	39.9 35.3%
Assistance, Grants, & Benefits	(69.7) -61.6%	98.5 87.1%	11.9 10.5%	(2.0) -1.8%	(1.4) -1.2%	7.6 6.7%	44.9 39.7%
Capital	13.6 12.0%	5.3 4.7%	21.9 19.3%	6.1 5.3%	15.7 13.8%	(51.0) -45.1%	11.5 10.2%
Debt Service	(6.3) -5.6%	- 0.0%	(0.0) 0.0%	- 0.0%	- 0.0%	- 0.0%	(6.3) -5.6%
Operating Transfers	2.5 2.2%	0.1 0.1%	(0.1) -0.1%	- 0.0%	- 0.0%	(0.5) -0.4%	2.1 1.8%
Total	\$ (36.2) -32.0%	\$ 119.1 105.2%	\$ 51.2 45.2%	\$ 13.5 11.9%	\$ 17.0 15.0%	\$ (51.4) -45.4%	\$ 113.2 100.0%

Expenditures from All Funds

FY 2014 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (5.1) -12.7%	\$ (3.1) -7.5%	\$ (0.8) -1.9%	\$ (2.1) -5.1%	\$ (0.1) -0.2%	\$ 0.6 1.6%	\$ (10.5) -25.8%
Contracted Services	(0.0) 0.0%	0.3 0.8%	(0.0) -0.1%	(0.0) 0.0%	0.1 0.4%	- 0.0%	0.4 1.0%
Other State Operations	(0.1) -0.2%	127.7 314.7%	(0.2) -0.5%	(0.4) -1.1%	(0.1) -0.2%	(0.1) -0.4%	126.8 312.4%
Aid to Local Units of Government	(8.0) -19.7%	- 0.0%	(0.1) -0.2%	- 0.0%	- 0.0%	- 0.0%	(8.1) -19.9%
Assistance, Grants, & Benefits	69.3 170.7%	(135.8) -334.7%	0.3 0.6%	(2.0) -4.9%	(0.4) -0.9%	- 0.0%	(68.6) -169.1%
Capital	2.5 6.2%	(0.0) -0.1%	(0.1) -0.1%	0.5 1.3%	9.5 23.4%	(10.2) -25.1%	2.2 5.5%
Debt Service	(1.4) -3.4%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(1.4) -3.4%
Operating Transfers	(0.4) -0.9%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	0.1 0.1%	(0.3) -0.7%
Total	\$ 56.8 140.0%	\$ (10.9) -26.9%	\$ (0.9) -2.2%	\$ (3.9) -9.7%	\$ 9.1 22.5%	\$ (9.7) -23.8%	\$ 40.6 100.0%

FY 2014 Change to FY 2012	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 14.0 2.8%	\$ 22.4 4.5%	\$ 11.5 2.3%	\$ 11.9 2.4%	\$ 1.3 0.3%	\$ 8.1 1.6%	\$ 69.1 14.0%
Contracted Services	25.5 5.2%	21.3 4.3%	9.3 1.9%	3.7 0.8%	8.2 1.7%	(6.9) -1.4%	61.2 12.4%
Other State Operations	(10.6) -2.2%	13.4 2.7%	12.4 2.5%	4.7 1.0%	2.5 0.5%	50.9 10.3%	73.3 14.8%
Aid to Local Units of Government	3.7 0.7%	- 0.0%	85.9 17.4%	- 0.0%	- 0.0%	- 0.0%	89.6 18.1%
Assistance, Grants, & Benefits	(259.9) -52.5%	254.9 51.5%	31.9 6.4%	8.8 1.8%	(1.3) -0.3%	14.5 2.9%	48.9 9.9%
Capital	39.4 8.0%	21.2 4.3%	(0.1) 0.0%	26.7 5.4%	30.1 6.1%	9.1 1.8%	126.4 25.6%
Debt Service	44.9 9.1%	- 0.0%	7.2 1.5%	- 0.0%	- 0.0%	- 0.0%	52.1 10.5%
Operating Transfers	(17.6) -3.6%	(1.3) -0.3%	(4.3) -0.9%	- 0.0%	0.0 0.0%	(2.8) -0.6%	(25.9) -5.2%
Total	\$ (160.6) -32.5%	\$ 331.9 67.1%	\$ 153.8 31.1%	\$ 55.9 11.3%	\$ 40.8 8.2%	\$ 72.9 14.7%	\$ 494.6 100.0%

Expenditures from General Revenues

FY 2012 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 132.4 <i>4.3%</i>	\$ 175.3 <i>5.6%</i>	\$ 126.9 <i>4.1%</i>	\$ 323.6 <i>10.4%</i>	\$ 30.3 <i>1.0%</i>	\$ - <i>0.0%</i>	\$ 788.5 <i>25.4%</i>
Contracted Services	8.6 <i>0.3%</i>	15.9 <i>0.5%</i>	6.5 <i>0.2%</i>	11.6 <i>0.4%</i>	0.3 <i>0.0%</i>	- <i>0.0%</i>	42.9 <i>1.4%</i>
Other State Operations	37.0 <i>1.2%</i>	18.2 <i>0.6%</i>	26.1 <i>0.8%</i>	34.7 <i>1.1%</i>	6.7 <i>0.2%</i>	- <i>0.0%</i>	122.7 <i>3.9%</i>
Aid to Local Units of Government	68.7 <i>2.2%</i>	- <i>0.0%</i>	823.3 <i>26.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	892.0 <i>28.7%</i>
Assistance, Grants, & Benefits	13.9 <i>0.4%</i>	1,012.6 <i>32.6%</i>	31.9 <i>1.0%</i>	27.9 <i>0.9%</i>	0.5 <i>0.0%</i>	- <i>0.0%</i>	1,086.8 <i>34.9%</i>
Capital	1.7 <i>0.1%</i>	0.1 <i>0.0%</i>	4.2 <i>0.1%</i>	1.1 <i>0.0%</i>	0.2 <i>0.0%</i>	- <i>0.0%</i>	7.4 <i>0.2%</i>
Debt Service	115.8 <i>3.7%</i>	- <i>0.0%</i>	18.3 <i>0.6%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	134.2 <i>4.3%</i>
Operating Transfers	33.3 <i>1.1%</i>	2.3 <i>0.1%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	35.7 <i>1.1%</i>
Total	\$ 411.6 <i>13.2%</i>	\$ 1,224.5 <i>39.4%</i>	\$ 1,037.2 <i>33.3%</i>	\$ 399.0 <i>12.8%</i>	\$ 37.9 <i>1.2%</i>	\$ - <i>0.0%</i>	\$ 3,110.2 <i>100.0%</i>

FY 2013 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 143.0 <i>4.3%</i>	\$ 183.1 <i>5.6%</i>	\$ 129.8 <i>3.9%</i>	\$ 326.9 <i>9.9%</i>	\$ 29.2 <i>0.9%</i>	\$ - <i>0.0%</i>	\$ 812.0 <i>24.6%</i>
Contracted Services	7.3 <i>0.2%</i>	19.4 <i>0.6%</i>	6.8 <i>0.2%</i>	12.1 <i>0.4%</i>	0.7 <i>0.0%</i>	- <i>0.0%</i>	46.4 <i>1.4%</i>
Other State Operations	40.3 <i>1.2%</i>	19.5 <i>0.6%</i>	24.9 <i>0.8%</i>	35.5 <i>1.1%</i>	6.1 <i>0.2%</i>	- <i>0.0%</i>	126.2 <i>3.8%</i>
Aid to Local Units of Government	66.3 <i>0.0</i>	- <i>-</i>	896.1 <i>0.3</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>	962.4 <i>0.3</i>
Assistance, Grants, & Benefits	18.1 <i>0.6%</i>	1,070.1 <i>32.5%</i>	34.7 <i>1.1%</i>	29.2 <i>0.9%</i>	0.7 <i>0.0%</i>	- <i>0.0%</i>	1,152.8 <i>35.0%</i>
Capital	2.7 <i>0.1%</i>	0.8 <i>0.0%</i>	1.1 <i>0.0%</i>	1.0 <i>0.0%</i>	0.0 <i>0.0%</i>	- <i>0.0%</i>	5.6 <i>0.2%</i>
Debt Service	159.8 <i>4.8%</i>	- <i>0.0%</i>	24.7 <i>0.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	184.4 <i>5.6%</i>
Operating Transfers	4.3 <i>0.1%</i>	1.6 <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	5.9 <i>0.2%</i>
Total	\$ 441.8 <i>13.4%</i>	\$ 1,294.5 <i>39.3%</i>	\$ 1,118.0 <i>33.9%</i>	\$ 404.7 <i>12.3%</i>	\$ 36.8 <i>1.1%</i>	\$ - <i>0.0%</i>	\$ 3,295.8 <i>100.0%</i>

Expenditures from General Revenues

FY 2014 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 145.8 4.3%	\$ 136.4 4.0%	\$ 130.3 3.8%	\$ 334.2 9.8%	\$ 29.7 0.9%	\$ - 0.0%	\$ 776.4 22.8%
Contracted Services	7.3 0.2%	20.8 0.6%	7.9 0.2%	12.4 0.4%	0.4 0.0%	- 0.0%	48.8 1.4%
Other State Operations	40.1 1.2%	14.9 0.4%	25.0 0.7%	37.5 1.1%	6.4 0.2%	- 0.0%	123.9 3.6%
Aid to Local Units of Government	80.3 2.4%	- 0.0%	922.4 27.1%	- 0.0%	- 0.0%	- 0.0%	1,002.7 29.5%
Assistance, Grants, & Benefits	15.7 0.5%	1,162.6 34.2%	39.6 1.2%	29.2 0.9%	0.7 0.0%	- 0.0%	1,247.7 36.7%
Capital	2.6 0.1%	0.4 0.0%	2.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	6.7 0.2%
Debt Service	159.5 4.7%	- 0.0%	26.3 0.8%	- 0.0%	- 0.0%	- 0.0%	185.8 5.5%
Operating Transfers	5.4 0.2%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	7.1 0.2%
Total	\$ 456.6 13.4%	\$ 1,336.9 39.3%	\$ 1,154.3 34.0%	\$ 414.2 12.2%	\$ 37.2 1.1%	\$ - 0.0%	\$ 3,399.2 100.0%

FY 2014 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 2.8 2.7%	\$ (46.7) -45.2%	\$ 0.5 0.5%	\$ 7.3 7.0%	\$ 0.5 0.5%	\$ - 0.0%	\$ (35.6) -34.5%
Contracted Services	0.0 0.0%	1.4 1.3%	1.0 1.0%	0.3 0.3%	(0.3) -0.3%	- 0.0%	2.4 2.3%
Other State Operations	(0.2) -0.2%	(4.5) -4.4%	0.2 0.2%	1.9 1.9%	0.3 0.3%	- 0.0%	(2.3) -2.3%
Aid to Local Units of Government	13.9 13.5%	- 0.0%	26.3 25.5%	- 0.0%	- 0.0%	- 0.0%	40.2 39.0%
Assistance, Grants, & Benefits	(2.5) -2.4%	92.5 89.5%	5.0 4.8%	(0.0) 0.0%	(0.1) -0.1%	- 0.0%	94.9 91.8%
Capital	(0.1) -0.1%	(0.4) -0.4%	1.6 1.6%	0.0 0.0%	- 0.0%	- 0.0%	1.1 1.1%
Debt Service	(0.2) -0.2%	- 0.0%	1.6 1.6%	- 0.0%	- 0.0%	- 0.0%	1.4 1.3%
Operating Transfers	1.1 1.1%	0.2 0.2%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	1.2 1.2%
Total	\$ 14.8 14.3%	\$ 42.4 41.0%	\$ 36.3 35.1%	\$ 9.5 9.2%	\$ 0.4 0.4%	\$ - 0.0%	\$ 103.3 100.0%

Expenditures from General Revenues

FY 2014 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 141.9 4.2%	\$ 185.1 5.5%	\$ 129.4 3.9%	\$ 331.8 9.9%	\$ 29.5 0.9%	\$ - 0.0%	\$ 817.7 24.3%
Contracted Services	6.4 0.2%	21.4 0.6%	7.8 0.2%	12.4 0.4%	0.4 0.0%	- 0.0%	48.4 1.4%
Other State Operations	40.0 1.2%	19.9 0.6%	24.8 0.7%	37.3 1.1%	6.4 0.2%	- 0.0%	128.4 3.8%
Aid to Local Units of Government	72.3 2.2%	- 0.0%	922.3 27.5%	- 0.0%	- 0.0%	- 0.0%	994.6 29.6%
Assistance, Grants, & Benefits	15.8 0.5%	1,089.0 32.4%	39.2 1.2%	29.5 0.9%	0.7 0.0%	- 0.0%	1,174.0 34.9%
Capital	1.7 0.0%	0.7 0.0%	2.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	6.1 0.2%
Debt Service	157.4 4.7%	- 0.0%	26.3 0.8%	- 0.0%	- 0.0%	- 0.0%	183.7 5.5%
Operating Transfers	5.0 0.1%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	6.8 0.2%
Total	\$ 440.4 13.1%	\$ 1,317.9 39.2%	\$ 1,152.6 34.3%	\$ 412.0 12.3%	\$ 36.9 1.1%	\$ - 0.0%	\$ 3,359.8 100.0%

FY 2014 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (1.1) -1.6%	\$ 2.1 3.3%	\$ (0.4) -0.7%	\$ 4.9 7.7%	\$ 0.3 0.4%	\$ - 0.0%	\$ 5.7 9.0%
Contracted Services	(1.0) -1.5%	1.9 3.0%	1.0 1.6%	0.3 0.4%	(0.3) -0.5%	- 0.0%	1.9 3.1%
Other State Operations	(0.3) -0.4%	0.5 0.7%	(0.0) -0.1%	1.8 2.8%	0.3 0.4%	- 0.0%	2.2 3.4%
Aid to Local Units of Government	5.9 9.3%	- 0.0%	26.2 41.0%	- 0.0%	- 0.0%	- 0.0%	32.2 50.3%
Assistance, Grants, & Benefits	(2.4) -3.7%	18.9 29.5%	4.5 7.0%	0.3 0.4%	(0.1) -0.1%	- 0.0%	21.2 33.1%
Capital	(1.1) -1.7%	(0.1) -0.1%	1.6 2.6%	0.0 0.0%	- 0.0%	- 0.0%	0.5 0.8%
Debt Service	(2.4) -3.7%	- 0.0%	1.6 2.6%	- 0.0%	- 0.0%	- 0.0%	(0.7) -1.1%
Operating Transfers	0.7 1.2%	0.2 0.2%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	0.9 1.4%
Total	\$ (1.4) -2.2%	\$ 23.5 36.7%	\$ 34.5 54.0%	\$ 7.2 11.3%	\$ 0.1 0.2%	\$ - 0.0%	\$ 63.9 100.0%

Expenditures from General Revenues

FY 2014 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (3.9) 9.8%	\$ 48.7 -123.7%	\$ (0.9) 2.4%	\$ (2.4) 6.0%	\$ (0.2) 0.6%	\$ - 0.0%	\$ 41.4 -105.0%
Contracted Services	(1.0) 2.5%	0.6 -1.5%	(0.0) 0.1%	- 0.0%	- 0.0%	- 0.0%	(0.4) 1.1%
Other State Operations	(0.1) 0.2%	5.0 -12.7%	(0.2) 0.5%	(0.2) 0.5%	- 0.0%	- 0.0%	4.5 -11.5%
Aid to Local Units of Government	(8.0) 20.3%	- 0.0%	(0.1) 0.2%	- 0.0%	- 0.0%	- 0.0%	(8.1) 20.5%
Assistance, Grants, & Benefits	0.1 -0.3%	(73.6) 186.9%	(0.5) 1.2%	0.3 -0.8%	(0.0) 0.0%	- 0.0%	(73.7) 187.0%
Capital	(1.0) 2.5%	0.4 -0.9%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.6) 1.6%
Debt Service	(2.1) 5.4%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(2.1) 5.4%
Operating Transfers	(0.4) 0.9%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(0.4) 0.9%
Total	\$ (16.2) 41.2%	\$ (18.9) 48.0%	\$ (1.7) 4.4%	\$ (2.2) 5.7%	\$ (0.2) 0.6%	\$ - 0.0%	\$ (39.4) 100.0%

FY 2014 Change to FY 2012	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 9.5 3.8%	\$ 9.8 3.9%	\$ 2.5 1.0%	\$ 8.2 3.3%	\$ (0.8) -0.3%	\$ - 0.0%	\$ 29.2 11.7%
Contracted Services	(2.3) -0.9%	5.5 2.2%	1.3 0.5%	0.8 0.3%	0.1 0.0%	- 0.0%	5.4 2.2%
Other State Operations	3.0 1.2%	1.7 0.7%	(1.3) -0.5%	2.6 1.1%	(0.3) -0.1%	- 0.0%	5.8 2.3%
Aid to Local Units of Government	3.5 1.4%	- 0.0%	99.1 39.7%	- 0.0%	- 0.0%	- 0.0%	102.6 41.1%
Assistance, Grants, & Benefits	1.9 0.8%	76.3 30.6%	7.2 2.9%	1.6 0.6%	0.2 0.1%	- 0.0%	87.2 34.9%
Capital	(0.1) 0.0%	0.6 0.2%	(1.5) -0.6%	(0.1) -0.1%	(0.2) -0.1%	- 0.0%	(1.3) -0.5%
Debt Service	41.5 16.7%	- 0.0%	8.0 3.2%	- 0.0%	- 0.0%	- 0.0%	49.5 19.9%
Operating Transfers	(28.3) -11.3%	(0.6) -0.2%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(28.9) -11.6%
Total	\$ 28.8 11.5%	\$ 93.4 37.4%	\$ 115.3 46.2%	\$ 13.0 5.2%	\$ (1.0) -0.4%	\$ - 0.0%	\$ 249.5 100.0%

