



## STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
 BUDGET OFFICE  
 One Capitol Hill  
 Providence, R.I. 02908-5886

**Memorandum**

**To:** The Honorable Marvin L. Abney  
 Chairman, House Finance Committee

The Honorable William Conley, Jr.  
 Chairman, Senate Finance Committee

**From:** Thomas A. Mullaney  
 Executive Director/State Budget Officer

*Thomas A. Mullaney*

**Date:** March 29, 2017

**Subject:** Amendments to FY 2018 Appropriations Act (17-H-5175)

The Governor requests that several amendments be made to the FY 2018 Appropriations Act, which was submitted to the General Assembly on January 19, 2017. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2018, and Article 10, relating to Making Revised Appropriations in Support of FY 2017. The amendments requested do not impact general revenue expenditures, except for a reallocation of expenditures totaling less than \$10,000 within the Department of Elementary and Secondary Education. A description of the amendments requested is provided below.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

TAM:17-Amend-13  
 Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor  
 Stephen Whitney, Senate Fiscal Advisor  
 Michael DiBiase, Director of Administration  
 Jonathan Womer, Director, Office of Management and Budget  
 Gregory Stack, Supervising Budget Analyst

The Governor requests that the following revenues originally expected to be received in FY 2017 be moved to FY 2018:

**REVENUES:**

\$5,000,000 from the fraud and waste initiative. This initiative is moving forward with the recent agreement with RSI to undertake a review of tax related documents, but is not expected to result in additional revenues prior to June 30, 2017. The full amount of revenue is still expected, but just on a later timeframe.

\$1,000,000 from the sale of state fleet vehicles. This initiative is also moving forward with the development of an RFP that is expected to be released soon. Due to the delay in the RFP process, the sale of vehicles will not occur prior to June 30, 2017, but will occur in the next fiscal year.

**ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2018**

**SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2018**

**Department of Administration**

Remove RICAP – McCoy Stadium Repairs in the General program, Page 5, Line 20 of \$101,761. Removal of this line item is requested in FY 2018 in order to shift funding to FY 2017 due to completion of the study of McCoy Stadium's capital repair requirements and the need to pay final invoices.

**Department of Labor and Training**

Increase Federal Funds in the Workforce Development Services program, Page 9, Line 25 by \$1,540,302 from \$21,320,978 to \$22,861,280. This increase will be used for a new grant the Department received called "America's Promise." America's Promise grants are designed to accelerate the development and expansion of regional workforce partnerships committed to providing a pipeline of skilled workers in specific sectors.

**Department of Health**

Increase Restricted Receipts in the Customer Services Program, Page 16, Line 13 by \$10,000 from \$1,087,647 to \$1,097,647. This increase is due to a new residency education program agreement between the Department and Rhode Island Hospital to train medical students at the Medical Examiner's Office.

**Department of Human Services**

Page 18, Line 4 should read – Of this appropriation, ~~\$240,000~~ \$180,000 shall be used for hardship contingency payments.

### **Department of Elementary and Secondary Education**

Increase Restricted Receipts in the Administration of the Comprehensive Education Strategy program, Page 20, Line 32 by \$865,728 from \$1,275,662 to \$2,141,390. The increase reflects two new grants awarded to the Department from the Council of Chief State School Officers (\$800,000) and Nellie Mae (\$65,728). Both are nonprofit organizations.

Decrease General Revenues in the Education Aid program, Page 21, Line 28 by \$9,767 from \$888,743,875 to \$888,734,108. The general revenues are moving from the Education Aid program to the William M. Davies Vocational Technical School (Davies). Davies is now being allocated the English Learners Categorical (\$9,767) from the Education Aid program.

Increase General Revenues in the Davies Career and Technical School program, Page 21, Line 3 by \$9,767 from \$13,358,058 to \$13,367,825. The general revenues are moving from the Education Aid program to the William M. Davies Vocational Technical School (Davies). Davies is now being allocated the English Learners Categorical (\$9,767) from the Education Aid program.

### **Public Higher Education**

Increase Other Funds, Tuition Savings Program - Dual Enrollment in the Office of the Postsecondary Commissioner program, Page 22, Line 28 by \$500,000 from \$1,300,000 to \$1,800,000. This increase accommodates an expected deficit of \$500,000 within the Prepare RI dual and concurrent enrollment program, stemming from the expected continuation of higher-than-anticipated enrollment trends witnessed in the current year. This additional financing will be derived from the Division of Higher Education Assistance share of fees collected from Rhode Island's CollegeBound Saver 529 tuition savings plan. Note that the Governor recommended \$500,000 in FY 2018 general revenue to supplement the total cost of Prepare RI, which defrays half of the \$1.0 million deficit currently anticipated.

No change to Other Funds line item- "University and College Funds": Page 23, Line 9: Reallocation of \$11,682,002 in Operating Funds to Personnel. This is a technical amendment redirecting financing temporarily programmed within the category of operating back to personnel codes, as budgeted in the University's original submission. Since personnel roster and expense documentation initially supplied by the University did not comport with technical budget data as submitted, the Budget Office was required to shift the differential to an operating code until the source of the discrepancy could be further examined (thus maintaining the overall budget for institutionally-derived funds). It has since been determined that this financing is appropriately personnel-related, supporting various temporary and seasonal positions at the University. Please see the natural account detail accompanying this amendment for a detailed list of the required technical adjustments.

## **Judiciary**

Increase Federal Funds in the Supreme Court program, Page 27, Line 33 by \$18,000 from \$121,481 to \$139,481. The increase reflects an award by the State Justice Institute spread over FY 2017 and FY 2018 to identify best practices and effective strategies regarding the transition and implementation of the Judiciary's new case management system.

## **Department of Public Safety**

Insert in the Emergency Management Agency program after Rhode Island Capital Plan Fund, Page 30, Line 11, a new line entitled "Emergency Management Building - \$189,750." Due to procurement delays, funding for the Emergency Management Building design project is being shifted from FY 2017 to FY 2018. The agency anticipates the building design project will be completed during the fall of 2017.

Increase Restricted Receipts in the State Police program, Page 30, Line 18 by \$103,212 from \$506,446 to \$609,658. An increase of \$103,212 is requested for a new restricted receipt account to properly account for taskforce reimbursements. (The Governor's February 14, 2017 amendment to Article 7 requested creation of the new restricted receipts account).

## **Department of Transportation**

Increase Federal Funds – Stimulus in the Infrastructure Engineering program, Page 32, Line 30, by \$2,000,000 from \$4,386,593 to \$6,386,593. These are stimulus funds from the Federal Railroad Administration for Kingston Station Track Capacity and Improvements, a project that had been delayed. The funding was inadvertently excluded from the submitted budget.

Remove "Rhode Island Capital Plan Funds – Portsmouth Facility" in the Infrastructure Maintenance program, Page 33, Line 18. Construction on the Portsmouth Maintenance Facility has progressed more quickly than originally anticipated, and the Rhode Island Capital Plan Funds budgeted for FY 2018 (\$575,256) and FY 2019 (\$500,000) are now required in FY 2017.

## **SECTION 5, INTERNAL SERVICE FUNDS**

Insert after Line 32, Page 34 State Fleet Revolving Loan Fund - \$273,786. The amendment is for the grant to the Rhode Island Public Transit Authority for bus purchases that was inadvertently excluded from the budget act. The funding for this program was included in the database provided to House and Senate staff.

## SECTION 9, FY 2018 FTE POSITION AUTHORIZATION

Page 36, Line 27: Strike the number “82.0” and replace with “76.0”. This modification downwardly revises Rhode Island College’s “sponsored research” FTE position authorization by 6.0 FTE positions, in concert with the planned redirection of financing for 6.0 FTE positions associated with the “Learning for Life” initiative from third-party (primarily federal) sources to institutional funding. Although this change is evidenced in the published personnel roster within the budget document entitled “Volume III-Education”, Article 1 was not updated to reflect this transfer. There is no modification to the College’s recommended aggregate FTE position authorization of 926.2.

## ARTICLE 10, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2017

### SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2017

#### **Department of Administration**

Insert in the General program after Line 12, Page 4 “RICAP – McCoy Stadium Repairs - \$107,750”. The increase reflects a shift of funding from FY 2018 to FY 2017 due to completion of the study and the need to pay final invoices in the current fiscal year.

#### **Department of Business Regulation**

Increase Restricted Receipts in the Banking Regulation program, Page 6, Line 18 by \$25,000 from \$50,000 to \$75,000. This increase in Banking Regulation’s reimbursement account will be used to pay dues and subscriptions for FY 2016 that will be paid in FY 2017 due to the tardiness of billing.

Decrease Restricted Receipts in the Commercial Licensing, Racing, and Athletics program, Page 7, Line 12 by \$470,000 from \$2,366,283 to \$1,896,283. This decrease is a result of the Department executing their contract with a vendor for the medical marijuana program and have indicated that the overall system cost will be less than originally estimated.

#### **Department of Labor and Training**

Increase Federal Funds in the Workforce Development Services program, Page 9, Line 22 by \$1,347,386 from \$32,723,482 to \$34,070,868. This increase will be used for a new grant the Department received called “America’s Promise.” America’s Promise grants are designed to accelerate the development and expansion of regional workforce partnerships committed to providing a pipeline of skilled workers in specific sectors.

Increase Other Funds in the Workforce Development Services program, Page 9, Line 24 by \$26,787 from \$4,247,794 to \$4,274,581. This increase will be used to reflect actual cash the Department received from the Social Security Administration for achieving “Ticket to Work” Milestones. The Ticket to Work Program is a free and voluntary program available to people ages 18 through 64 who are blind or have a disability and who receive

**Summary of Governor's Article 1, Section 1 March Amendments to FY 2018 Act (17-H-5175)**

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
<b>FY 2018 Recommend (Gov's Original Recommendation)</b>	<b>3,792,708,988</b>	<b>3,081,834,490</b>	<b>273,794,280</b>	<b>2,099,724,938</b>	<b>9,248,062,696</b>
<b>March Amendments</b>					
<b>Department of Administration</b>					
Shift RICAP Funds for McCoy Stadium Repairs Back to FY 2017	-	-	-	(101,761)	(101,761)
<b>Department of Labor &amp; Training</b>					
Workforce Development Services - America's Promise	-	1,540,302	-	-	1,540,302
<b>Department of Health</b>					
Residency Education Partnership with RI Hospital	-	-	10,000	-	10,000
<b>Department of Elementary and Secondary Education</b>					
ACES - Grant - Council of Chief State School Officers - Nonprofit	-	-	800,000	-	800,000
ACES - Grant - Nellie Mae - Nonprofit	-	-	65,728	-	65,728
Education Aid - English Learner, Categorical	(9,767)	-	-	-	(9,767)
Davies - English Learners Categorical	9,767	-	-	-	9,767
<b>Public Higher Education</b>					
<b>Office of the Postsecondary Commissioner</b>					
Prepare RI- Dual and Concurrent Enrollment Re-estimate	-	-	-	500,000	500,000
<b>University of Rhode Island</b>					
Reallocate Operating Funds to Personnel	-	-	-	[ \$11,682,002 ]	[ \$11,682,002 ]
<b>Judiciary</b>					
Supreme Court - State Justice Institute Case Management Technical	-	18,000	-	-	18,000
<b>Department of Public Safety</b>					
Shift EMA RICAP Building Design Study to FY 2018	-	-	-	189,750	189,750
State Police - Federal Task Force Reimbursement	-	-	103,212	-	103,212
<b>Department of Transportation</b>					
Shift RICAP Portsmouth Facility funds from FY 2018 to FY 2017	-	-	-	(575,256)	(575,256)
Kingston Station (inadvertently excluded from budget)	-	2,000,000	-	-	2,000,000

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Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
<b>FY 2018 Recommend (Gov's Original Recommendation)</b>	3,792,708,988	3,081,834,490	273,794,280	2,099,724,938	9,248,062,696
<b>Total - Governor's March Amendments to FY 2018</b>	-	3,558,302	978,940	12,733	4,549,975
<b>Total Recommended Expenditures</b>	3,792,708,988	3,085,392,792	274,773,220	2,099,737,671	9,252,612,671
<b>Internal Service Funds</b>	[273,786]				[273,786]
State Fleet Revolving Loan Fund (language only in appropriations act; database all set)					

**Governor's Article 1, Section 1 March Amendments to FY 2018 Appropriations Act (17-H-5175)**

	Page No./ Line No.	FY 2018 Original Submittal	Governor's March Amendments	FY 2018 Revised Recommend
<b>Department of Administration</b>				
General				
McCoy Stadium	Page 5, Remove Line 20	101,761	(101,761)	0
Other Funds Total	Page 5, Line 23	42,847,761	(101,761)	42,746,000
Total - General	Page 5 Line 24	58,251,179	(101,761)	58,149,418
Grand Total - Administration	Page 6, Line 29	391,158,286	(101,761)	391,056,525
<b>Department of Labor &amp; Training</b>				
Workforce Development Services				
Federal Funds	Page 9, Line 25	21,320,978	1,540,302	22,861,280
Total - Workforce Development Services	Page 9, Line 28	34,751,523	1,540,302	36,291,825
Grand Total - Labor and Training	Page 10, Line 15	428,383,022	1,540,302	429,923,324
<b>Department of Health</b>				
Customer Services				
Restricted Receipts	Page 16, Line 13	1,087,647	10,000	1,097,647
Total - Customer Services	Page 16, Line 14	11,807,317	10,000	11,817,317
Grand Total - Health	Page 16, Line 26	171,168,076	10,000	171,178,076
<b>Department of Elementary and Secondary Education</b>				
Administration of the Comprehensive Education Strategy				
Restricted Receipts	Page 20, Line 32	1,275,662	865,728	2,141,390
Restricted Receipts Total	Page 20, Line 34	4,775,662	865,728	5,641,390
Total - Admin. of the Comprehensive Ed. Strategy	Page 21, Line 1	227,446,564	865,728	228,312,292
Davies Career and Technical School				
General Revenues	Page 21, Line 3	13,358,058	9,767	13,367,825
Total - Davies Career and Technical School	Page 21, Line 12	24,750,665	9,767	24,760,432
Education Aid				
General Revenues	Page 21, Line 28	888,743,875	(9,767)	888,734,108
Total - Education Aid	Page 21, Line 32	909,227,919	(9,767)	909,218,152
Grand Total - Elementary and Secondary Education	Page 22, Line 11	1,398,479,535	865,728	1,399,345,263
<b>Public Higher Education</b>				
Office of the Postsecondary Commissioner				
Other Funds				
Tuition Savings Program - Dual Enrollment	Page 22, Line 28	1,300,000	500,000	1,800,000
Total - Office of the Postsecondary Commissioner	Page 22, Line 31	50,200,013	500,000	50,700,013
University of Rhode Island				
University and College Funds	Page 23 , Line 9	645,715,072	Reallocation: \$11,682,002	645,715,072
Grand Total - Public Higher Education	Page 24, Line 27	1,187,999,008	500,000	1,188,499,008
<b>Judiciary</b>				
Supreme Court				
Federal Funds	Page 27, Line 33	121,481	18,000	139,481
Total -Supreme Court	Page 28, Line 9	43,293,918	18,000	43,311,918
Grand Total- Judiciary	Page 28, Line 34	121,038,254	18,000	121,056,254



**Governor's Article 1, Section 1 March Amendments to FY 2018 Appropriations Act (17-H-5175)**

	Page No./ Line No.	FY 2018 Original Submittal	Governor's March Amendments	FY 2018 Revised Recommend
<b>Department of Public Safety</b>				
Emergency Management Agency				
Other Funds				
Rhode Island Capital Plan Fund				
Emergency Management Building	Page 30, Insert after Line 11	0	189,750	189,750
Other Funds Total	Page 30, Line 13	1,494,414	189,750	1,684,164
Total - Emergency Management Agency	Page 30, Line 14	18,454,652	189,750	18,644,402
State Police				
Restricted Receipts	Page 30, Line 18	506,446	103,212	609,658
Total - State Police	Page 30, Line 28	75,124,661	103,212	75,227,873
Grand Total - Public Safety	Page 30, Line 30	142,343,112	292,962	142,636,074
<b>Department of Transportation</b>				
Infrastructure Engineering				
Federal Funds - Stimulus	Page 32, Line 30	4,386,593	2,000,000	6,386,593
Federal Funds - Total	Page 32, Line 31	268,633,683	2,000,000	270,633,683
Total - Infrastructure Engineering	Page 33, Line 8	383,970,683	2,000,000	385,970,683
Infrastructure Maintenance				
Other Funds				
Rhode Island Capital Plan Funds				
Portsmouth Facility	Page 33, Line 18	575,256	(575,256)	0
Other Funds Total	Page 33, Line 21	112,021,158	(575,256)	111,445,902
Total - Infrastructure Maintenance	Page 33, Line 22	112,021,158	(575,256)	111,445,902
Grand Total - Transportation	Page 33, Line 23	510,490,328	1,424,744	511,915,072
General Revenues	Page 33, Line 25	3,792,708,988	0	3,792,708,988
Federal Funds	Page 33, Line 26	3,081,834,490	3,558,302	3,085,392,792
Restricted Receipts	Page 33, Line 27	273,794,280	978,940	274,773,220
Other Funds	Page 33, Line 28	2,099,724,938	12,733	2,099,737,671
Statewide Grand Total	Page 33, Line 29	9,248,062,696	4,549,975	9,252,612,671
<b>Internal Service Funds</b>				
State Fleet Revolving Loan Fund	Insert after Line 32, Page 34	[0]	[273,786]	[273,786]
(language only in appropriations act; database all set)				