



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

Date: May 2, 2017

Subject: New Article – Relating to Sale of State-Owned Property (17-H-5175)

The Governor requests that a new article entitled “Relating to State-Owned Property” be added to the FY 2018 Appropriations Act. This new article would authorize the State Controller to offset any current recorded outstanding liability on the part of developmentally disability organizations against the proceeds from the sale of state-owned group homes to which these liabilities are related, prior to any proceeds being deposited to the Information Technology Investment Fund.

As of June 30, 2016, the State Controller recorded \$13.3 million of accounts receivable from various providers of services to the developmentally disabled. Most of these liabilities are connected to state-owned group homes operated by these providers. As a part of a HCBS compliance strategy, which focuses on person-centered planning, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals desires to move consumers to less restrictive family and community based settings resulting in the closure of various group homes. In certain circumstances, this would require the provider to repay the State for the outstanding liability, which most providers would not be able to afford. Upon closure of the group homes, the Department would seek to sell the property and thus requests that the outstanding liability of the provider be netted against the sale price of the group home. Any remaining proceeds would be deposited to the Information Technology Investment Fund, in accordance with current law.

If you have any questions concerning this new article, please feel free to reach out to me or my staff at 222-6300.

TAM: 18-Amend-16
Attachment

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
Carmela Corte, Supervising Budget Analyst

1 **§ 42-11-2.5 Information technology investment fund.**

2 (a) All sums from the sale of any land and
3 the buildings and improvements thereon, and other real property title to which is vested in the state except
4 as provided in subsection 37-7-15(b) and 37-7-15(c) shall be transferred to an Information Technology
5 Investment Fund restricted receipt account that is hereby established. This fund shall consist of such sums
6 from the sale of any land and the buildings and improvements thereon, and other real property title to which
7 is vested in the state except as provided in subsection 37-7-15(b) and 37-7-15(c), as well as a share of E-
8 911 Uniform Emergency Telephone System surcharge revenues collected under the provisions of § 39-
9 21.1-14. This fund may also consist of such sums as the state may from time to time appropriate, as well as
10 money received from the disposal of information technology equipment, loan, interest and service charge
11 payments from benefiting state agencies, as well as interest earnings, money received from the federal
12 government, gifts, bequest, donations, or to otherwise from any public or private source. Any such funds
13 shall be exempt from the indirect cost recovery provisions of § 35-4-27.

14 (b) This fund shall be used for the purpose of acquiring information technology improvements,
15 including, but not limited to, hardware, software, consulting services, and ongoing maintenance and
16 upgrade contracts for state departments and agencies.

17 (c) The division of information technology of the Rhode Island department of administration shall
18 adopt rules and regulations consistent with the purposes of this chapter and chapter 35 of title 42, in order
19 to provide for the orderly and equitable disbursement of funds from this account.

SECTION 3. This article shall take effect as of July 1, 2017.