



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

**Memorandum**

**To:** The Honorable Steven M. Costantino  
Chairman, House Finance Committee

The Honorable Daniel DaPonte  
Chairman, Senate Finance Committee

**From:** Rosemary Booth Gallogly  
Executive Director/State Budget Officer *RBS Gallogly*

**Date:** February 1, 2010

**Subject:** Amendments to FY 2010 Supplemental Appropriations  
Act (10-H-7105)

The Governor requests several amendments to the FY 2010 Supplemental Appropriations Act, which was submitted to the General Assembly on December 15, 2009. Many of the changes are the result of increased funding provided by the U.S. Government from the passage of the American Recovery and Reinvestment Act (ARRA) of 2009. The amendments requested include changes to Section 1 of Article 1; corrections to Article 9, Relating to Education Aid, and Article 19, Relating to ARRA Bonds; and the addition of two new articles entitled "Relating to Industrial Recreational Building Authority" and "Relating to Medicaid Reform Act." The correction to Article 19 requires two words to be underlined. The underlining was apparently lost in the transfer of the budget articles into the legislative system. The new article entitled "Relating to Industrial Recreational Building Authority" restores the debt authorization authority for the Industrial Recreational Building Authority from \$20.0 million to the original \$80.0 million amount. The new article entitled "Relating to Medicaid Reform Act" requests General Assembly approval for amendments to the Global Consumer Choice Compact Waiver.

The amendments to appropriations in Article 1 requested are described below. Also described are the corrections to Article 9, Article 19, and explanations of the new articles. Detail on the changes by natural account will be provided to the House and Senate Fiscal Advisors as part of the FY 2011 Budget database.

If you have any questions concerning these amendments, please feel free to contact me.

**ARTICLE 1, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2010**

**SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2010**

**Department of Administration**

Increase General Revenues for the EDC – EPScore (Research Alliance), page 5, line 11, in the amount of \$200,000. The revised budget submission included eliminating one of six grants for the EPScore (Research Alliance); subsequently it has been determined that eliminating this grant could impact the state's ability to obtain federal matching funds. Therefore the eliminated grant has been restored.

Decrease General Revenues for the Motor Vehicle Excise Tax Payment, page 5, line 17, in the amount of \$1,603,263. The revised budget submission included a savings estimate for the elimination of the final two quarter payments of the Motor Vehicle Excise Tax. Subsequently, the actual payouts to Municipalities for the first two quarters were \$1.6 million less than the estimate included in the revised budget submission.

Decrease General Revenues for Library Construction Aid, page 5, line 23, in the amount of \$105,059. A revised estimate for library construction aid due to municipalities identifies \$105,059 savings compared to the revised budget submission. This savings is available under current law.

Decrease the following RICAP accounts: Pastore Center Rehab. DOA, Page 5, Line 31, in the amount of \$222,755; Pastore Utilities Upgrade, Page 6, Line 11, in the amount of \$849,335; and McCoy Stadium, Page 6, Line 13, in the amount of \$255,487. Due to the available RICAP resources and higher priority projects, the Governor recommends delaying some portions of these projects until after FY 2010.

Decrease Debt Service – General Revenues, page 6, line 23, in the amount of \$346,500. According to a revised estimate since the Department's budget submission, Fidelity Job Rent Credits are expected to result in a State obligation of \$2,497,526 in FY 2010, which is \$346,500 less than the revised budget as submitted.

Decrease Restricted Receipts for the Regional Greenhouse Gas Initiative, page 7, line 7 by \$12,142 and increase Restricted Receipts for the Renewable Energy Fund Administration, page 7, line 8 by \$12,142. This amendment reallocates some administration funding and results in no bottom line change. This allows a budget for a percentage of an FTE to be charged to the Renewable Energy Fund account for related work.

Increase General Revenues – FY 2010 Pension Reform, page 7, line 15, in the amount of \$1,212,902. Increase “Federal Funds – FY 2010 Pension Reform”, page 7, line 19, in the amount of \$467,196. Increase Restricted Receipts – FY 2010 Pension Reform, page 7, line 23, in the amount of \$93,408. Increase Other Funds – FY 2010 Pension Reform, page 7, line 27, in the amount of \$218,660. The revised budget submission included estimated savings for FY 2010 pension reform. This amendment reflects a more accurate estimate of the pension savings, as proposed, due to two reasons: an incorrect percentage was used in the savings estimate for state employees, and the actuarially determined percentages have been received for state police and judges.

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

Increase Federal Funds – Stimulus –UI, Page 9, Line 20 by \$41,397,000. This increase corrects for the additional benefit of \$25 per week through September 4, 2010, and for the extended benefits through July 31, 2010 which are reflected from continually higher current claims activity and backlog.

Increase Other Funds – Employment Security Fund, Page 9, Line 24 by \$32,800,000. This increase is a revised estimate for the current very high unemployment rate of 12.9 percent and claims activity backlog.

### **Office of the General Treasurer**

Increase Restricted Receipts, Page 12, Line 12 by \$855,000. This increase is the result of additional funds anticipated to be transferred from the Unclaimed Property Fund to the General Fund.

### **Public Utilities Commission**

Decrease Federal Funds, Page 13, Line 17 by \$2,300. This decrease corrects for the Governor’s intent to eliminate federal funding for out-of-state travel omitted in original federal expenditures recommended by the Governor in his bid to constrain overall state spending.

Insert new line item Federal Funds – Stimulus”, page 13, after line 17, in the amount of \$107,334. This new financial resource reflects grant funding via the federal American Recovery and Reinvestment Act (ARRA) of 2009 through the US Department of Energy/National Energy Technology Laboratory to augment the capacities of the PUC to fully address the electricity sector initiatives included in the ARRA of 2009.

Decrease Restricted Receipts, Page 13, Line 18 by \$50,450. This decrease corrects for the Governor's intent to eliminate restricted receipts funding for out-of-state travel omitted in original restricted receipts expenditures recommended by the Governor in his bid to constrain overall state spending.

### **Department of Children, Youth & Families**

Increase Federal Funds, page 14, line 10 by \$131,832. This federal increase in the Juvenile Corrections Program is related to additional financing for the Byrne Formula Grant, which will be used towards a training program for youth at-risk of recidivism. The program teaches culinary, social and entrepreneurial skills at the Rhode Island Training School.

Increase Federal Funds- Stimulus, page 14, line 11 by \$107,500. This increase constitutes additional stimulus financing for the IDEA Part B grant and will be used to create an introductory vocational program and explore potential employment opportunities for high risk youth offenders within the division of Juvenile Corrections.

Increase Federal Funds, page 14, line 20 by \$80,000. This is additional federal financing for the Nurse-Family Partnership grant and will be used to establish a Nurse-Family Partnership program in accordance with the cross-departmental Successful Start Early Childhood Systems Plan and in support of the DCYF Family and Community Partnership (FCCP) initiative.

### **Department of Elderly Affairs**

Increase General Revenue - RIPAE, page 15 line 4 by \$433,331. This amount increases the general revenue share of financing of projected annual RIPAE formulary expenditures due to projected available RIPAE rebate financial resources based on utilization and claims paid data for November 2009 from Electronic Data Service (EDS), RIPAE's pharmacy benefits manager. This amount also reverses the general revenue offset included in the Governor's 2010 original budget recommendation.

Decrease Federal Funds, page 15 line 7 by \$97,137. This reduction corrects for a payroll funding duplication for a position (Fiscal Management Officer) in both the Department of Elderly Affairs (transferor) and Executive Office of Health and Human Services (EOHHS) (transferee).

Decrease Restricted Receipts, page 15 line 9 by \$433,331. This amount decreases the restricted receipts share of financing of projected annual RIPAE formulary expenditures due to projected available RIPAE rebate financial resources based on utilization and claims paid data for November 2009 from Electronic Data Service

(EDS), RIPAE's pharmacy benefits manager. This amount also reverses the restricted receipts offset included in the Governor's 2010 original budget recommendation.

### **Department of Health**

Increase Central Management Program - Restricted Receipts, page 15, line 16 by \$554,333. This amount appropriates funding for costs incurred in FY 2009 for Pandemic Flu not invoiced until FY 2010.

Increase Community and Family Health and Equity Program – Federal Funds, page 16, line 4 by \$344,311. This increase appropriates new federal funding for autism implementation in the amount of \$250,000 and a healthy housing pilot program in the amount of \$94,311.

Increase Community and Family Health and Equity Program – Federal Stimulus, page 16, line 5 by \$147,488. This increase appropriates new federal ARRA funding for the Women, Infants and Children (WIC) program.

Remove the word “Medicaid” on page 16, line 5. This is not Medicaid funding in this line item.

Insert new line item Federal Funds – Stimulus”, page 16, after line 15, in Infectious Disease and Epidemiology and increase by \$201,830. This increase reflects new grant funding via the federal American Recovery and Reinvestment Act (ARRA) of 2009 for epidemiology and laboratory capacity for infectious disease through the US Department of Health and Human Services/Centers for Disease Control and Prevention.

### **Department of Human Services**

Increase Federal Funds - Stimulus in the Individual and Family Support Program, page 16, line 34 by \$185,000. This increase provides the expenditure authority for the Emergency Food Assistance Program (TEFAP) funding available to the State pursuant to the ARRA.

Increase Intermodal Surface Transportation Fund in the Individual and Family Support Program, page 17, line 4 by \$127,962. This adjustment reflects the current “yield per penny” forecast associated with the revised gas tax revenue estimate in FY 2010. This funding supports operation of the RIDE transit program, recently transferred from the Department of Elderly Affairs.

Insert “Federal Funds - Stimulus \$1,600,000” in the Health Care Quality, Financing and Purchasing Program, page 17, after line 17. This insert provides

expenditure authorization for new IDEA Part C (Early Intervention) monies available to the State pursuant to the ARRA.

### **Mental Health, Retardation and Hospitals**

Decrease "Regional Center Repair/Rehabilitation", Page 19, Line 18, in the amount of \$333,196. Due to the available RICAP resources and higher priority projects, the Governor recommends delaying some portions of these projects until after FY 2010.

Increase "Hospital Consolidation", Page 20, Line 6 in the amount of \$120,000. Due to updated cost estimates for this project, additional funding is required for architectural and engineering costs.

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

Increase Federal Funds in the Administration of the Comprehensive Education Strategy Program, page 21, line 10 by \$175,000: The Department requests cap increases for two federal grants, both of which received extensions.

Increase Federal Funds in the Davies Career and Technical School Program, page 21, line 27 by \$5,500: The school received a new federal grant for the current year.

Increase Federal Funds in the RI School for the Deaf Program, page 22, line 4 by \$10,000: The amount required for a Job Coach position was miscalculated by the School in their initial budget request.

Decrease General Revenues in the Education Aid Program, page 22, line 17 by \$19,304: The December 31, 2009 group home figures from DCYF show an increase of 2 beds in Burrillville (\$30,000), 1 bed in Pawtucket (\$15,000), and 4 beds in Portsmouth (\$60,000). This increase would provide the required \$15,000 per bed for a total of \$105,000. Separately the final update of Charter School enrollment figures for FY 2010 leads to a decrease in direct aid to charter schools of \$118,165 and the actual figure for non-public textbook reimbursement yielded a decrease of \$6,139.

Insert new line item "Federal Funds", page 22, after line 17, in Education Aid and increase by \$67,046. This increase reflects a carry forward in funding that was inadvertently omitted by the department in their budget request.

### **Public Higher Education**

Insert new line item in the University of Rhode Island Program under federal funds "Stimulus - Byrne Grant - Crime Lab", page 23, after line 15 in the amount of \$125,076: The amount reflects the first year of funding for the URI Crime Lab from a federal stimulus grant to the Rhode Island Justice Commission for justice administration.

Decrease Other Funds in the Rhode Island College Program for Debt-Housing, page 24, line 21 in the amount \$1,608,426: This amount represents the College's share of the debt service for the new dormitory shown in operating transfers elsewhere.

Decrease Other Funds in the University of Rhode Island Program for URI Energy Conservation, page 23, line 29 in the amount of \$798,406: This reflects the proper adjustment for program debt service to \$1,334,721.

Increase Rhode Island Capital Plan funds in the University of Rhode Island Program for New Chemistry Building, page 23, line 34 in the amount of \$1,000,000: This reflects recommendation adjustment for the new chemistry building to \$1,300,000.

Insert new line item in the Rhode Island College Program under Rhode Island Capital Plan funds, page 24, after line 24 in the amount of \$500,000: This reflects the recommendation for design and planning funds for the new art center.

Decrease Other Funds in Rhode College Program for G.O. Debt Service, page 24, line 21 in the amount of \$892,110: This reflects the proper recommendation for the debt at \$1,608,426.

### **Attorney General**

Decrease General Revenues in the Criminal Program, page 26, line 32 by \$37,500. This amendment transfers the financing in the Governor's FY 2010 revised recommendation for the Drug Market Intervention Initiative to a restricted receipt account. These funds were erroneously budgeted as general revenues. The Attorney General is a subgrantee for these funds from the City of Providence. These funds will focus on individuals that are responsible for supplying drugs and causing the ensuing violent crime in the city's most vulnerable neighborhoods.

Decrease Federal Funds in the Criminal Program, page 26, line 33 by \$64,877. This amendment correctly budgets financing for the Drug Court from a federal account to a stimulus account.

Increase Federal Funds- Stimulus in the Criminal Program, page 26, line 34 by \$64,877. This amendment correctly budgets financing for the Drug Court from a federal account to a stimulus account.

Increase Restricted Receipts in the Criminal Program, page 27, line 1 by \$40,000. This amendment transfers the financing in the Governor's FY 2010 revised recommendation for the Drug Market Intervention Initiative to a restricted receipt account. These funds were erroneously budgeted as general revenues. The Attorney General is a subgrantee for these funds from the City of Providence. These funds will focus on individuals that are responsible for supplying drugs and causing the ensuing violent crime in the city's most vulnerable neighborhoods.

Increase Federal Funds in the Bureau of Criminal Identification, page 27, line 9 by \$25,209. This amendment reflects additional federal financing for the National Criminal History Improvement Project. These funds will be used for Criminal History database enhancements related to case disposition information, domestic violence database enhancements, one additional license, and six (6) new desktop computers.

### **Department of Corrections**

Increase Federal Funds - Stimulus in the Community Corrections Program, page 28, line 9, in the amount of \$58,833. This increase reflects an amendment to the original budget submittal from \$9,167 to \$68,000 for the Department's participation in the ARRA federal stimulus funded Drug Court program. The increase fully funds a probation and parole officer position.

Insert new line item "Restricted Receipts" in the Community Corrections Program, page 28, after line 9, in the amount of \$94,000. The new account reflects funds provided to the Department from a federal grant awarded to the City of Providence to fund a probation and parole officer to be assigned to two neighborhood substations in the City of Providence to work with the city and the Attorney General's office in focusing attention on those individuals responsible for supplying drugs and causing violent crime in the affected neighborhoods.

### **Department of Public Safety**

Increase General Revenue in the State Police Program, page 31, line 4, by \$93,806: The increase is due to the State Police utilizing Forfeited Property-Retained funding to offset general revenue expenditures.

Decrease Federal Funds in the State Police Program, page 31, line 7, by \$94,348: The decrease reflects the offset of the Stimulus - State Fiscal Stabilization funding received in the State Police.

Increase Restricted Receipts in the State Police Program, page 31, line 8, by \$162,462: The increase is due to the State Police utilizing Forfeited Property-Retained funding to offset general revenue expenditures.

Decrease Barrack & Training in the State Police Program, page 31, line 10 by \$300,000: Due to the available RICAP resources and higher priority projects, the Governor recommends delaying some portions of these projects until after FY 2010.

#### **Office of the Public Defender**

Increase Federal Funds, page 31, line 28 by \$10,203. Decrease Federal Funds-Stimulus, page 31, line 29, by \$10,203. This change reflects an amendment changing the line item number and title of the Caseload Reduction grant from ARRA stimulus funding to other federal funds

#### **Department of Environmental Management**

Increase Federal Funds in the Bureau of Natural Resources Program, page 32, line 5, by \$700,000: The increase reflects additional funds received for the Bureau of Outdoor Recreation Projects.

Increase Restricted Receipts in the Bureau of Natural Resources Program, page 32, line 6, by \$100,000: The increase reflects restricted receipts expected to be received in relation to the new Salt Water Fishing License fee. The law was vetoed by the Governor, however; the veto was overturned by the General Assembly in January 2010.

#### **Department of Transportation**

Increase Federal Funds in the Central Management Program, page 33, line 21, by \$31,627: The increase reflects the addition of a position for a principal research technician added for a portion of the year funded 100% by a NHTSA grant.

Increase Federal Funds - Stimulus in the Infrastructure Engineering Program, page 33, line 33, by \$200,000: The increase reflects a grant for on the job training and supportive services from the ARRA Stimulus program.

Increase Other Funds - Gasoline Tax in the Infrastructure Engineering Program, page 34, line 2, by \$1,170,793: The increase reflects a change in the estimate for

Gasoline Tax, which affected the pass-through expenditures forecast for RIPTA's gasoline tax and Underground Storage Tank 0.5 cent share, and the expected payment of the Garvee bonds.

Increase Other Funds - Gasoline Tax in the Infrastructure Maintenance Program, page 34, line 14, by \$1,967,930: The increase reflects a change in the estimate for Gasoline Tax, which affected the Offset for Revenue Shortfall account, with a reduction in the offset account to reflect the increase in the gasoline tax.

### SECTION 3, INTERNAL SERVICE FUND ACCOUNTS

Decrease Other Funds for the State Central Mail Internal Service Account, page 35, line 15, in the amount of \$60,478. The FY 2010 revised budget included the transfer of mailroom functions from the Department of Human Services to the Department of Administration. The functions will not be transferred and remain under the control of the Department of Human Services. The reduction of \$60,478 represents the personnel costs for the 2.0 FTE positions included in the Department of Administration's original revised budget recommendation.

### SECTION 4, FTE POSITION AUTHORIZATION

#### **Department of Administration**

Decrease FTE Position Authorization, section 4, page 36, line 17 by 2.0 FTE. This decrease reflects the elimination of the requested 2.0 FTE positions in the Department of Administration to handle the mailroom operations transferred from the Department of Human Services. The mailroom operations will remain with the Department of Human Services.

#### **Public Utilities Commission**

Increase FTE Position Authorization, section 4, page 36, line 29 by 2.0 FTE. This increase reflects the receipt of funds from the American Recovery and Reinvestment Act (ARRA) of 2009.

### ARTICLE 9, RELATING TO EDUCATION AID

Page 59, Line 13. Replace \$12,179,624 with \$12,209,624. The \$30,000 increase is reflected above in an amendment to Section 1 of Article 1.

Page 59, Line 34. Replace \$58,855,629 with \$58,870,629. The \$15,000 increase is reflected above in an amendment to Section 1 of Article 1.

Page 60, Line 1. Replace \$5,354,104 with \$5,414,104. The \$60,000 increase is reflected above in an amendment to Section 1 of Article 1.

**ARTICLE 19, RELATING TO THE AMERICAN RECOVERY AND REINVESTMENT ACT – BONDS**

The Governor requests that in Article 19, on page 110, line 34 the words “and taxable” be underlined to reflect that this is new language under this section. The underlining was lost in the transfer of the budget articles into the legislative system.

**NEW ARTICLE, RELATING TO INDUSTRIAL RECREATIONAL BUILDING AUTHORITY**

The Governor requests that a new article be included in the FY 2010 Supplemental Appropriations Act. This article will restore the debt authorization authority for the Industrial Recreational Building Authority from the present level of \$20,000,000 to the original authorized level of \$80,000,000.

**NEW ARTICLE, RELATING TO MEDICAID REFORM ACT**

The Governor requests that a new article be included in the FY 2010 Supplemental Appropriations Act for early consideration. This article requests General Assembly approval of amendments to the Global Consumer Choice Compact Waiver for FY 2010. The earlier this article is approved, the more likely the Department of Human Services is to achieve savings.

RBG:sm10-09

cc: Representative Robert A. Watson  
Senator Dennis L. Algieri  
Sharon Reynolds Ferland  
Peter Marino  
Tim Costa  
Michael Cronan  
Gregory Stack



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

To: File

From: Rosemary Booth Gallogly *RB Gallogly*  
Executive Director/Budget Officer

Date: January 9, 2010

Subject: New Article - Relating to RI Industrial Recreational Building Authority

Summary

This article amends the public law which was passed effective July 1, 2008 which limited the authority to insure principal balances up to \$80 million by changing it to \$20 million. This section will restore that authority to the \$80 million level in order to accommodate the forecasted needs.

Explanation of Sections

Section 1

This section amends the public law which was passed effective July 1, 2008 which limited the authority of the State to fund IRBA insurance of principal balances up to \$80 million by changing it to \$20 million. This section will restore that authority to the \$80 million level in order to accommodate the forecasted needs.

Section 2

This section sets the effective date of this article. This article will take effect upon passage.

Other Information

The RI Industrial Recreational Building Authority was created for the following purpose:

§ 42-34-2 Purpose. – (a) It is declared that a state-wide need exists for industrial buildings and the expansion, rehabilitation, renovation, and reconstruction of existing industrial buildings and additional machinery and equipment to provide enlarged opportunities for gainful employment by the people of Rhode Island and to thus insure the preservation and betterment of the economy of the state and its inhabitants. It is also declared that it is in the interest of the public welfare and purpose to promote the expansion and diversification of industry to increase employment, prevent or reduce

unemployment, and to provide a larger taxable base for the economy of the state of Rhode Island, and to generally promote economic development in Rhode Island. Therefore, the Rhode Island industrial building authority is created to encourage the making of mortgage loans for the purpose of furthering industrial expansion in the state, and, thus, improve the welfare of the public for the foregoing reasons and, by the stimulation of a larger flow of private investment funds from banks, building and loan associations, credit unions, savings and loan associations, insurance companies, and other financial institutions, including pension, retirement and profit-sharing funds, meet the need of new industrial plant expansion, the expansion, rehabilitation and renovation of existing industrial plants, and the acquisition of new machinery and equipment.

(b) It is further declared that there is a need for the abatement or control of pollution of the environment of the state which is necessary to protect the health and welfare of the inhabitants of the state, and in particular the abatement or control of pollution by industries now operating in the state or which may in the future operate in the state. The Rhode Island industrial authority shall also exist to encourage the making of mortgage loans to enable such industries to abate or control pollution.

(c) It is further declared that a state-wide need exists for new recreational buildings, facilities, developments, and improvements to preserve the health and welfare of the people and to better the economy of the state. It is also declared that it is in the interest of the public welfare and purpose to promote the expansion and diversification of our recreational facilities, to increase employment, and to provide a wider tax base. Therefore, the Rhode Island industrial-recreational authority is created to encourage the making of mortgage loans for the purpose of furthering recreational expansion in the state, and, thus, improve the welfare of the public for the foregoing reasons and, by the stimulation of a larger flow of private investment funds from banks, building and loan associations, credit unions, savings and loan associations, insurance companies, and other financial institutions, including pension, retirement and profit-sharing funds, meet the need of recreational plant expansion.

### **Mortgage Insurance Program**

RIEDC offers mortgage insurance through the Rhode Island Industrial - Recreational Building Authority (IRBA). The maximum amount a business can borrow through this program is \$5 million. The loan covers up to 90 percent on real estate, 80 percent of machinery and equipment, and 75 percent of tourist-travel recreation projects. Funds can be used for new building acquisitions, additions and rehabilitation of existing buildings and for new or used machinery and equipment. This program offers borrowers debt insurance on tax-free bonds, taxable bonds and conventional mortgages.

| Program   |  |
|---|--|
| Rhode Island Industrial / Recreational Building Authority Bond / Mortgage Insurance |  |
| Eligible Applicants   | Manufacturing, processing, office, wholesale, retail and travel-tourist facilities   |
| Dollar Limit  | Maximum: \$5 million   |
| Per Project   | Minimum: \$100,000   |
| Limit, Percent of project cost  | Real Estate: 90%<br>Machinery & Equipment: 80%<br>Tourist-Travel: 75%  |
| Approved Use of Funds   | New building acquisition or, additions/rehabilitation of existing buildings. New or used machinery & equipment.  |
| Interest Rates  | Bond issues – fixed or floating<br>Mortgages – floating  |
| Term of Repayment   | Normal terms for real estate: Maximum 25 years<br>Machinery & Equipment: Maximum 20 years  |
| Form of Financing   | Debt insurance on tax-free bonds, taxable bonds and conventional mortgages.<br>Ap Fee: \$250<br>Commitment Fee: 1%<br>Insurance Premiums: 1-3%, on average annual outstanding principal balance. |

### Financial Summary

At June 30, 2009 and 2008, the Authority had insured contractual principal and interest payments required under first mortgages and first security agreements principally for land and buildings of manufacturing and distribution entities located throughout RI. Principal balances insured at June 30, 2009 and 2008 were \$13,481,455 and \$10,946,868. During 2009, Neurotech received an insurance guarantee of \$4.0 million for its facility in Highland Park.

### Reason for Request to Restore \$80 million Authorization to Fund Guarantee Level

A review of the history of the IRBA bond program reveals demand for the program is cyclical. In strong economic times, demand for the program wanes as traditional financing is available, almost plentiful, elsewhere. However, demand increases during slower economic times as banks tighten credit and look for credit enhancements to reduce their risk. The unprecedented issues in banking and financial markets in the current economic downturn have caused lenders to be even more cautious than at any point in recent history. The IRBA guarantee program provides an enhancement to entice the banks to lend and also provides for much reduced rates to borrowers, allowing them the necessary financing to expand and hire new employees.

IRBA currently has outstanding guarantees of approximately \$13.4 million. There is one company that has recently been approved for a \$5.0 million guarantee for a new facility in the Quonset Industrial Park that will create 40 new jobs. This brings the total funds committed under the IRBA program to approximately 18.4 million. RIEDC is currently working with two attraction opportunities creating over 270 new jobs. The move to Rhode Island and the creation of these jobs will require \$10 million in IRBA guaranteed

financing. There are also companies within Rhode Island, that despite the down economy are expanding. RIEDC is currently working with three companies who currently employ more than 500 Rhode Islanders who are looking to expand their facilities and operations, creating over 135 new jobs. These expansion projects will require an additional \$9.7 million in IRBA guarantees. These are five projects that will create over 400 new jobs in the state, but will require IRBA guarantees of \$19.7 million which would bring the total committed under the IRBA program to approximately \$38.1 million within the next few months.

Under the American Recovery and Reinvestment Act of 2009, the Federal government has created a new tax-exempt facility bond known as Recovery Zone Facility Bonds. The advantage to this program over conventional tax-exempt bond financing is the new Recovery Zone Facility Bonds contain a rate subsidy that will reduce the effective interest rate paid by the borrower. Under this program, Rhode Island has been assigned a cap of approximately \$150 million in tax exempt bonds that can be issued to Rhode Island companies to construct or improve their facilities. It is expected that some of these bonds may also require credit enhancement from the IRBA program. The RIEDC estimates that approximately 20% of these bonds, or \$30 million, will require an IRBA guarantee to move forward.

The remaining \$11.9 million in IRBA guarantee authority requested is for future requests for IRBA guarantees. Given the current economic environment and the vast increase in requests over the past several months, the RIEDC believes that the current demand for this program will only increase over the next few years as the economy improves. The IRBA guarantee program provides the necessary incentive for lenders to finance the growth of businesses in a down economy and is a valuable tool in providing capital as Rhode Island companies begin to expand as our state, regional and national economies begin their recoveries.

IRBA is governed by a board appointed by the Governor and confirmed by the Senate.

**NEW ARTICLE**

**RELATING TO INDUSTRIAL RECREATIONAL BUILDING AUTHORITY**

SECTION 1. Section 5 of Article 1 in Chapter 100 of the Public Laws of 2008 is hereby amended to read as follows:

SECTION 5. (a) Extension of previous authorizations. The general assembly hereby extends by for an additional seven years the authorization granted to the Rhode Island Industrial Recreational Building Authority provided by Chapter 91 of the Public Laws of 1958, and Chapter 537, Section 3, of the Public Laws of 1987.

(b) Extinguishment of previous authorization. The general assembly hereby extinguishes as of June 30, 2008 the authority to issue the following debt authorization pursuant to the provisions of Section 35-8-25 of the general laws.

| <u>Purpose</u>  | <u>Statutory Reference</u> | <u>Authority</u> | <u>Amount to be Extinguished</u> |
|---|----------------------------|------------------|----------------------------------|
| Rhode Island Industrial Recreation Building Authority | Chapter 537 P.L. 1987      | \$80,000,000     | <del>\$60,000,000</del> \$0      |

SECTION 2. This article shall take effect upon passage.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUDGET OFFICE  
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To: Rosemary Booth Gallogly  
Executive Director/Budget Officer

From: Daniel R. Orgel  
Budget Analyst II

Date: January 26, 2010

Subject: New FY 2010 Article - Relating to Medicaid Reform Act

Summary and Description of Section 1

This article establishes the legal authority for the Departments of Human Services to undertake a series of programmatic reforms geared toward the restructuring of their respective Medicaid programs in FY 2010. Submission of this resolution is in conformance with RIGL 42-12.4-7, which imposes restrictions on proposed changes to Medicaid program(s) under the terms and conditions of the Global Consumer Choice Compact Section 1115 Demonstration (Global Waiver). Specifically, 42-12.4-7 mandates the prior assent of the General Assembly for any change that requires either “implementation of a rule or regulation or modification of a rule or regulation in existence prior to the demonstration” or “any Category II change or Category III change, as defined in the demonstration”. To this end, the article is presented in joint resolution format, with separate clauses for each measure proposed for FY 2010 requiring rule modification, rule implementation, and/or category II or III changes. These are listed below in order of appearance within the article, with the associated budgetary impact.

(a) *Pharmacy – SMAC Program for fee for service.* This section provides the authority for DHS to establish a state maximum allowable cost (SMAC) program for multi-source generic prescription drugs dispensed to Medicaid beneficiaries through fee for service delivery that furthers ongoing efforts to leverage the state’s purchasing power to obtain the best health outcomes at the best price. The implementation of this program requires a Category II change to the demonstration under the terms and conditions established under the Global Consumer Choice Compact Waiver. Resultant all-funds savings of \$250,000, or \$90,200 in general revenues are programmed in FY 2010.

(b) *Personal Choice and Habilitation Services Reform.* This section provides the authority for DHS to make changes to the personal choice and habilitation services programs, which will

ensure that appropriate, cost effective care is provided in the in the least restrictive setting with improved oversight and monitoring and a broader array of service alternatives. The reforms will require changes to the department of human services rules, regulations and procedures for these programs. Resultant all-funds savings of \$400,000 or \$144,320 in general revenues are programmed in FY 2010.

### **Description of Section 2**

This section sets forth the effective date of this article. This article will take place upon passage.

## NEW ARTICLE

### RELATING TO MEDICAID REFORM ACT

SECTION 1. This article shall serve as a Joint Resolution required pursuant to Rhode Island General Laws § 42-12.4-1, et seq.

WHEREAS, the general assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode Island Medicaid Reform Act of 2008”; and

WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that requires the implementation of a rule or regulation or modification of a rule or regulation in existence prior to the implementation of the global consumer choice section 1115 demonstration (“the demonstration”) shall require prior approval of the general assembly; and further provides that any category II change or category III change as defined in the demonstration shall also require prior approval to the general assembly; and

WHEREAS, Rhode Island General Law § 42-7.2-5 states that the secretary of the office of health and human services is responsible for the “review and coordination of any Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category I or II changes” as described in the demonstration, with “the potential to affect the scope, amount, or duration of publicly-funded health care services, provider payments or reimbursements, or access to or the availability of benefits and services provided by Rhode Island general and public laws”; and

WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is fiscally sound and sustainable, the secretary requests that the following proposals to amend the demonstration be approved by the general assembly for FY 2010:

(a) *Pharmacy – SMAC Program for fee for service.* The department of human services proposes to establish a state maximum allowable cost (SMAC) program for multi-source generic prescription drugs dispensed to Medicaid beneficiaries through fee for service delivery that furthers ongoing efforts to leverage the state’s purchasing power to obtain the best health

outcomes at the best price. The implementation of this program requires a Category II change to the demonstration under the terms and conditions established under the Global Consumer Choice Compact Waiver.

(b) *Personal Choice and Habilitation Services Reform.* The department of human services is proposing changes to in the personal choice and habilitation services programs, which will ensure that appropriate, cost effective care is provided in the in the least restrictive setting with improved oversight and monitoring and a broader array of service alternatives. The reforms will require changes to the department of human services rules, regulations and procedures for these programs. Now, therefore, be it

RESOLVED, that the general assembly hereby approves proposals (a) and (b) listed above to amend the demonstration; and be it further

RESOLVED, that the secretary of the office of health and human services is authorized to pursue and implement any such necessary waiver amendments, category II or category III changes, state plan amendments and/or changes to the applicable department's rules, regulations and procedures approved herein and as authorized by § 42-12.4-7.

SECTION 2. This article shall take effect upon passage.

**Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Appropriations Act, (10-H-7105)**

|   |                       | FY 2010                               |                                      |                                      |
|---|-----------------------|---------------------------------------|--------------------------------------|--------------------------------------|
|   | Page No./<br>Line No. | Original<br>Supplemental<br>Submittal | Governor's<br>February<br>Amendments | FY 2010<br>Supplemental<br>Recommend |
| <b>Department of Administration</b>     |                       |                                       |                                      |                                      |
| General                                 |                       |                                       |                                      |                                      |
| EDC – EPScore (Research Alliance)       | Page 5, Line 11       | 1,300,000                             | 200,000                              | 1,500,000                            |
| Motor Vehicle Excise Tax                | Page 5, Line 17       | 70,195,208                            | (1,603,263)                          | 68,591,945                           |
| Library Construction Aid                | Page 5, Line 23       | 2,844,547                             | (105,059)                            | 2,739,488                            |
| General Revenues Total                  | Page 5, Line 24       | 134,505,350                           | (1,508,322)                          | 132,997,028                          |
| Rhode Island Capital Plan Funds         |                       |                                       |                                      |                                      |
| Pastore Center Rehab. DOA               | Page 5, Line 31       | 1,222,755                             | (222,755)                            | 1,000,000                            |
| Pastore Utilities Upgrade               | Page 6, Line 11       | 1,649,335                             | (849,335)                            | 800,000                              |
| McCoy Stadium                           | Page 6, Line 13       | 1,255,487                             | (255,487)                            | 1,000,000                            |
| Rhode Island Captial Plan Funds Total   | Page 6, Line 20       | 29,555,681                            | (1,327,577)                          | 28,228,104                           |
| Total - General                         | Page 6, Line 21       | 165,440,028                           | (2,835,899)                          | 162,604,129                          |
| Debt Service Payments                   |                       |                                       |                                      |                                      |
| General Revenues                        | Page 6, Line 23       | 149,611,846                           | (346,500)                            | 149,265,346                          |
| Total - Debt Service Payments           | Page 6, Line 33       | 198,060,447                           | (346,500)                            | 197,713,947                          |
| Energy Resources                        |                       |                                       |                                      |                                      |
| Regional Greenhouse Gas Initiative      | Page 7, Line 7        | 11,407,013                            | (12,142)                             | 11,394,871                           |
| Renewable Energy Fund Administration    | Page 7, Line 8        | 0                                     | 12,142                               | 12,142                               |
| Restricted Receipts Total               | Page 7, Line 910      |                                       | <i>No Bottom Line Change</i>         |                                      |
| Personnel Savings                       |                       |                                       |                                      |                                      |
| General Revenues                        |                       |                                       |                                      |                                      |
| Pension Reform FY 2010                  | Page 7, Line 15       | (12,060,735)                          | 1,212,902                            | (10,847,833)                         |
| General Revenue Total                   | Page 7, Line 16       | (12,060,735)                          | 1,212,902                            | (10,847,833)                         |
| Federal Funds                           |                       |                                       |                                      |                                      |
| Pension Reform FY 2010                  | Page 7, Line 19       | (4,866,763)                           | 467,196                              | (4,399,567)                          |
| Federal Funds Total                     | Page 7, Line 20       | (4,866,763)                           | 467,196                              | (4,399,567)                          |
| Restricted Receipts                     |                       |                                       |                                      |                                      |
| Pension Reform FY 2010                  | Page 7, Line 23       | (915,191)                             | 93,408                               | (821,783)                            |
| Restricted Receipts Total               | Page 7, Line 24       | (915,191)                             | 93,408                               | (821,783)                            |
| Other Funds                             |                       |                                       |                                      |                                      |
| Pension Reform FY 2010                  | Page 7, Line 27       | (2,282,099)                           | 218,660                              | (2,063,439)                          |
| Other Funds Total                       | Page 7, Line 28       | (2,282,099)                           | 218,660                              | (2,063,439)                          |
| Total - Personnel Savings               | Page 7, Line 29       | (20,124,788)                          | 1,992,166                            | (18,132,622)                         |
| Grand Total - General Revenues          | Page 8, Line 2        | 366,295,408                           | (641,920)                            | 365,653,488                          |
| Grand Total - Administration            | Page 8, Line 3        | 556,422,155                           | (1,190,233)                          | 555,231,922                          |
| <b>Department of Labor and Training</b> |                       |                                       |                                      |                                      |
| Income Support                          |                       |                                       |                                      |                                      |
| Federal Funds - Stimulus - UI           | Page 9, Line 15       | 222,200,000                           | 41,397,000                           | 263,597,000                          |
| Other Funds                             |                       |                                       |                                      |                                      |
| Employment Security Fund                | Page 9, Line 19       | 491,012,920                           | 32,800,000                           | 523,812,920                          |
| Total - Income Support                  | Page 9, Line 21       | 903,190,405                           | 74,197,000                           | 977,387,405                          |
| Grand Total - Labor and Training        | Page 9, Line 29       | 967,865,542                           | 74,197,000                           | 1,042,062,542                        |
| <b>Office of the General Treasurer</b>  |                       |                                       |                                      |                                      |
| Unclaimed Property                      |                       |                                       |                                      |                                      |
| Restricted Receipts                     | Page 12, Line 12      | 15,377,146                            | 855,000                              | 16,232,146                           |
| Total - Unclaimed Property              | Page 12, Line 13      | 15,377,146                            | 855,000                              | 16,232,146                           |

**Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Appropriations Act, (10-H-7105)**

|  | Page No./<br>Line No.         | FY 2010<br>Original<br>Supplemental<br>Submittal | Governor's<br>February<br>Amendments | FY 2010<br>Supplemental<br>Recommend |
|--|-------------------------------|--|--------------------------------------|--------------------------------------|
| Grand Total - General Treasurer                          | Page 12, Line 24              | 31,119,777                                       | 855,000                              | 31,974,777                           |
| <b>Public Utilities Commission</b>                       |                               |  |                                      |                                      |
| Federal Funds  | Page 13, Line 17              | 98,830   | (2,300)                              | 96,530                               |
| Insert "Federal Funds - Stimulus" after "Federal Funds", | Page 13, Line 17              | 0  | 107,334                              | 107,334                              |
| Restricted Receipts                                      | Page 13, Line 18              | 7,168,617  | (50,450)                             | 7,118,167                            |
| Grand Total - Public Utilities Commission                | Page 13, Line 19              | 7,267,447  | 54,584                               | 7,322,031                            |
| <b>Department of Children, Youth, and Families</b>       |                               |  |                                      |                                      |
| Juvenile Correctional Services                           |                               |  |                                      |                                      |
| Federal Funds  | Page 14, Line 10              | 2,203,802  | 131,832                              | 2,335,634                            |
| Federal Funds- Stimulus                                  | Page 14, Line 11              | 424,542  | 107,500                              | 532,042                              |
| Total Juvenile Correctional Services                     | Page 14, Line 13              | 34,342,395                                       | 239,332                              | 34,581,727                           |
| Child Welfare  |                               |  |                                      |                                      |
| Federal Funds  | Page 14, Line 20              | 55,145,056                                       | 80,000                               | 55,225,056                           |
| Federal Funds Total                                      | Page 14, Line 22              | 59,329,653                                       | 80,000                               | 59,409,653                           |
| Total Child Welfare                                      | Page 14, Line 29              | 174,389,963                                      | 80,000                               | 174,469,963                          |
| Grand Total- Children, Youth, and Families               | Page 14, Line 34              | 241,716,662                                      | 319,332                              | 242,035,994                          |
| <b>Department of Elderly Affairs</b>                     |                               |  |                                      |                                      |
| General Revenue  |                               |  |                                      |                                      |
| RIPAE  | Page 15, Line 4               | 827,815  | 433,331                              | 1,261,146                            |
| General Revenue Total                                    | Page 15, Line 6               | 9,507,654  | 433,331                              | 9,940,985                            |
| Federal Funds  | Page 15, Line 7               | 16,879,384                                       | (97,137)                             | 16,782,247                           |
| Restricted Receipts                                      | Page 15, Line 9               | 792,115  | (433,331)                            | 358,784                              |
| Grand Total - General Revenues                           | Page 15, Line 10              | 9,507,654  | 433,331                              | 9,940,985                            |
| Grand Total - Elderly Affairs                            | Page 15, Line 11              | 28,546,556                                       | (97,137)                             | 28,449,419                           |
| <b>Department of Health</b>                              |                               |  |                                      |                                      |
| Central Management                                       |                               |  |                                      |                                      |
| Restricted Receipts                                      | Page 15, Line 16              | 2,589,736  | 554,333                              | 3,144,069                            |
| Total - Central Management                               | Page 15, Line 17              | 23,386,558                                       | 554,333                              | 23,940,891                           |
| Community and Family Health and Equity                   |                               |  |                                      |                                      |
| Federal Funds  | Page 16, Line 4               | 59,550,585                                       | 344,311                              | 59,894,896                           |
| Federal Stimulus   | Page 16, Line 5               | 610,928  | 147,488                              | 758,416                              |
| Total - Community and Family Health and Equity           | Page 16, Line 12              | 83,683,996                                       | 491,799                              | 84,175,795                           |
| Infectious Disease and Epidemiology                      |                               |  |                                      |                                      |
| Insert "Federal Funds - Stimulus" after "Federal Funds", | Page 16, Line 15              | 0  | 201,830                              | 201,830                              |
| Total - Infectious Disease and Epidemiology              | Page 16, Line 16              | 4,425,445  | 201,830                              | 4,627,275                            |
| Grand Total - Health                                     | Page 16, Line 18              | 142,659,851                                      | 1,247,962                            | 143,907,813                          |
| <b>Department of Human Services</b>                      |                               |  |                                      |                                      |
| Individual and Family Support                            |                               |  |                                      |                                      |
| Federal Funds- Stimulus                                  | Page 16, Line 34              | 3,298,896  | 185,000                              | 3,483,896                            |
| Intermodal Surface Transportation Fund                   | Page 17, Line 4               | 4,057,038  | 127,962                              | 4,185,000                            |
| Total- Individual and Family Support                     | Page 17, Line 9               | 87,174,524                                       | 312,962                              | 87,487,486                           |
| Health Care Quality, Financing and Purchasing            |                               |  |                                      |                                      |
| Federal Funds - Stimulus                                 | Page 17, Insert after Line 17 | 0  | 1,600,000                            | 1,600,000                            |
| Total- Health Care Quality, Financing & Purchasing       | Page 17, Line 20              | 63,849,256                                       | 1,600,000                            | 65,449,256                           |

**Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Appropriations Act, (10-H-7105)**

|   |                               | FY 2010<br>Original<br>Supplemental<br>Submittal | Governor's<br>February<br>Amendments | FY 2010<br>Supplemental<br>Recommend |
|---|-------------------------------|--|--------------------------------------|--------------------------------------|
| Grand Total- Human Services                             | Page 18, Line 30              | 2,043,113,698                                    | 1,912,962                            | 2,045,026,660                        |
| <b>Mental Health, Retardation, and Hospitals</b>        |                               |  |                                      |                                      |
| Services for the Developmentally Disabled               |                               |  |                                      |                                      |
| Rhode Island Capital Plan Funds                         |                               |  |                                      |                                      |
| Regional Center Repair/Rehabilitation                   | page 19, Line 18              | 1,333,196  | (333,196)                            | 1,000,000                            |
| Rhode Island Capital Plan Funds Total                   | page 19, Line 21              | 3,173,617  | (333,196)                            | 2,840,421                            |
| Total - Svs. For the Developmentally Disabled           | page 19, Line 22              | 243,678,499                                      | (333,196)                            | 243,345,303                          |
| Hospital and Community Rehabilitative Services          |                               |  |                                      |                                      |
| Rhode Island Capital Plan Funds                         |                               |  |                                      |                                      |
| Hospital Consolidation                                  | page 20, Line 6               | 550,000  | 120,000                              | 670,000                              |
| Rhode Island Capital Plan Funds Total                   | page 20, Line 8               | 2,177,000  | 120,000                              | 2,297,000                            |
| Total - Hospital and Community Rehabilitative Svcs      | page 20, Line 9               | 97,798,151                                       | 120,000                              | 97,918,151                           |
| Grand Total - Mental Health, Retardation and Hosp       | page 20, Line 20              | 460,770,670                                      | (213,196)                            | 460,557,474                          |
| <b>Department of Elementary and Secondary Education</b> |                               |  |                                      |                                      |
| Administration of the Comprehensive Education Strategy  |                               |  |                                      |                                      |
| Federal Funds   | Page 21, Line 10              | 191,598,663                                      | 175,000                              | 191,773,663                          |
| Total-ACES  | Page 21, Line 24              | 291,237,828                                      | 175,000                              | 291,412,828                          |
| Davies Career and Technical School                      |                               |  |                                      |                                      |
| Federal Funds   | Page 21, Line 27              | 1,491,637  | 5,500                                | 1,497,137                            |
| Total-Davies Career and Technical School                | Page 22, Line 1               | 17,881,936                                       | 5,500                                | 17,887,436                           |
| RI School for the Deaf                                  |                               |  |                                      |                                      |
| Federal Funds   | Page 22, Line 4               | 376,108  | 10,000                               | 386,108                              |
| Total-RI School for the Deaf                            | Page 22, Line 7               | 7,176,810  | 10,000                               | 7,186,810                            |
| Education Aid   |                               |  |                                      |                                      |
| General Revenues  | Page 22, Line 17              | 581,568,070                                      | (19,304)                             | 581,548,766                          |
| Federal Funds   | Page 22, Insert after line 17 | 0  | 67,046                               | 67,046                               |
| Total - Education Aid                                   | Page 22, Line 20              | 634,161,080                                      | 47,742                               | 634,208,822                          |
| Grand Total - General Revenue Funds                     | Page 22, Line 33              | 794,712,313                                      | (19,304)                             | 794,693,009                          |
| Grand total - Elementary and Secondary Education        | Page 22, Line 34              | 1,130,483,456                                    | 238,242                              | 1,130,721,698                        |
| <b>Public Higher Education</b>                          |                               |  |                                      |                                      |
| University of Rhode Island                              |                               |  |                                      |                                      |
| Federal Funds   |                               |  |                                      |                                      |
| Stimulus Byrne Grant - Crime Lab                        | Page 21, new line 35          | 0  | 125,076                              | 125,076                              |
| Federal Funds Total                                     | Page 21, new line 36          | 7,171,090  | 125,076                              | 7,296,166                            |
| Other Funds   |                               |  |                                      |                                      |
| Debt - URI Energy Conservation Payments                 | Page 22, Line 10              | 2,133,127  | (798,406)                            | 1,334,721                            |
| Total - Other Funds                                     | Page 22, Line 12              | 520,414,296                                      | (798,406)                            | 519,615,890                          |
| Rhode Island Capital Plan Funds                         |                               |  |                                      |                                      |
| New Chemistry Building                                  | Page 22, line 15              | 300,000  | 1,000,000                            | 1,300,000                            |
| Rhode Island Capital Plan Funds Total                   | Page 22, line 18              | 7,809,730  | 1,000,000                            | 8,809,730                            |
| Total - University of Rhode Island                      | Page 22, line 19              | 607,292,950                                      | 326,670                              | 607,619,620                          |
| Rhode Island College                                    |                               |  |                                      |                                      |
| Other Funds   |                               |  |                                      |                                      |
| Debt-Housing  | Page 22, line 32              | 2,021,004  | (1,608,426)                          | 412,578                              |
| Debt - G.O. Debt Services                               | Page 22, line 36              | 2,500,536  | (892,110)                            | 1,608,426                            |
| Other Funds Total                                       | Page 22, line 37              | 100,875,899                                      | (2,500,536)                          | 98,375,363                           |

**Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Appropriations Act, (10-H-7105)**

|   |                               | <b>FY 2010</b>                                 |   |   |
|---|-------------------------------|--|---|---|
|   | <b>Page No./<br/>Line No.</b> | <b>Original<br/>Supplemental<br/>Submittal</b> | <b>Governor's<br/>February<br/>Amendments</b> | <b>FY 2010<br/>Supplemental<br/>Recommend</b> |
| Rhode Island Capital Plan Funds                       |                               |  |   |   |
| New Art Center  | Page 23, new line 3           | 0  | 500,000                                       | 500,000                                       |
| Total - Rhode Island College                          | Page 23, line 36              | 149,458,329                                    | (2,000,536)                                   | 147,457,793                                   |
| <br>Grand Total - Public Higher Education             | <br>Page 23, Line 28          | <br>898,783,361                                | <br>(1,673,866)                               | <br>897,109,495                               |
| <b>Attorney General</b>                               |                               |  |   |   |
| Criminal  |                               |  |   |   |
| General Revenues                                      | Page 26, Line 32              | 12,273,721                                     | (37,500)                                      | 12,236,221                                    |
| Federal Funds   | Page 26, Line 33              | 1,252,332                                      | (64,877)                                      | 1,187,455                                     |
| Federal Funds- Stimulus                               | Page 26, Line 34              | 606,770  | 64,877  | 671,647                                       |
| Restricted Receipts                                   | Page 27, Line 1               | 401,627  | 40,000  | 441,627                                       |
| Total- Criminal                                       | Page 27, Line 2               | 14,534,450                                     | 2,500   | 14,536,950                                    |
| <br>Bureau of Criminal Identification                 |                               |  |   |   |
| Federal Funds   | Page 27, Line 9               | 62,050   | 25,209  | 87,259  |
| Total- Bureau of Criminal Identification              | Page 27, Line 10              | 1,087,627                                      | 25,209  | 1,112,836                                     |
| <br>Grand Total- General Revenue Funds                | <br>Page 27, Line 17          | <br>20,108,466                                 | <br>(37,500)                                  | <br>20,070,966                                |
| <br>Grand Total- Attorney General                     | <br>Page 27, Line 18          | <br>23,846,600                                 | <br>27,709                                    | <br>23,874,309                                |
| <b>Department of Corrections</b>                      |                               |  |   |   |
| Community Corrections                                 |                               |  |   |   |
| Federal Funds - Stimulus                              | Page 28, Line 9               | 359,167  | 58,833  | 418,000                                       |
| Restricted Receipts                                   | Page 28, insert after Line 9  | 0  | 94,000  | 94,000  |
| Total-Community Corrections                           | Page 28, Line 10              | 14,012,863                                     | 152,833                                       | 14,165,696                                    |
| Grand Total-Corrections                               | Page 28, Line 12              | 186,186,472                                    | 152,833                                       | 186,339,305                                   |
| <br><b>Department of Public Safety</b>                |                               |  |   |   |
| State Police  |                               |  |   |   |
| General Revenue                                       | Page 31, Line 4               | 43,313,925                                     | 93,806  | 43,407,731                                    |
| Federal Funds - Stimulus - State Fiscal Stabilization | Page 31, Line 7               | 10,111,475                                     | (94,348)                                      | 10,017,127                                    |
| Restricted Receipts                                   | Page 31, Line 8               | 570,694  | 162,462                                       | 733,156                                       |
| Rhode Island Capital Plan Funds                       |                               |  |   |   |
| Barrack & Training                                    | Page 31, Line 10              | 1,144,490                                      | (300,000)                                     | 844,490                                       |
| Rhode Island Capital Plan Funds Total                 | Page 31, Line 16              | 22,654,865                                     | (300,000)                                     | 22,354,865                                    |
| Total- State Police                                   | Page 31, Line 23              | 84,177,141                                     | (138,080)                                     | 84,039,061                                    |
| Grand Total - General Revenue Funds                   | Page 31, Line 24              | 54,730,566                                     | 93,806  | 54,824,372                                    |
| Grand Total - Public Safety                           | Page 31, Line 25              | 103,460,304                                    | (138,080)                                     | 103,322,224                                   |
| <br><b>Office of Public Defender</b>                  |                               |  |   |   |
| Federal Funds   | Page 31, Line 28              | 304,762  | 10,203  | 314,965                                       |
| Federal Funds -Stimulus                               | Page 31, Line 29              | 76,561   | (10,203)                                      | 66,358  |
| Grand Total-Office of Public Defender                 | Page 31, Line 30              | 9,585,748                                      | 0   | 9,585,748                                     |
| <br><b>Department of Environmental Management</b>     |                               |  |   |   |
| Natural Resources                                     |                               |  |   |   |
| Federal Funds   | Page 32, Line 5               | 20,344,133                                     | 700,000                                       | 21,044,133                                    |
| Restricted Receipts                                   | Page 32, Line 6               | 3,562,784                                      | 100,000                                       | 3,662,784                                     |
| Total- Natural Resources                              | Page 32, Line 19              | 48,286,565                                     | 800,000                                       | 49,086,565                                    |
| Grand Total - Environmental Management                | Page 32, Line 34              | 94,223,648                                     | 800,000                                       | 95,023,648                                    |
| <br><b>Department of Transportation</b>               |                               |  |   |   |
| Central Management                                    |                               |  |   |   |

**Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Appropriations Act, (10-H-7105)**

|   |                  | FY 2010<br>Original<br>Supplemental<br>Submittal | Governor's<br>February<br>Amendments | FY 2010<br>Supplemental<br>Recommend |
|---|------------------|--|--------------------------------------|--------------------------------------|
| Federal Funds                               | Page 33, Line 21 | 14,491,306                                       | 31,627                               | 14,522,933                           |
| Total-Central Management                    | Page 33, Line 25 | 15,675,548                                       | 31,627                               | 15,707,175                           |
| Infrastructure Engineering                  |                  |  |                                      |                                      |
| Federal Funds - Stimulus                    | Page 33, Line 33 | 65,443,455                                       | 200,000                              | 65,643,455                           |
| Other Funds                                 |                  |  |                                      |                                      |
| Gasoline Tax                                | Page 34, Line 2  | 50,396,806                                       | 1,170,793                            | 51,567,599                           |
| Other Funds Total                           | Page 34, Line 6  | 53,884,806                                       | 1,170,793                            | 55,055,599                           |
| Total -Infrastructure Engineering           | Page 34, Line 11 | 361,158,019                                      | 1,370,793                            | 362,528,812                          |
| Infrastructure Maintenance                  |                  |  |                                      |                                      |
| Other Funds                                 |                  |  |                                      |                                      |
| Gasoline Tax                                | Page 34, Line 14 | 33,301,825                                       | 1,967,930                            | 35,269,755                           |
| Other Funds Total                           | Page 34, Line 17 | 33,666,825                                       | 1,967,930                            | 35,634,755                           |
| Total Infrastructure Maintenance            | Page 34, Line 25 | 36,539,460                                       | 1,967,930                            | 38,507,390                           |
| Grand Total-Department of Transportation    | Page 34, Line 26 | 414,730,019                                      | 3,370,350                            | 418,100,369                          |
| <b>Statewide Totals</b>                     |                  |  |                                      |                                      |
| General Revenue Total                       | Page 32 line 1   | 2,845,111,864                                    | (171,587)                            | 2,844,940,277                        |
| Federal Funds Total                         | Page 32 line 2   | 2,989,072,030                                    | 45,973,997                           | 3,035,046,027                        |
| Restricted Receipt Total                    | Page 32 line 3   | 174,763,421                                      | 1,415,422                            | 176,178,843                          |
| Other Funds Total                           | Page 32 line 4   | 1,827,659,082                                    | 32,645,630                           | 1,860,304,712                        |
| Statewide Grand Total                       | Page 32 line 5   | 7,836,606,397                                    | 79,863,462                           | 7,916,469,859                        |
| <b>Internal Service Funds</b>               |                  |  |                                      |                                      |
| State Central Mail Internal Service Account | Page 35, Line 15 | 5,258,821  | (60,478)                             | 5,198,343                            |

**Summary of Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Act (10-H-7105)**

| Department/Item  | General Revenue | Federal Funds | Restricted Receipts | Other Funds   | Total         |
|--|-----------------|---------------|---------------------|---------------|---------------|
| <b>Supplemental FY 2010 Recommend (Gov's original Recommendation)</b>                  |                 |               |                     |               |               |
|  | 2,845,111,864   | 2,989,072,030 | 174,763,421         | 1,827,659,082 | 7,836,606,397 |
| <b>January Amendments</b>  |                 |               |                     |               |               |
| <b>Department of Administration</b>  |                 |               |                     |               |               |
| EDC - EPScore (Research Alliance)  | 200,000         | -             | -                   | -             | 200,000       |
| Motor Vehicle Excise Tax   | (1,603,263)     | -             | -                   | -             | (1,603,263)   |
| Library Construction Aid   | (105,059)       | -             | -                   | -             | (105,059)     |
| Performance Based Debt   | (348,500)       | -             | -                   | -             | (348,500)     |
| FY 2010 Pension  | 1,212,902       | 467,196       | 93,408              | 218,660       | 1,992,166     |
| Energy Resources Restricted Receipts Budget Change                                     | -               | -             | -                   | -             | -             |
| RICAP - McCoy Stadium  | -               | -             | -                   | (255,487)     | (255,487)     |
| RICAP - Pastore Center Utilities   | -               | -             | -                   | (849,335)     | (849,335)     |
| RICAP - Pastore Center Rehab - DOA Portion   | -               | -             | -                   | (222,755)     | (222,755)     |
| <b>Labor and Training</b>  |                 |               |                     |               |               |
| Stimulus Funding - Unemployment Insurance  | -               | 41,397,000    | -                   | -             | 41,397,000    |
| Employment Security Trust Fund   | -               | -             | -                   | 32,800,000    | 32,800,000    |
| <b>Office of the General Treasurer</b>   |                 |               |                     |               |               |
| Correct Unclaimed Property Expenditures  | -               | -             | 855,000             | -             | 855,000       |
| <b>Public Utilities Commission</b>   |                 |               |                     |               |               |
| Elimination of Out-of-State Travel (Federal Funds)                                     | -               | (2,300)       | -                   | -             | (2,300)       |
| Stimulus Funding - State Electricity Regulators Assistance                             | -               | 107,334       | -                   | -             | 107,334       |
| Elimination of Out-of-State Travel (Restricted Receipts)                               | -               | -             | (50,450)            | -             | (50,450)      |
| <b>Department of Children, Youth &amp; Families</b>                                    |                 |               |                     |               |               |
| Stimulus- IDEA Part B  | -               | 107,500       | -                   | -             | 107,500       |
| Byrne Formula Grant  | -               | 131,832       | -                   | -             | 131,832       |
| Nurse-Family Partnership   | -               | 80,000        | -                   | -             | 80,000        |
| <b>Department of Elderly Affairs</b>   |                 |               |                     |               |               |
| RIPAE Formulary Revised Cost Based on Q2 Available Rebate Resources                    | 433,331         | -             | (433,331)           | -             | -             |
| Duplicated Federal Funding for One FTE Transferred to EOHHS                            | -               | (97,137)      | -                   | -             | (97,137)      |
| <b>Department of Health</b>  |                 |               |                     |               |               |
| FY 2009 Pandemic Flu Expired Costs   | -               | -             | 554,333             | -             | 554,333       |
| Federal ARRA (Stimulus) funds for epidemiology and lab capacity for infectious disease | -               | 201,830       | -                   | -             | 201,830       |
| New Federal Grant - Autism State Implementation  | -               | 250,000       | -                   | -             | 250,000       |
| New Federal Grant - Healthy Housing Pilot Program                                      | -               | 94,311        | -                   | -             | 94,311        |
| Federal ARRA (Stimulus) funds for Women, Infant and Children (WIC) Program             | -               | 147,488       | -                   | -             | 147,488       |
| <b>Human Services</b>  |                 |               |                     |               |               |
| Stimulus- Emergency Food Assistance (TEFAP)  | -               | 185,000       | -                   | -             | 185,000       |
| Stimulus- IDEA Part C (Early Intervention)   | -               | 1,600,000     | -                   | -             | 1,600,000     |
| RIDE- Gas Tax Revision   | -               | -             | 127,962             | -             | 127,962       |
| <b>Mental Health, Retardation and Hospitals</b>  |                 |               |                     |               |               |
| RICAP - Regional Centers   | -               | -             | -                   | (333,196)     | (333,196)     |
| RICAP - Hospital Consolidation   | -               | -             | -                   | 120,000       | 120,000       |

**Summary of Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Act (10-H-7105)**

| Department/Item   | General Revenue | Federal Funds | Restricted Receipts | Other Funds | Total       |
|---|-----------------|---------------|---------------------|-------------|-------------|
| <b>Department of Elementary &amp; Secondary Education</b>       |                 |               |                     |             |             |
| Federal Cap Increases (2 in ACES)                               |                 | 175,000       |                     |             | 175,000     |
| Federal Cap Increases (1 in Deaf)                               |                 | 10,000        |                     |             | 10,000      |
| Federal Cap Increases (1 in Davies)                             |                 | 5,500         |                     |             | 5,500       |
| Federal Cap Increases (1 in Education Aid)                      |                 | 67,046        |                     |             | 67,046      |
| Group Home Bed Update   | 105,000         |               |                     |             | 105,000     |
| Charter Aid Update  | (118,165)       |               |                     |             | (118,165)   |
| Non-Public Textbook Update                                      | (6,139)         |               |                     |             | (6,139)     |
| <b>Public Higher Education</b>                                  |                 |               |                     |             |             |
| Federal Stimulus Addition                                       |                 | 125,076       |                     |             | 125,076     |
| URI - Energy Conservation Debt Service                          |                 |               |                     | (798,406)   | (798,406)   |
| RIC Debt Service Change - Housing                               |                 |               |                     | (1,608,426) | (1,608,426) |
| RIC G.O. Debt Service   |                 |               |                     | (892,110)   | (892,110)   |
| RICAP - URI Chemistry Building                                  |                 |               |                     | 1,000,000   | 1,000,000   |
| RICAP - RIC New Arts Center                                     |                 |               |                     | 500,000     | 500,000     |
| <b>Attorney General</b>   |                 |               |                     |             |             |
| Drug Market Intervention Initiative                             | (37,500)        | 25,209        | 40,000              |             | 2,500       |
| NCHIP   |                 |               |                     |             | 25,209      |
| Drug Court from Federal to Stimulus Acct                        |                 |               |                     |             | -           |
| <b>Department of Corrections</b>                                |                 |               |                     |             |             |
| Drug Market Intervention Initiative                             |                 | 58,833        | 94,000              |             | 94,000      |
| Probation/Drug Court  |                 |               |                     |             | 58,833      |
| <b>Department of Public Safety</b>                              |                 |               |                     |             |             |
| Forfeited Property - Retained                                   |                 |               | 162,462             |             | 162,462     |
| Patrol Division   | 93,806          |               |                     |             | 93,806      |
| Stimulus - Stabilization - Patrol Division                      |                 | (94,348)      |                     |             | (94,348)    |
| RICAP - Barracks and Training Facility                          |                 |               |                     | (300,000)   | (300,000)   |
| <b>Office of the Public Defender</b>                            |                 |               |                     |             |             |
| Account title change  |                 |               |                     |             |             |
| From: 4549101-Caseload Reduction                                |                 | (10,203)      |                     |             | (10,203)    |
| To: 3525104-Byrne Caseload Reduction                            |                 | 10,203        |                     |             | 10,203      |
| <b>Department of Environmental Management</b>                   |                 |               |                     |             |             |
| Bureau of Outdoor Recreation Projects                           |                 | 700,000       | 100,000             |             | 700,000     |
| Salt Water Fishing License                                      |                 |               |                     |             | 100,000     |
| <b>Department of Transportation</b>                             |                 |               |                     |             |             |
| Central Management Principal Research Technician                |                 | 31,627        |                     |             | 31,627      |
| Federal ARRA (Stimulus) funds for Training and Support Services |                 | 200,000       |                     |             | 200,000     |
| Gas Tax Estimate Change Pass-through to RIPTA                   |                 |               |                     | 49,821      | 49,821      |
| Gas Tax Estimate Change UST Fund to RIPTA                       |                 |               |                     | 921,688     | 921,688     |
| Gas Tax Estimate Change Pass-through for GARVEE                 |                 |               |                     | 199,284     | 199,284     |
| Gas Tax Estimate Change Adjust Offset for Revenue Shortfall     |                 |               |                     | 1,967,930   | 1,967,930   |
| <b>Internal Service Funds</b>                                   |                 |               |                     |             |             |

**Summary of Governor's Article 1, Section 1 January Amendments to FY 2010 Supplemental Act (10-H-7105)**

| Department/Item   | General Revenue | Federal Funds | Restricted Receipts | Other Funds   | Total         |
|---|-----------------|---------------|---------------------|---------------|---------------|
| Eliminate 2.0 FTEs in Central Mailroom                  | -               | -             | -                   | (60,478)      | (60,478)      |
| <b>Total - Governor's January Amendments to FY 2010</b> | (171,587)       | 45,973,997    | 1,415,422           | 32,585,152    | 79,802,984    |
| <b>Total Recommended Spending</b>                       | 2,844,940,277   | 3,035,046,027 | 176,178,843         | 1,860,244,234 | 7,916,409,381 |