



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 *R. Gallogly*
Executive Director/State Budget Officer

Date: June 2, 2009

Subject: Additional Amendments to Chapter 005 of P.L. of 2009, An Act Making Revised Appropriations For The Support Of The State For The Fiscal Year Ending June 30, 2009

The Governor requests several additional critical amendments be made to the FY 2009 Supplemental Appropriations Act, which was enacted on April 10, 2009 as Chapter 005 of the Public Laws of 2009. The amendments requested below are *in addition to* the amendments requested on May 5, 2009. The most significant amendment shifts the Federal State Stabilization funds in FY 2009 from the Department of Public Safety to the Department of Corrections, and reduces the amount from \$30.0 to \$20.0 million. This request is being made to take advantage of the maximum amount of award available for FY 2009 and more easily utilize the funds allowed for the period from April 1, 2009 to June 30, 2009. The Department of Corrections costs are more significant and more concentrated and, therefore, require fewer federal stimulus accounts to be established to record programmatic expenditures. The amendments also reflect the following:

- the results of the May Caseload Estimating Conference (\$5.5 million);
- additional caseload costs for TANF populations served under the state only category prior to October 1, 2009 (\$2.8 million); and
- the funds necessary to restore co-sharing to 150% FPL and co-share amounts to the July 18, 2008 levels as required to ensure enhanced FMAP under ARRA (\$0.1 million) (see letter dated May 28, 2009);
- reductions in appropriations of certain agencies as a result of surpluses projected in the third quarter report that was issued on May 15, 2009.

- creation of a restricted receipt account, similar to the Auditor General's Single Audit restricted receipt account, which will receive 0.05 percent of the federal stimulus funds for central administrative expenses associated with ARRA as allowed by the Office of Management and Budget Memorandum 09-18. A new article is also enclosed within this memorandum requesting authorization to establish this new restricted receipt account and to exempt it from the indirect cost recovery assessment on restricted accounts.

The amendments requested to appropriations in the revised Article 1, which was transmitted by letter dated May 5, 2009, are described below. The attachments provided also include a list of natural account code changes required, consistent with the amendments to the FY 2009 appropriation amounts. We will be providing your offices the detailed database which incorporates these changes into the May 5th Article 1 amendments.

ARTICLE 1, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2009

SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2009

Department of Administration

Decrease General Revenues in the Facilities Management Program, page 2, line 6 by \$632,149 and increase Federal Funds, page 2, line 7 by \$116,152, Restricted Receipts, page 2, line 8 by \$99,774, and Other Funds, page 2, line 9 by \$416,223. These changes reflect the anticipated general revenue savings in Facilities Management due to increased FMAP percentages for allocated services available through ARRA.

Increase Federal Funds in the Information Technology Program, page 2, line 17 by \$100,000. This increase is for the INRHODES project which reflects the total federal funding anticipated to be received from the Department of Human Services for IT services provided to this program.

Increase Federal Highway – PL Systems Planning Other Funds in the Planning Program, page 2, line 30 by \$3,500. This increase aligns the budget with the total funding available from the Department of Transportation for FY 2009.

Increase State Employees/Teachers Retiree Health Subsidy General Revenue in the General Program, page 3, line 16 by \$600,000. This increase is based on an analysis by the Controller's office of the projected status of the fund at year-end. An additional \$600,000 is projected to be needed to keep the fund in balance.

Department of Labor and Training

Shift Federal Funds between accounts in the Workforce Development Services Program, page 6, line 14. This reflects decreases to WIA Office-Youth (\$231,045) and Disabled Veterans Outreach (\$212,101) and offsetting increases to WIA Office-Dislocated Worker (\$231,045) and Local Veterans Employment (\$212,101).

Office of Governor

Insert "Restricted Receipts \$581,484", page 10, after line 2. In accordance with the latest guidance from the Federal Government with regards to administration of American Recovery and Reinvestment Act funds, the Governor's Office of Economic Recovery and Reinvestment is authorized to receive up to 0.5% of stimulus funding to cover oversight expenses. These funds will be received in the same manner that the Auditor General assesses federal accounts to support their work on the State's Single Audit for federal programs. The stimulus accounts will be assessed a charge for administrative support costs, the proceeds from which will be deposited in a restricted receipt account within the Governor's Office. This amendment requests the establishment of this new line item and account within the Governor's Office and to provide a budget to cover staff and consultant costs incurred from the inception of the OERR through June 30, 2009. (An article requesting the authorization to establish this new account and to exempt it from the indirect cost recovery assessment accompanies this memorandum).

Executive Office of Health and Human Services

Decrease General Revenues, page 10, line 16 by \$174,437. This amendment reflects the transfer of costs for 3.0 FTE to the Governor's Office of Economic Recovery and Reinvestment. These employees have been reassigned to administer the American Recovery and Reinvestment Act funds.

Decrease Federal Funds, page 10, line 17 by \$20,465. This amendment reflects the transfer of costs for 3.0 FTE to the Governor's Office of Economic Recovery and Reinvestment. These employees have been reassigned to administer the American Recovery and Reinvestment Act funds.

Department of Children, Youth & Families

Insert "Other Funds- RICAP- Rhode Island Training School", page 10, after line 37 in the amount of \$910,298. These additional resources will be used to complete the finishing work on the new Rhode Island Training School for Youth and payments that will finalize the vendor contracts associated with this project.

Department of Health

Increase General Revenues in the Central Management Program, page 12, line 3 by \$182,398. This increase consists of the following: a) it finances unusual and extraordinary costs incurred for the H1N1 (Swine Flu) virus for salary and benefits of \$49,000 and operating supplies and expense of \$6,700; and b) restores general revenue funding of \$126,698 for community health centers under the category of costs not otherwise matchable for Medicaid (CNOM) for a portion of the fiscal year, as reported in department's third quarter report. The original general revenue reduction for the CNOM was \$270,451.

Increase Federal Funds in the Central Management Program, page 12, line 4 by \$1,230,436. This increase adjusts for unspent and renewed grant funds for public health preparedness and response and for bioterrorism under the federal Public Health Service Act, Title III authorization.

Increase Restricted Receipts in the Central Management Program, page 12, line 5 by \$200,000. This increase reflects available financial resources due to higher than anticipated indirect cost recovery assessments (revenues) from the various federal grants administered by the department. This ceiling adjustment increase will accommodate additional general revenue offsets.

Decrease General Revenues in the State Medical Examiner Program, page 12, line 8 by \$508,625. This decrease recognizes the Governor's withdrawal of general revenue supplemental authorization due to payroll cost savings reported in department's third quarter report

Decrease General Revenues in the Environmental and Health Services Regulation Program, page 12, line 12 by \$851,720. This decrease recognizes the Governor's withdrawal of general revenue supplemental authorization due to payroll cost savings reported in department's third quarter report.

Decrease General Revenues in the Health Laboratories Program, page 12, line 18 by \$206,082. This decrease recognizes the Governor's withdrawal of general revenue supplemental authorization due to payroll cost savings reported in department's third quarter report.

Decrease General Revenues in the Public Health Information Program, page 12, line 22 by \$148,280. This decrease recognizes the Governor's withdrawal of general revenue supplemental authorization due to personnel and other operating cost savings reported in department's third quarter report.

Decrease General Revenue in the Community and Family Health Equity Program, page 12, line 27 by \$507,200. This decrease consists of the following: a) withdrawal of supplemental authority of \$107,200 due to department's reported third quarter other operating cost savings; and b) shift of general revenue expenditures to available federal funds in the amount of \$400,000 for HIV treatment. This reduction is offset by a corresponding increase in federal funds associated with the HIV Care Grant Rebate account.

Increase Federal Funds in the Community and Family Health and Equity Program, page 12, line 30 by \$715,997. This increase is supported by higher than anticipated financial resources in the HIV Care Grant Drug Rebate account, which would permit savings in general revenue expenditures of \$400,000, and unspent and renewed federal grant funds under federal Ryan White authorization of \$315,997.

Decrease General Revenues in the Infectious Disease and Epidemiology Program, page 13, line 4 by \$28,668. This decrease reflects the Governor's withdrawal of supplemental authority due to reported savings in other operating as reported in department's third quarter report.

Department of Human Services

Increase General Revenues in the Individual and Family Support Program, page 13, line 22 by \$15,977. This increase provides additional general revenue financing within the IFS program to remove an unachievable CNOM for adaptive telephone equipment.

Decrease Federal Funds in the Individual and Family Support Program, page 13, line 23 by \$15,977. This withdrawal of federal financing mirrors the above addition to general revenues within the IFS program for the unachievable CNOM for adaptive telephone equipment.

Increase Federal Funds in the Health Care Quality, Financing and Purchasing Program, page 14, line 3 by \$125,000. This increase provides additional financing authorization under the federal grant for medical services administration to comport with the Department's estimate of final expenditures.

Increase Hospitals General Revenues in the Medical Benefits Program, page 14, line 9 by \$5,320,589. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Increase Nursing Facilities General Revenues in the Medical Benefits Program, page 14, line 10 by \$2,126,595. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Managed Care General Revenues in the Medical Benefits Program, page 14, line 11 by \$10,506,484. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference. Also included herein are two upward adjustments for modified co-sharing requirements within the month of June, each undertaken to preserve the State's eligibility for ARRA-enhanced FMAP: (1) \$43,810 for the removal of co-sharing requirements for Rite Care families with incomes ranging between 133 and 150 percent of the FPL and (2) \$60,647 for the freezing of co-share amounts to levels in effect on July 1, 2008 for families with incomes ranging between 150 and 250 percent of the FPL. The Centers for Medicare and Medicaid Services indicates that families which have moved between FPL-based co-sharing tiers during FY 2009 cannot incur a higher co-share payment than that which was in effect on July 1, 2008.

Increase Pharmacy General Revenues in the Medical Benefits Program, page 14, line 12 by \$5,879,994. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Increase Other General Revenues in the Medical Benefits Program, page 14, line 13 by \$3,857,259. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Increase Home and Community Based Services General Revenues in the Medical Benefits Program, page 14, line 14 by \$525,120. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Rhody Health General Revenues in the Medical Benefits Program, page 14, line 15 by \$1,235,026. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Hospitals Federal Funds in the Medical Benefits Program, page 14, line 18 by \$7,768,786. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Nursing Facilities Federal Funds in the Medical Benefits Program, page 14, line 19 by \$8,498,442. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Managed Care Federal Funds in the Medical Benefits Program, page 14, line 20 by \$2,933,177. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference. Also included herein are two upward adjustments for modified co-sharing requirements within the month of June, each undertaken to preserve the State's eligibility for ARRA-enhanced FMAP: (1) \$63,805 for the removal of co-sharing requirements for Rite Care families with incomes ranging between 133 and 150 percent of the FPL and (2) \$88,325 for the freezing of co-share amounts to levels in effect on July 1, 2008 for families with incomes ranging between 150 and 250 percent of the FPL. The Centers for Medicare and Medicaid Services indicates that families which have moved between FPL-based co-sharing tiers during FY 2009 cannot incur a higher co-share payment than that which was in effect on July 1, 2008.

Decrease Pharmacy Federal Funds in the Medical Benefits Program, page 14, line 21 by \$578,270. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Increase Other Federal Funds in the Medical Benefits Program, page 14, line 22 by \$12,399,895. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Increase Home and Community Based Services Federal Funds in the Medical Benefits Program, page 14, line 23 by \$6,518,680. This increase aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Rhody Health Federal Funds in the Medical Benefits Program, page 14, line 24 by \$1,662,088. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Special Education Federal Funds in the Medical Benefits Program, page 14, line 25 by \$4,886,864. This decrease reduces the financing authorization for the federal share of local special education Medicaid expenditures in accordance with the Department's third-quarter estimate. As the non-federal share of these expenditures are incurred by municipalities, there is no corresponding general revenue adjustment

Increase Federal Funds - Stimulus in the Medical Benefits Program, page 14, line 27 by \$2,297,650. This increase primarily reflects the addition of \$2.6 million in federal stimulus funding for the application of the ARRA-enhanced FMAP to local Medicaid expenditures for special education. Also included herein are two upward adjustments for modified co-sharing requirements within the month of June, each undertaken to preserve the State's eligibility for ARRA-enhanced FMAP: (1) \$13,710 for the removal of co-sharing requirements for Rite Care families with incomes ranging between 133 and 150 percent of the FPL and (2) \$18,978 for the freezing of co-share amounts to levels in effect on July 1, 2008 for families with incomes ranging between 150 and 250 percent of the FPL. The Centers for Medicare and Medicaid Services indicates that families which have moved between FPL-based co-sharing tiers during FY 2009 cannot incur a higher co-share payment than that which was in effect on July 1, 2008. The balance of this adjustment aligns the level of federal stimulus financing with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Restricted Receipts in the Medical Benefits Program, page 14, line 28 by \$9,025. This decrease aligns the level of financing within this category of Medicaid expenditure with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease General Revenues in the Supplemental Security Income Program, page 14, line 31 by \$43,449. This decrease aligns the level of financing within this program of cash assistance with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease Child Care General Revenues in the Family Independence Program, page 14, line 35 by \$3,772,921. This decrease aligns the level of financing within this program of cash assistance with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Decrease TANF/Family Independence Program General Revenues in the Family Independence Program, page 14, line 36 by \$4,652,869. This decrease aligns the level of financing within this program of cash assistance with caseloads as adopted by the May 2009 Caseload Estimating Conference. Also included herein is an upward revision of \$2,852,500 (relative to adopted CEC levels) to accommodate State-only expenditures from the first quarter of FY 2009 that are ineligible for federal TANF financing.

Increase Federal Funds in the Family Independence Program, page 15, line 2 by \$12,445,550. This increase aligns the level of financing within this program of cash assistance with caseloads as adopted by the May 2009 Caseload Estimating Conference. Also included herein is a downward revision of \$2,852,500 (relative to adopted CEC levels) to withdraw State-only expenditures from the first quarter of FY 2009 that are ineligible for federal TANF financing.

Decrease General Public Assistance General Revenues in the State Funded Programs, page 15, line 8 by \$67,322. This decrease aligns the level of financing within this program of cash assistance with caseloads as adopted by the May 2009 Caseload Estimating Conference. There are two components to this adjustment: (1) a downward revision of \$30,844 within the standard GPA general revenue account; and (2) a downward revision of \$36,478 within the GPA Medical "CNOM" account relative to the enacted level.

Decrease Federal Funds in the State Funded Programs, page 15, line 11 by \$40,431. This decrease aligns the level of financing within the GPA Medical "CNOM" program with caseloads as adopted by the May 2009 Caseload Estimating Conference.

Mental Health, Retardation, and Hospitals

Increase Restricted Receipts in the Hospital and Community Rehabilitation Services Program, page 16, line 28 by \$200,000. This amendment reflects additional resources available from Medicare Part D rebates for Eleanor Slater Hospital expenditures.

Increase Federal Funds in the Substance Abuse Program, page 17, line 1 by \$600,000. This amendment reflects additional expenditures in the Access To Independence federal grant program.

Department of Elementary and Secondary Education

Decrease General Revenues in the Administration of the Comprehensive Education Strategy Program, page 17, line 32 by \$400,901 and decrease General Revenues in the RI School for the Deaf Program, page 18, line 24 by \$599,099. This amendment reduces the department's budget by the surplus amount projected in their third quarter report.

Department of Corrections

Decrease General Revenues, page 24, line 11, and Insert Federal Funds – Stimulus – State Fiscal Stabilization, page 24, after line 12 in the Institutional Corrections Program of \$20,000,000. This shift in funding reflects the use of \$20,000,000 in State Fiscal Stabilization funds derived from the federal stimulus funds (ARRA) in the Institutional

Corrections program to fund personnel costs in Medium Security (Price and Moran), Minimum Security, High Security, Maximum Security, Women's Facilities, and the Intake Services Center. This reflects the amount of the award available in FY 2009 from the ARRA State Stabilization Fund (see corresponding change in the Department of Public Safety).

Decrease General Revenues in the Community Corrections program, page 24, line 19, by \$836,590. This reflects a revised estimate of payroll expenditures in the Third Quarter Report.

Judiciary

Decrease General Revenues in the Supreme Court Program, page 24, line 27 by \$175,000. This decrease offsets an increase in expenses in the defense of indigents program.

Increase Defense of Indigents General Revenues in the Supreme Court Program, page 24, line 28 by \$175,000. This addition reflects an increase in services provided by the defense of indigents program. This increase is offset by a decrease in general revenues in the Supreme Court, which nets out to no actual increase in general revenue financing.

Increase Federal Funds in the Family Court Program, page 25, line 9 by \$5,000. This increase reflects an addition of \$5,000 to the NCASA - Victims of Child Abuse Grant.

Military Staff

Shift \$150,000 in Federal Funds from Fire Fighting Services to Air National Guard in the National Guard Program, page 25, line 30. This reflects revised spending (no change in appropriation act).

Increase Federal Funds in Emergency Management Program, page 26, line 9 by \$600,000. This increase reflects a shift in funding for the Emergency Management Performance Grant 2008.

Department of Public Safety

Increase General Revenues in the State Police Program, page 27, line 2 by \$30.0 million. This item requests that ARRA State Fiscal Relief Stabilization Funds (government services component) be transferred out of the Department of Public Safety and into the Department of Corrections. The increase in general revenue appropriations is to restore the funds that will not be drawn down by the Department of Public Safety. Under federal guidelines, only two thirds of the \$30.0 million in funding available to the State of Rhode Island can be drawn down in FY 2009. The remaining one third will be drawn down in FY 2010.

Decrease Federal Funds – Stimulus – State Fiscal Stabilization in the State Police Program, page 27, line 6 by \$30.0 million. This item requests that ARRA State Fiscal Relief Stabilization Funds (government services component) be transferred out of the Department of Public Safety and into the Department of Corrections. Under federal guidelines, only two thirds of the \$30.0 million in funding available to the State of Rhode Island can be drawn down in FY 2009. The remaining one third will be drawn down in FY 2010.

Department of Environmental Management

Increase Restricted Receipts in the Environmental Protection Program, page 28, line 16 by \$100,000. The increase reflects the expenditures for claims approved by the UST Board.

State Water Resources Board

Decrease General Revenue, page 28, line 30 by \$98,800. This reflects revised spending in the Big River Well Development Project, and a shift to FY 2010.

RBG:sm09-171

cc: Michael O'Keefe
Peter Marino
Brian Stern
Tim Costa
Michael Cronan
Gregory Stack
Representative Robert A. Watson

Summary of June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
Enacted FY 2009 Supplemental Budget (enacted April 10, 2009)	3,032,299,146	2,412,853,935	153,235,835	1,651,894,497	7,250,283,413
Gov's May 5th Amendments Total	-	7,073,600	1,722,603	148,336,170	157,132,373
Gov's Additional June 2nd Amendments					
Administration					
<i>Facilities - Enhanced FMAP for Central Services</i>	(632,149)	116,152	99,774	416,223	-
<i>MPA 230 Federal</i>	-	100,000	-	-	100,000
<i>FHWA PL-Systems Planning</i>	-	-	-	3,500	3,500
<i>Teacher's Retiree Health Subsidy</i>	600,000	-	-	-	600,000
Labor and Training					
<i>Local Veterans Program Adjustment (funding shift)</i>	-	(212,101)	-	-	(212,101)
<i>Disabled Veterans Program Adjustment (funding shift)</i>	-	212,101	-	-	212,101
<i>WIA Office -Youth Program Adjustment (funding shift)</i>	-	(231,045)	-	-	(231,045)
<i>WIA Office -Dislocated Worker Prgrm Adjust. (funding shift)</i>	-	231,045	-	-	231,045
Office of Governor					
<i>Restricted Receipt Account for ARRA Administration</i>	-	-	581,484	-	581,484
Executive Office of Health and Human Services					
<i>Move 3.0 FTE to Restricted Receipt Acct. for ARRA Admin/Gov.</i>	(174,437)	(20,465)	-	-	(194,902)
Department of Children, Youth & Families					
<i>RICAP financing for Rhode Island Training School</i>	-	-	-	910,298	910,298
Health					
<i>Governor's Withdrawal - ID&E (Other Operating Savings) based on</i>	(28,668)	-	-	-	(28,668)
<i>Governor's Withdrawal - C&FH&E (Other Operating Savings) base</i>	(107,200)	-	-	-	(107,200)
<i>Governor's Withdrawal - Public Health Info (Personnel and Other O</i>	(148,280)	-	-	-	(148,280)
<i>Governor's Withdrawal - Health Labs (Payroll Savings) based on Q</i>	(206,082)	-	-	-	(206,082)
<i>Governor's Withdrawal - Env. & Hlth Svcs Reg (Payroll Savings) ba</i>	(851,720)	-	-	-	(851,720)
<i>Governor's Withdrawal - State Med Examiner (Payroll Savings) bas</i>	(508,625)	-	-	-	(508,625)
<i>Restoration of funding for CHCs in Lieu of CNOM Medicaid Funds</i>	126,698	-	-	-	126,698
<i>Unusual and extraordinary costs for H1N1 (Swine Flu) Virus String</i>	55,700	-	-	-	55,700
<i>Public Health Preparedness and Response for BT - Unspent and Renewed Grant Funds</i>	-	1,230,436	-	-	1,230,436
<i>Indirect Cost Recovery Ceiling Increase due to Higher than Anticipated Revenues</i>	-	-	200,000	-	200,000
<i>HIV Care Grant (Ryan White) Unspent and Renewed Grant Funds</i>	-	315,997	-	-	315,997
<i>HIV Care Grant Drug Rebate - Ceiling Increase for GR Offset</i>	(400,000)	400,000	-	-	-

Summary of June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
Human Services					
Unachievable CNOM- Adaptive Telephone	15,977	(15,977)	-	-	-
MAY CEC- Medical Assistance	5,863,590	(2,964,008)	(9,025)	-	2,890,557
MAY CEC- Cash Assistance	(11,389,061)	15,257,619	-	-	3,868,558
Additional GR: pre-FY 2009 RI Works	2,852,500	(2,852,500)	-	-	-
Cap Increase- Medical Services Admin.	-	125,000	-	-	125,000
Repeal Co-Sharing for 133-150 FPL	43,810	77,515	-	-	121,325
Freeze Co-Sharing Values for 150-250 FPL	60,647	107,303	-	-	167,950
Special Education- Cap Revision	-	(4,886,864)	-	-	(4,886,864)
Special Education- ARRA FMAP Enhancement	-	2,554,652	-	-	2,554,652
Mental Health, Retardation and Hospitals					
Substance Abuse - Access to Independence Grant	-	600,000	-	-	600,000
Hospitals -Medicare Part D Expenditures	-	-	200,000	-	200,000
Elementary and Secondary Education					
Reduce 3rd Quarter Report Surplus	(1,000,000)	-	-	-	(1,000,000)
Corrections					
Fiscal Stabilization-Shift to Federal Funds	(20,000,000)	20,000,000	-	-	-
Payroll Surplus-Community Corrections	(836,590)	-	-	-	(836,590)
Judicial					
NCASA Grant- Victims of Child Abuse	-	5,000	-	-	5,000
Supreme Court General Revenues	(175,000)	-	-	-	(175,000)
Defense of Indigents	175,000	-	-	-	175,000
Military Staff					
Emergency Management Performance Grant 2008	-	600,000	-	-	600,000
Fire Fighting Services	-	(150,000)	-	-	(150,000)
Air National Guard-Federal Share	-	150,000	-	-	150,000
Public Safety					
General Revenues	30,000,000	-	-	-	30,000,000
Federal Funds - Stimulus - State Fiscal Stabilization	-	(30,000,000)	-	-	(30,000,000)
Environmental Management					
UST Reimbursement	-	-	100,000	-	100,000
Water Resources Board					
Big River Groundwater Development	(98,800)	-	-	-	(98,800)

Summary of June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

<i>Department/Item</i>	<i>General Revenue</i>	<i>Federal Funds</i>	<i>Restricted Receipts</i>	<i>Other Funds</i>	<i>Total</i>
<i>Total - Governor's June 2nd Amendments to FY 2009</i>	3,237,310	749,860	1,172,233	1,330,021	6,489,424
<i>Total Recommended Spending</i>	3,035,536,456	2,420,677,395	156,130,671	1,801,560,688	7,413,905,210

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
Administration				
<i>Facilities Management</i>				
General Revenues	Page 2, Line 6	36,333,113	(632,149)	35,700,964
Federal Funds	Page 2, Line 7	1,065,812	116,152	1,181,964
Restricted Receipts	Page 2, Line 8	915,530	99,774	1,015,304
Other Funds	Page 2, Line 9	3,819,283	416,223	4,235,506
Total - Facilities Management	Page 2, Line 10	42,133,738	0	42,133,738
<i>Information Technology</i>				
Federal Funds	Page 2, Line 17	5,862,341	100,000	5,962,341
Total - Information Technology	Page 2, Line 20	27,539,834	100,000	27,639,834
<i>Planning</i>				
Federal Highway - PL Systems Planning	Page 2, Line 30	1,997,508	3,500	2,001,008
Other Funds Total	Page 2, Line 32	2,007,508	3,500	2,011,008
Total - Planning	Page 2, Line 33	18,249,580	3,500	18,253,080
<i>General</i>				
State Employees/Teachers Retiree Health Subsidy	Page 3, Line 16	1,566,147	600,000	2,166,147
General Revenue Total	Page 3, Line 24	228,824,193	600,000	229,424,193
Total - General	Page 4, Line 20	255,932,630	600,000	256,532,630
Grand Total - General Revenues	Page 5, Line 18	463,111,180	(32,149)	463,079,031
Grand Total - Administration	Page 5, Line 19	621,917,488	703,500	622,620,988
Labor and Training				
<i>Workforce Development Services</i>				
Federal Funds (shifts between accounts)	Page 6, Line 14	20,768,347	0	20,768,347
Office of Governor				
Restricted Receipts	Page 10, Insert after Line 2	0	581,484	581,484
Grand Total - Office of Governor	Page 10, Line 3	4,659,788	581,484	5,241,272

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
Executive Office of Health and Human Services				
General Revenues	Page 10, Line 16	3,802,459	(174,437)	3,628,022
Federal Funds	Page 10, Line 17	4,324,922	(20,465)	4,304,457
Grand Total- Health and Human Services	Page 10, Line 19	8,799,543	(194,902)	8,604,641
Department of Children, Youth & Families				
Other Funds- RICAP Rhode Island Training School	Page 10, Insert after Line 37	0	910,298	910,298
Total- Juvenile Correctional Services	Page 11, Line 1	35,815,718	910,298	36,726,016
Grand Total- Children, Youth, and Families	Page 11, Line 22	248,938,680	910,298	249,848,978
Health				
<i>Central Management</i>				
General Revenues	Page 12, Line 3	2,336,177	182,398	2,518,575
Federal Funds	Page 12, Line 4	10,855,271	1,230,436	12,085,707
Restricted Receipts	Page 12, Line 5	3,674,765	200,000	3,874,765
Total - Central Management	Page 12, Line 6	16,866,213	1,612,834	18,479,047
<i>State Medical Examiner</i>				
General Revenues	Page 12, Line 8	2,755,286	(508,625)	2,246,661
Total - State Medical Examiner	Page 12, Line 10	2,920,103	(508,625)	2,411,478
<i>Environmental and Health Services Regulation</i>				
General Revenues	Page 12, Line 12	9,127,924	(851,720)	8,276,204
Total - Environmental and Health Services Regulation	Page 12, Line 16	17,062,517	(851,720)	16,210,797
<i>Health Laboratories</i>				
General Revenues	Page 12, Line 18	6,471,172	(206,082)	6,265,090
Total - Environmental and Health Services Regulation	Page 12, Line 20	7,654,144	(206,082)	7,448,062
<i>Public Health Information</i>				
General Revenues	Page 12, Line 22	1,904,905	(148,280)	1,756,625

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
Total - Public Health Information	Page 12, Line 24	4,287,355	(148,280)	4,139,075
<i>Community and Family Health and Equity</i>				
General Revenue	Page 12, Line 27	6,037,043	(507,200)	5,529,843
General Revenue Total	Page 12, Line 28	6,037,043	(507,200)	5,529,843
Federal Funds	Page 12, Line 30	56,470,446	715,997	57,186,443
Federal Funds Total	Page 12, Line 32	56,564,189	715,997	57,280,186
Total - Community and Family Health and Equity	Page 13, Line 2	81,697,636	208,797	81,906,433
<i>Infectious Disease and Epidemiology</i>				
General Revenues	Page 13, Line 4	1,891,838	(28,668)	1,863,170
Total - Infectious Disease and Epidemiology	Page 13, Line 6	4,206,546	(28,668)	4,177,878
Grand Total - General Revenues Funds	Page 13, Line 7	30,524,345	(2,068,177)	28,456,168
Grand Total - Health	Page 13, Line 8	134,694,514	78,256	134,772,770
Human Services				
<i>Individual and Family Support</i>				
General Revenues	Page 13, Line 22	20,248,936	15,977	20,264,913
Federal Funds	Page 13, Line 23	57,663,973	(15,977)	57,647,996
Federal Funds Total	Page 13, Line 25	57,913,973	(15,977)	57,897,996
Total - Individual and Family Support	Page 13, Line 31	78,570,409	0	78,570,409
<i>Health Care Quality, Financing and Purchasing</i>				
Federal Funds	Page 14, Line 3	43,309,179	125,000	43,434,179
Total- Health Care Quality, Financing and Purchasing	Page 14, Line 6	62,880,378	125,000	63,005,378
<i>Medical Benefits</i>				
General Revenues				
Hospitals	Page 14, Line 9	88,852,464	5,320,589	94,173,053

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
Nursing Facilities	Page 14, Line 10	107,921,280	2,126,595	110,047,875
Managed Care	Page 14, Line 11	207,735,691	(10,506,484)	197,229,207
Pharmacy	Page 14, Line 12	42,459,221	5,879,994	48,339,215
Other	Page 14, Line 13	30,417,018	3,857,259	34,274,277
Home and Community Based Services	Page 14, Line 14	24,094,440	525,120	24,619,560
Rhody Health	Page 14, Line 15	39,956,296	(1,235,026)	38,721,270
General Revenue Total	Page 14, Line 16	541,436,410	5,968,047	547,404,457
Federal Funds				
Hospitals	Page 14, Line 18	109,611,630	(7,768,786)	101,842,844
Nursing Facilities	Page 14, Line 19	157,008,692	(8,498,442)	148,510,250
Managed Care	Page 14, Line 20	274,200,182	(2,933,177)	271,267,005
Pharmacy	Page 14, Line 21	9,672,880	(578,270)	9,094,610
Other	Page 14, Line 22	40,564,380	12,399,895	52,964,275
Home and Community Based Services	Page 14, Line 23	26,705,560	6,518,680	33,224,240
Rhody Health	Page 14, Line 24	53,916,668	(1,662,088)	52,254,580
Special Education	Page 14, Line 25	20,733,240	(4,886,864)	15,846,376
Federal Funds Total	Page 14, Line 26	692,413,232	(7,409,052)	685,004,180
Federal Funds- Stimulus	Page 14, Line 27	91,984,016	2,297,650	94,281,666
Restricted Receipts	Page 14, Line 28	5,246,911	(9,025)	5,237,886
Total- Medical Benefits	Page 14, Line 29	1,331,080,569	847,620	1,331,928,189
Supplemental Security Income Program				
General Revenues	Page 14, Line 31	25,094,748	(43,449)	25,051,299
Total- Supplemental Security Income Program	Page 14, Line 32	25,094,748	(43,449)	25,051,299
Family Independence Program				
General Revenues				
Child Care	Page 14, Line 35	10,272,921	(3,772,921)	6,500,000
TANF/Family Independence Program	Page 14, Line 36	8,005,369	(4,652,869)	3,352,500

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
General Revenue Total	Page 14, Line 37	18,278,290	(8,425,790)	9,852,500
Federal Funds				
Federal Funds	Page 15, Line 2	82,007,910	12,445,550	94,453,460
Federal Funds- Total	Page 15, Line 4	82,507,910	12,445,550	94,953,460
Total- Family Independence Program	Page 15, Line 5	100,786,200	4,019,760	104,805,960
<i>State Funded Programs</i>				
General Revenues				
General Public Assistance	Page 15, Line 8	2,767,680	(67,322)	2,700,358
General Revenue Total	Page 15, Line 9	2,767,680	(67,322)	2,700,358
Federal Funds				
Federal Funds	Page 15, Line 11	118,585,000	(40,431)	118,544,569
Federal Funds Total	Page 15, Line 13	126,585,000	(40,431)	126,544,569
Total- State Funded Programs	Page 15, Line 14	129,352,680	(107,753)	129,244,927
Grand Total - General Revenue Funds	Page 15, Line 15	651,293,152	(2,552,537)	648,740,615
Grand Total - Human Services	Page 15, Line 16	1,777,634,493	4,841,178	1,782,475,671
Mental Health, Retardation, and Hospitals				
Hospitals and Community Rehabilitation Services				
Restricted Receipts	Page 16, Line 28	2,300,000	200,000	2,500,000
Total - Hospitals and Com. Rehab Services	Page 16, Line 34	101,366,526	200,000	101,566,526
<i>Substance Abuse</i>				
Federal Funds	Page 17, Line 1	18,230,102	600,000	18,830,102
Total - Substance Abuse	Page 17, Line 8	31,800,659	600,000	32,400,659
Grand Total - Mental Health, Retardation, and Hospitals	Page 17, Line 11	466,629,746	800,000	467,429,746
Elementary and Secondary Education				
<i>Administration of the Comprehensive Education Strategy</i>				

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
General Revenues	Page 17, Line 32	19,990,602	(400,901)	19,589,701
Total - ACES	Page 18, Line 9	254,486,612	(400,901)	254,085,711
<i>RI School for the Deaf</i>				
General Revenue	Page 18, Line 24	6,552,397	(599,099)	5,953,298
Total - RI School for the Deaf	Page 18, Line 35	7,226,087	(599,099)	6,626,988
Grand Total - General Revenue Funds	Page 20, Line 7	875,032,386	(1,000,000)	874,032,386
Grand Total - Elementary and Secondary Ed	Page 20, Line 8	1,169,453,006	(1,000,000)	1,168,453,006
Corrections				
<i>Institutional Corrections</i>				
General Revenue Total	Page 24, Line 11	153,288,061	(20,000,000)	133,288,061
Federal Funds - Stimulus - State Fiscal Stabilization	Page 24, Insert after Line 12	0	20,000,000	20,000,000
Total Institutional Corrections	Page 24, Line 17	158,497,945	0	158,497,945
<i>Community Corrections</i>				
General Revenue Total	Page 24, Line 19	14,162,196	(836,590)	13,325,606
Total Institutional Corrections	Page 24, Line 21	14,898,069	(836,590)	14,061,479
Grand Total-General Revenue Funds	Page 24, Line 22	177,190,062	(20,836,590)	156,353,472
Grand Total - Corrections	Page 24, Line 23	183,237,819	(836,590)	182,401,229
Judiciary				
<i>Supreme Court</i>				
General Revenues	Page 24, Line 27	24,371,272	(175,000)	24,196,272
Defense of Indigents	Page 24, Line 28	3,065,689	175,000	3,240,689
<i>Family Court</i>				
Federal Funds	Page 25, Line 9	2,110,614	5,000	2,115,614
Grand Total- Judiciary	Page 25, Line 22	95,883,222	5,000	95,888,222

June 2nd Amendments to the Governor's May 5th Revised FY 2009 Supplemental Act (Chapter 005 of PL of 2009)

	Page Number/ Line Number*	Governor's May 5th Revised Supplemental	Governor's Current Amendments	FY 2009 Supplemental Recommend
Military Staff				
<i>Emergency Management</i>				
Federal Funds	Page 26, Line 9	29,596,644	600,000	30,196,644
Total-Emergency Management	Page 26, Line 11	31,523,176	600,000	32,123,176
Grand Total-Military Staff	Page 26, Line 13	46,645,702	600,000	47,245,702
Public Safety				
<i>State Police</i>				
General Revenues	Page 27, Line 2	22,314,282	30,000,000	52,314,282
Federal Funds - Stimulus - State Fiscal Stabilization	Page 27, Line 6	30,000,000	(30,000,000)	0
Federal Funds Total	Page 27, Line 7	34,370,644	(30,000,000)	4,370,644
Environmental Management				
<i>Environmental Protection</i>				
Restricted Receipts	Page 28, Line 16	7,247,327	100,000	7,347,327
Total - Environmental Protection	Page 28, Line 21	31,868,705	-100,000	31,968,705
Grand Total - Environmental Management	Page 28, Line 23	86,886,910	100,000	86,986,910
Water Resources Board				
General Revenues	Page 28, line 30	1,336,492	(98,800)	1,237,692
Grand Total-Water Resources Board	Page 28, line 35	1,546,306	(98,800)	1,447,506
Statewide Totals				
General Revenue Total		3,032,299,146	3,237,310	3,035,536,456
Federal Funds Total		2,419,927,535	749,860	2,420,677,395
Restricted Receipt Total		154,958,438	1,172,233	156,130,671
Other Funds Total		1,800,230,667	1,330,021	1,801,560,688
Statewide Grand Total		7,407,415,786	6,489,424	7,413,905,210

*Note: Page and line numbers references are from the Governor's May 5, 2009 revised Article 1.

NEW ARTICLE

RELATING TO THE OFFICE OF ECONOMIC RECOVERY AND REINVESTMENT

SECTION 1. Section 42-7-8 entitled “ARRA Administration Expenses” is hereby created to read as follows:

§ 42-7-8 ARRA Administration Expenses. (a) There is hereby established a restricted receipt account within the Office of the Governor for the Office of Economic Recovery and Reinvestment. Payments from the account shall be limited to expenses for administrative oversight of American Recovery and Reinvestment Act (ARRA) funds. The Governor's Office of Economic Recovery and Reinvestment is authorized by OMB memorandum 09-18 to receive up to 0.5% of stimulus funding to cover oversight expenses. The ARRA administration account shall not be subject to the indirect cost recovery provisions set forth in § 35-4-7.

SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled “State Funds” is hereby amended to read as follows:

§ 35-4-27. Indirect cost recoveries on restricted receipt accounts. – Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be recorded as general revenues in the general fund. However, there shall be no transfer from cash receipts with restrictions received exclusively: (1) from contributions from non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on federal grant funds; or (3) through transfers from state agencies to the department of administration for the payment of debt service. These indirect cost recoveries shall be applied to all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The following restricted receipt accounts shall not be subject to the provisions of this section:

Department of Human Services

Veterans' home – Restricted account

Veterans' home – Resident benefits

Organ transplant fund

Veteran's Cemetery Memorial Fund

Department of Health

Pandemic medications and equipment account

Department of Mental Health, Retardation and Hospitals

Hospital Medicare Part D Receipts

RICLAS Group Home Operations

Department of Environmental Management

National heritage revolving fund

Environmental response fund II

Underground storage tanks

Rhode Island Council on the Arts

Art for public facilities fund

Rhode Island Historical Preservation and Heritage Commission

Historic preservation revolving loan fund

Historic Preservation loan fund – Interest revenue

State Police

Forfeited property – Retained

Forfeitures – Federal

Forfeited property – Gambling

Donation – Polygraph and Law Enforcement Training

Attorney General

Forfeiture of property

Federal forfeitures

Attorney General multi-state account

Department of Administration

Restore and replacement – Insurance coverage

Convention Center Authority rental payments

Investment Receipts – TANS

Car Rental Tax/Surcharge-Warwick Share

OPEB System Restricted Receipt Account

Legislature

Audit of federal assisted programs

Department of Elderly Affairs

Pharmaceutical Rebates Account

Department of Children Youth and Families

Children's Trust Accounts – SSI

Military Staff

RI Military Family Relief Fund

Treasury

Admin. Expenses – State Retirement System

Retirement – Treasury Investment Options

Business Regulation

Banking Division Reimbursement Account

Office of the Health Insurance Commissioner Reimbursement Account

Securities Division Reimbursement Account

Commercial Licensing and Racing and Athletics Division Reimbursement Account

Insurance Division Reimbursement Account

Historic Preservation Tax Credit Account

Office of the Governor

ARRA Administration Expenses

SECTION 3. This article shall take effect as of January 1, 2009.

