

State of Rhode Island and Providence Plantations

Budget as Enacted



Fiscal Year 2014

Lincoln D. Chafee, Governor

FY 2014 Budget as Enacted

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Budget as Enacted

Overview

**Enacted
Appropriations**

The FY 2014 Budget was passed by the General Assembly under 13-H-5127 Substitute A, as amended on June 26, 2013 (House of Representatives) and June 27, 2013 (Senate). The budget became law on July 3, 2013 with Governor Chafee's signature, and is filed in Chapter 144 of the Public Laws of 2013.

The final enacted budget is lower than the Governor's recommended budget for FY 2014 by \$39.4 million, or less than 1.2 percent. Given the revised revenue picture adopted by the May Revenue Estimating Conference, the General Assembly had \$52.4 million net general revenues less than what was adopted in November; however, it did manage to preserve some key elements of Governor Chafee's recommended budget that invest in key priorities and keep Rhode Island on a path towards economic recovery.

As with the Governor's recommended budget, the final enacted budget includes no net increase in taxes or fees to support the FY 2014 spending plan. Although the proposal to phase down the corporate income tax from nine percent (9.0%) to seven percent (7.0%) was not approved, the General Assembly did enact a number of initiatives to help Rhode Island become more business friendly, such as:

- Reinstating the historic structures tax credit program through the use of abandoned credits;
- Removing the nuisance fee on businesses for submitting hazardous substances paperwork;
- Investing \$500,000 for the I-195 Redevelopment Commission to develop the Knowledge District in Providence;
- Investing \$150,000 for the Colleges and Universities to provide ongoing economic analysis for Rhode Island;
- Investing \$1.25 million for a new workforce development initiative;
- Changing the Rhode Island tax structure to allow accelerated depreciation for major equipment purchases in the same manner as federal tax law.

While the Governor proposed \$20.0 million in new direct resources to municipalities through increased aid to distressed municipalities and a new municipal incentive aid program, the enacted budget includes \$9.0 million, \$11.0 million less than proposed by the Governor, \$4.0 million more for the Payment-in-lieu-of-Taxes (PILOT) program (\$2.0 million each in FY 2013 and FY 2014), as well as \$5.0 million for the municipal incentive aid program. The aid to distressed communities program was level funded at \$10.4 million, as opposed to the \$15.4 million recommended by the Governor. The General Assembly also did not authorize the Governor's initiative to provide \$10.0 million in funding for local road construction, but instead followed a similar path by providing \$7.0 million to seed a local road revolving loan fund.

In Human Services, the enacted budget includes \$85.2 million in new federal spending to expand Medicaid eligibility under the Affordable Care Act for non-pregnant, childless adults up to 138 percent of the federal poverty level. The budget also includes \$17.0 million for increases in payment rates for primary care physicians to align with those of the federal Medicare program. These additional funds will not only provide a financial inflow to our local economy, they will result in better health coverage for some of Rhode Island's most vulnerable populations.

The FY 2014 enacted budget also helps working families by including the Governor's proposal to provide an enhanced child-care subsidy with a subsidized job training program using TANF Block Grant funds to help low income Rhode Islanders get back to work. The budget also includes \$1.25 million for the Governor's proposed work immersion and non-trade apprenticeship program.

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The enacted budget also includes some key capital investments as proposed by Governor Chafee using the pay-as-you-go Rhode Island Capital Plan Fund. Some of these investments include:

- Improvements to the Eisenhower House at Fort Adams in Newport;
- Renovating the Harrington Hall homeless shelter on the Pastore Center campus;
- Maintaining the Dunkin Donuts Center and the Convention Center;
- Replacing much needed heavy equipment for the Department of Transportation to address infrastructure needs throughout the state.

Fiscal Year 2014 appropriations from all funds total \$8,213.1 million. In relation to the FY 2013 revised budget of \$8,101.6 million, the FY 2014 enacted appropriations increase by \$111.5 million or 1.4 percent from all fund sources. General revenue appropriations total \$3,359.8 million; an increase of \$125.9 million, or 3.9 percent, from the final FY 2013 revised general revenue appropriation of \$3,233.8 million. Within FY 2013 general revenue appropriations, General Government expenditures increase by \$1.9 million or 0.4 percent; Human Services expenditures increase by \$72.2 million or 5.8 percent; Education expenditures increase by \$40.8 million or 3.7 percent; Public Safety expenditures increase by \$10.6 million or 2.6 percent; and Natural Resources expenditures increase by \$484,031 or 1.3 percent.

Significant general revenue increases include \$5.0 million for a new Municipal Incentive Aid program in the Department of Revenue, \$33.7 million more for education aid in the Department of Education, \$59.8 million more for managed care and associated services in the Office of Health and Human Services, and \$6.0 million for Higher Education to assure no tuition increase in the 2013-2014 academic year at any of the three state institutions of higher learning.

Federal funds total \$2,717.7 million in the FY 2014 enacted budget, reflecting a decrease of 0.2 percent or \$5.5 million from the final FY 2013 federal funds appropriation of \$2,723.2 million. Areas of federal expenditure reduction include General Government by \$77.0 million or 31.8 percent; Education by \$12.1 million or 4.7 percent; Public Safety by \$28.1 million or 37.3 percent and Transportation by \$5.2 million or 1.6 percent. Federal financing increases occur in Human Services agencies, which are \$115.7 million or 6.5 percent greater than the FY 2013 final enacted level and Natural Resources, which increases by \$1.1 million or 2.9 percent. The large decline in expenditures within the General Government function is primarily due to the end of stimulus funding for extended unemployment compensation. Within Human Services, the expenditure growth is in medical and cash assistance programs. Projected costs of \$85.2 million associated with the Affordable Care Act implementation in January 2014, are also funded in FY 2014.

Restricted receipts total \$255.0 million in the FY 2014 enacted budget, a decrease of \$14.3 million or 5.3 percent from the final FY 2013 revised budget of \$269.3 million. By functional area, General Government restricted receipts decline by \$25.8 million or 19.8 percent and Human Services receipts decline by \$2.0 million or 3.1 percent. Education receipts increase by \$1.0 million or 3.7 percent; Public Safety receipts increase by \$2.6 million or 9.4 percent; Natural Resources receipts increase by \$2.8 million or 18.2 percent; and Transportation receipts increase by \$7.0 million or 692.9 percent. The significant decline within the General Government function is attributable to a reduction in projected disbursements from the unclaimed property program and a reduction in the anticipated disbursements from the Job Development Fund. The increase in the Transportation function is from the new fees on vehicle registrations and licenses that will be deposited to the RI Highway Maintenance Trust Fund, which is part of the Governor's commitment to eliminate bonding for the state's match for Federal Transportation funding.

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Other funds, including transfers from the Rhode Island Capital Plan Fund, total \$1,880.6 million in the FY 2014 enacted budget, an increase of \$5.3 million or 0.3 percent from the final FY 2013 revised budget of \$1,875.3 million. By function, other funds decrease by \$21.2 million or 2.7 percent in General Government and by \$7.4 million or 5.0 percent in Transportation. These declines are offset by increases of \$5.4 million or 44.3 percent in Human Services; \$9.9 million or 1.1 percent in Education; \$5.4 million or 21.4 percent in Public Safety; and \$13.1 million or 111.1 percent in Natural Resources. The decline within the General Government function is due to a reduction in projected disbursements from the Employment Security Trust Fund for unemployment benefits. The increase within the Natural Resources function is due to additional funding from the RI Capital Plan Fund for various projects, such as renovations to Rocky Point Park in Warwick and additional investments relating to sailing events at Fort Adams State Park in Newport.

**FY 2013
Final Enacted
Revenues**

The principals of the May 2013 Revenue Estimating Conference adopted revenue estimates that were \$4.9 million less than the FY 2013 revenue estimates adopted at the November 2012 Revenue Estimating Conference, a decrease of 0.1 percent. Relative to the Governor's recommended FY 2013 supplemental budget, the differences from the May 2013 REC adopted estimates were a decrease of \$7.7 million or -0.2 percent. The final enacted FY 2013 budget reflects estimated general revenues that are \$300,000 more than the May 2013 REC adopted estimates for FY 2013. Details of the Governor's recommended changes to the FY 2013 estimates adopted at the November 2012 REC and the General Assembly's enacted changes to the FY 2013 estimates adopted at the May 2013 REC are displayed in the table *General Revenue Changes to Adopted Estimates FY 2013* in Appendix A of this document. The enacted change to the FY 2013 adopted estimates approved by the General Assembly with the concurrence of the Governor is the result of an audit finding issued by the Office of the Auditor General recommending that bank fees associated with the State's investment earnings be expensed separately rather than being deducted from the State's investment earnings prior to the posting of these earnings as revenue.

**FY 2013 Final
Enacted Revenues
vs. FY 2012 Final
Audited Revenues**

Final enacted revenues for FY 2013 are based upon a \$53.1 million increase in total general revenues over final audited FY 2012, or growth of 1.6 percent. Much of this increase can be found in personal income taxes, \$14.8 million; business corporations and franchise taxes, \$13.9 million; and sales and use taxes, \$21.4 million. These increases are partially offset by estimated decreases in inheritance and gift taxes, \$(16.2 million); other miscellaneous revenues, \$(14.4 million) and the unclaimed property transfer, \$(7.6 million).

Personal income tax collections continue to be the single largest source of state general revenues in FY 2013 at 32.4 percent. Personal income tax collections are estimated to expand at an annual rate of 1.4 percent or \$14.8 million for FY 2013. Much of this increase is due to increased final income tax payments of \$25.4 million and increased withholding tax payments of \$5.0 million. The overall increase, however, is offset by an increase in estimated refund payments by \$16.9 million.

General business tax collections are projected to increase by \$24.9 million or 6.9 percent, due primarily to an estimated increase in business corporations taxes of \$13.9 million and an increase in financial institutions taxes and public utilities gross premiums taxes of \$9.2 million and \$4.1 million, respectively. The overall increase, however, is offset by a decrease of \$2.9 million in public utilities gross earnings taxes and the health care provider assessment.

Sales and use tax collections are projected to increase by \$21.4 million or 2.5 percent, over final audited FY 2012 collections. The anticipated increase in sales and use tax revenues is partially attributable to the passage of a sales tax base expansion on three items effective October 1, 2012 in the enacted FY 2013

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budget signed into law on June 15, 2012. Sales and use taxes represent 26.2 percent of total general revenues in the final enacted FY 2013 budget. For FY 2013, sales and use tax collections are projected to be \$872.5 million.

Excise taxes other than the sales and use tax are expected to increase by \$3.6 million or 1.9 percent in FY 2013 over final audited FY 2012 collections due primarily to a projected increase in motor vehicle licenses and registration fees of \$2.7 million. Motor carrier fuel use tax, cigarettes and other tobacco tax and alcohol excise tax revenues are estimated to increase by \$67,328, \$714,088 and \$126,354, respectively, in the final enacted FY 2013 budget.

Other taxes are projected to decrease by \$15.7 million, or -28.9 percent in FY 2013 relative to final audited FY 2012 other tax revenues. Of the total decrease in other taxes, inheritance and gift tax revenues are expected to decrease by \$16.2 million, or 34.9 percent. The expected decrease in inheritance and gift tax collections is attributable in part to approximately \$10.0 million in infrequently occurring payments received in FY 2012. Realty transfer taxes are anticipated to increase by \$665,335 and racing and athletics tax collections are projected to decline by \$127,003. Racing and athletic taxes' downward trend is expected to continue as these revenues are now solely based on pari-mutuel wagering on simulcast races. Racing and athletics taxes are expected to total \$1.2 million in the final enacted FY 2013 budget, a decrease of 9.6 percent from final FY 2012 collections. Realty transfer taxes are expected to total \$7.1 million in FY 2013, an increase of 10.3 percent from final audited FY 2012 collections.

In the FY 2013 final enacted budget, departmental receipts are projected at \$363.4 million, an increase of \$23.5 million, or 6.9 percent, from final audited FY 2012 revenues. The increase in the departmental receipts is attributable in part to anticipated receipt of overdue payments for the FY 2012 Hospital Licensing Fee of \$10.0 million which was included in the departmental receipts estimate adopted at the May 2013 Revenue Estimating Conference.

In addition to the above general revenue components, an increase is expected in final enacted FY 2013 revenues for the lottery transfer to the general fund of \$2.5 million, or 0.6 percent from the final audited FY 2012 lottery transfer. The increased lottery transfer in FY 2013 is dampened as a result of the renovations that Twin River undertook to prepare for the opening of table games, the operations of which were approved by voters in statewide and local referendums in November 2012. These renovations necessitated the idling of numerous video lottery terminals (VLTs) and the permanent removal of 214 VLTs during the period between March and June 2013. Table gaming at Twin River commenced on June 19, 2013. In addition, the net terminal income (NTI) generated by the VLTs installed at Newport Grand was revised downward at the May 2013 REC further decreasing the state's share of VLT NTI in FY 2013. The principals of the May 2013 Revenue Estimating Conference included the Division of Lottery's cost to administer and oversee table game operations at Twin River in the adopted lottery transfer estimate. These costs are estimated at \$940,000 in the final enacted FY 2013 budget.

The unclaimed property transfer to the general fund is forecasted to decrease by \$7.6 million in the final enacted FY 2013 budget, a decrease of 51.9 percent from final audited FY 2012 revenues. The decrease in the unclaimed property transfer is based on the testimony provided by the Office of the General Treasurer at the November 2012 and May 2013 RECs. For FY 2013, final enacted other miscellaneous general revenues are projected to decrease by \$19.5 million from final audited FY 2012 revenues.

FY 2014 Proposed Revenues	The enacted FY 2014 budget estimates general revenues of \$3.381 billion, an increase of 1.7 percent from the final enacted FY 2013 level. The enacted FY 2014 budget has estimated general revenues that are \$45.4 million, or 1.3 percent, less than the estimated general revenues contained in the Governor's FY 2014 recommended budget. The General Assembly's enacted budget is
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Overview

comprised of \$3.237 billion of revenue estimated at the May 2013 Revenue Estimating Conference and \$144.1 million of changes to the May 2013 REC adopted estimates. These changes are shown in the schedule *General Revenue Changes to Adopted Estimates FY 2014* located in Appendix A of this document.

The largest source of FY 2014 general revenues is the personal income tax, with estimated receipts of \$1.109 billion, \$1.4 million more than the May 2013 REC adopted estimate for FY 2014, growth of 3.1 percent from the final enacted FY 2013 amount, and \$21.6 million less than the amount included in the Governor's FY 2013 recommended budget. The increase in enacted FY 2014 personal income tax revenue vis-à-vis the FY 2014 adopted personal income tax revenue estimate is the result of the General Assembly's concurrence with the Governor's recommendation to initiate a special investigative tax unit in the Division of Taxation. The Governor's FY 2014 recommended budget projected increased revenues of \$1.0 million from the more efficient and effective identification and quantification of tax fraud and related activity associated with compliance with the personal income tax. The General Assembly also concurred with the Governor's proposal to allow the Division of Taxation to hire out of state collection agencies to enhance the collection of tax debts from non-resident individuals and businesses. The Governor's FY 2014 recommended budget included increased personal income tax revenues of \$750,000. Finally, the General Assembly's enacted FY 2014 budget increased the total amount that can be awarded in a given fiscal year under the Tax Credits for Contributions to Scholarship Organizations program by \$500,000 to a total of \$1.5 million. The Office of Revenue Analysis estimates that this increase in allowable tax credits will reduce personal income tax revenues in FY 2014 by \$395,500.

General Business taxes are projected to comprise 11.4 percent of total general revenues in the FY 2014 enacted budget. Business corporations tax revenues are expected to yield \$141.3 million, the same amount as was adopted at the May 2013 REC. This total is \$6.2 million, or 4.6 percent, more than was included in the Governor's FY 2014 recommended budget. The General Assembly declined to accept the corporate income tax reform proposal that was included in the Governor's FY 2014 recommended budget.

Insurance companies gross premiums taxes are estimated at \$98.8 million in the FY 2014 enacted budget, an increase of \$815,832 from the FY 2014 estimate adopted at the May 2013 REC and \$2.0 million more than the estimate included in the Governor's FY 2014 recommended budget. This increase is the result of a combination of rate decrease to managed care insurance premiums paid by the State estimated at (\$179,668), increased insurance premiums associated with the expansion of the insured Medicaid population under the Affordable Care Act estimated at \$1.1 million, and the share of the \$500,000 increase in the total amount that can be awarded in a given fiscal year under the Tax Credits for Contributions to Scholarship Organizations program estimated at \$(104,500). The Governor's FY 2014 recommended budget included the managed care rate reduction initiative while the increased insurance premiums attributable to the Medicaid expansion under the ACA and the increased cap for the Tax Credits for Contributions to Scholarship Organizations were General Assembly initiatives. The recommended growth rate in the enacted FY 2014 insurance companies gross premiums tax revenues over the FY 2013 final enacted estimate is 5.6 percent.

FY 2014 enacted revenues for the public utilities gross earnings tax, the financial institutions tax, and the bank deposits tax are at the same levels as were adopted at the May 2013 REC. The FY 2014 enacted public utilities gross earnings revenue estimate is \$7.5 million less than the Governor's FY 2014 recommended estimate while the enacted FY 2014 estimates for the financial institutions tax and the bank deposits tax are \$1.2 million and \$300,000 more, respectively, than the amounts included in the Governor's FY 2014 recommended budget. The FY 2014 enacted growth rate for public utilities gross earnings tax revenues relative to the FY 2013 final enacted estimate is -3.5 percent. For financial institution tax revenues the enacted growth rate for FY 2014 relative to FY 2013 final enacted estimate

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is -66.4 percent. Bank deposit tax revenues are not expected to grow in the FY 2014 enacted budget from the level estimated in the final enacted FY 2013 budget.

The health care provider assessment on nursing homes is forecasted to yield \$42.6 million in the FY 2014 enacted budget, a decrease of \$389,456 from the estimate that was adopted at the May 2013 REC. This decrease is attributed to the General Assembly's concurrence with the Governor's recommendation to suspend the cost of living adjustment nursing home providers were scheduled to receive October 1, 2013. The enacted growth rate in FY 2014 health care provider assessment revenues over the FY 2013 final enacted estimate is 2.9 percent.

Sales and use tax revenues are expected to yield \$887.2 million in the enacted FY 2014 budget, \$7.8 million less than was adopted at the May 2013 Revenue Estimating Conference and \$17.1 million less than the estimate included in the Governor's FY 2014 recommended budget. The decrease in sales and use tax revenue from the May 2013 adopted estimate is a combination of the General Assembly's acceptance of the Governor's recommendation for a special investigative tax unit in the Division of Taxation, and two General Assembly initiatives, the exemption of works of art, including print and photograph, produced by Rhode Island residents with a business located in Rhode Island from the sales tax effective December 1, 2013 and the repeal of the sales tax on the sale of spirits and wine by package stores also effective December 1, 2013. The FY 2014 enacted budget projects increased sales and use tax revenues of \$200,000 from creating the special investigative tax unit and foregone sales and use tax revenues of \$8.0 million from exempting art from the sales tax and the repeal of the sales tax on spirits and wine sold by package stores. Sales and use taxes are expected to contribute 26.2 percent to enacted total general revenues in FY 2014. The enacted growth rate for sales and use tax revenues in FY 2014 is 1.7 percent over the FY 2013 final enacted sales and use tax revenue estimate.

Motor vehicle operator license and vehicle registration fees are forecasted to equal \$51.8 million in the enacted FY 2014 budget, the same amount that was adopted at the May 2013 REC and \$3.1 million more than the estimate included in the Governor's FY 2014 recommended budget. Motor carrier fuel use tax revenues are projected to be \$1.0 million, the same as both the estimate adopted at the May 2013 Revenue Estimating Conference and the estimated included in the Governor's FY 2014 recommended budget. The respective FY 2014 enacted growth rates for motor vehicle fees and motor carrier fuel use tax revenues over FY 2013 final enacted amounts are 1.4 percent and 25.0 percent.

Cigarettes and other tobacco products tax revenues are enacted at \$130.7 million in the FY 2014 enacted budget. This is the same level as was adopted for FY 2014 at the May 2013 Revenue Estimating Conference and \$6.7 million less than the estimate contained in the Governor's FY 2014 recommended budget. The cigarettes and other tobacco products tax revenues enacted FY 2014 growth rate over the FY 2013 final enacted estimate for the same is -0.8 percent.

The enacted FY 2014 estimate for alcohol tax revenues is \$18.2 million an increase of \$6.0 million from both the estimate adopted at the May 2013 REC and the estimate included in the Governor's FY 2014 recommended budget. The General Assembly enacted increases in the alcohol excise taxes for beer and malt, high proof distilled spirits and still wine in the FY 2014 budget. For beer and malt, the excise tax is increased from \$3.00 per barrel of beer or malt to \$3.30 per barrel (31 gallons). For high proof spirits, those spirits that contain 15 percent or more alcohol, the excise tax is increased from \$3.75 per gallon to \$5.40 per gallon. For still wine, the excise tax is increased from \$0.60 per gallon to \$1.40 per gallon. The excise taxes on low proof distilled spirits and sparkling wine were unchanged by the General Assembly. The effective date of these tax increases is July 1, 2013. The estimated increase in alcohol excise tax revenues resulting from these changes is \$6.0 million yielding an estimated growth rate in alcohol excise taxes in the enacted FY 2014 budget of 51.4 percent over the FY 2013 final enacted estimate of \$12.0 million.

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Enacted FY 2014 inheritance and gift tax, racing and athletics tax, and realty transfer tax revenues are all equal to the amounts adopted at the May 2013 REC. FY 2014 enacted inheritance and gift tax revenues are estimated at \$31.8 million, \$3.6 million less than the estimate included in the Governor's FY 2014 recommended budget but 5.3 percent more than the final enacted FY 2013 estimate for inheritance and gift tax revenues. Racing and athletics tax revenues are enacted in FY 2014 at \$1.2 million, \$100,000 more than the amount recommended by the Governor for FY 2014 and equal to the amount estimated in the FY 2013 final enacted budget. FY 2014 enacted realty transfer tax revenues are estimated at \$7.5 million, \$800,000 more than the estimate included in the Governor's FY 2014 recommended budget and 5.6 percent growth from the final enacted FY 2013 estimate for realty transfer tax revenues of \$7.1 million. Other taxes are expected to comprise 1.2 percent of enacted total general revenues in FY 2014.

Inclusive of the General Assembly's proposed changes to departmental receipts, total departmental revenues are enacted to be \$348.7 million in FY 2014, or 10.3 percent of enacted total general revenues. FY 2014 enacted departmental receipts are expected to generate \$14.7 million less than the final enacted FY 2013 estimate. This decrease is due in part to the fact that \$10.0 million of FY 2012 hospital licensing fee payments were received in late FY 2013. In addition, the Attorney General received \$5.3 million from the settlement of lawsuits with several companies in FY 2013. Anticipated legal settlements entered into by the Attorney General are projected to be significantly less in FY 2014. The settlement payments are deposited as miscellaneous revenues within departmental receipts. The General Assembly's FY 2014 enacted departmental receipts estimate is \$4.6 million less than the estimate for FY 2014 contained in the Governor's recommended budget but is \$142.1 million more than the estimate adopted at the May 2013 Revenue Estimating Conference.

In the FY 2014 enacted budget, the General Assembly accepted the Governor's recommendation to reinstate the hospital licensing fee as it requires annual legislative approval. The General Assembly enacted a hospital licensing fee rate of 5.246 percent applied to hospital fiscal year 2012 net patient revenues. The hospital licensing fee rate of 5.246 percent is discounted by 37.0 percent "for all hospitals located in Washington County, Rhode Island" subject to the approval of the Centers for Medicare and Medicaid Services. The 37.0 percent discount yields an effective hospital licensing fee rate for Washington County hospitals of 3.305 percent. The General Assembly's FY 2014 enacted departmental revenues figure includes the following proposals:

- An increase of \$141.3 million from reinstating the hospital licensing fee as noted above;
- A decrease of \$363,040 from the acceptance of the Governor's proposal to eliminate the Department of Labor and Training's hazardous substance right to know fee;
- An increase of \$40,000 from concurrence with the Governor's recommendation to realize interest paid on overdue taxes from the creation of a special investigative tax unit;
- An increase of \$10,000 from concurrence with the Governor's recommendation to realize penalties paid on overdue taxes from the creation of a special investigative tax unit;
- A decrease of \$287,000 from the elimination of the Division of Motor Vehicles requirement of the filing of an accident report separate from that filed by law enforcement;
- An increase of \$300,000 from the posting of the State's gross investment earnings rather than the net investment earnings after the deduction of bank fees associated with those earnings;
- An increase of \$300,000 from the mandate that all municipalities use the State approved universal summons for red light violations issued via photo enforcement; and

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- An increase of \$850,000 from the application of the indirect cost recovery rate of 10.0 percent to the monies received by the Attorney General for the national mortgage settlement.

The FY 2014 enacted revenues for the other sources component of total general revenues totals \$409.3 million, an increase of \$16.5 million, or 4.2 percent, compared to the final enacted revenue estimate for FY 2013. The enacted FY 2014 estimate for other sources is \$2.0 million more than the estimate adopted at the May 2013 Revenue Estimating Conference but \$3.5 million less than the amount the Governor recommended in his FY 2014 budget.

Within the gas tax transfer component, the General Assembly's FY 2014 enacted budget shows no change from the FY 2013 final enacted estimate. Effective July 1, 2009, the state's general fund no longer receives any of the revenues generated by the state's \$0.32 per gallon motor fuel tax.

Other miscellaneous revenues are enacted at \$5.5 million in FY 2014, \$3.0 million more than estimate adopted at the May 2013 REC and \$3.1 million more than the estimate included in the Governor's FY 2014 recommended budget. Most of the difference between these previous estimates and the enacted FY 2014 estimate is the result of the General Assembly's one-time transfer of \$3.0 million of bond premium proceeds from the Rhode Island Capital Plan Fund to the state's general fund.

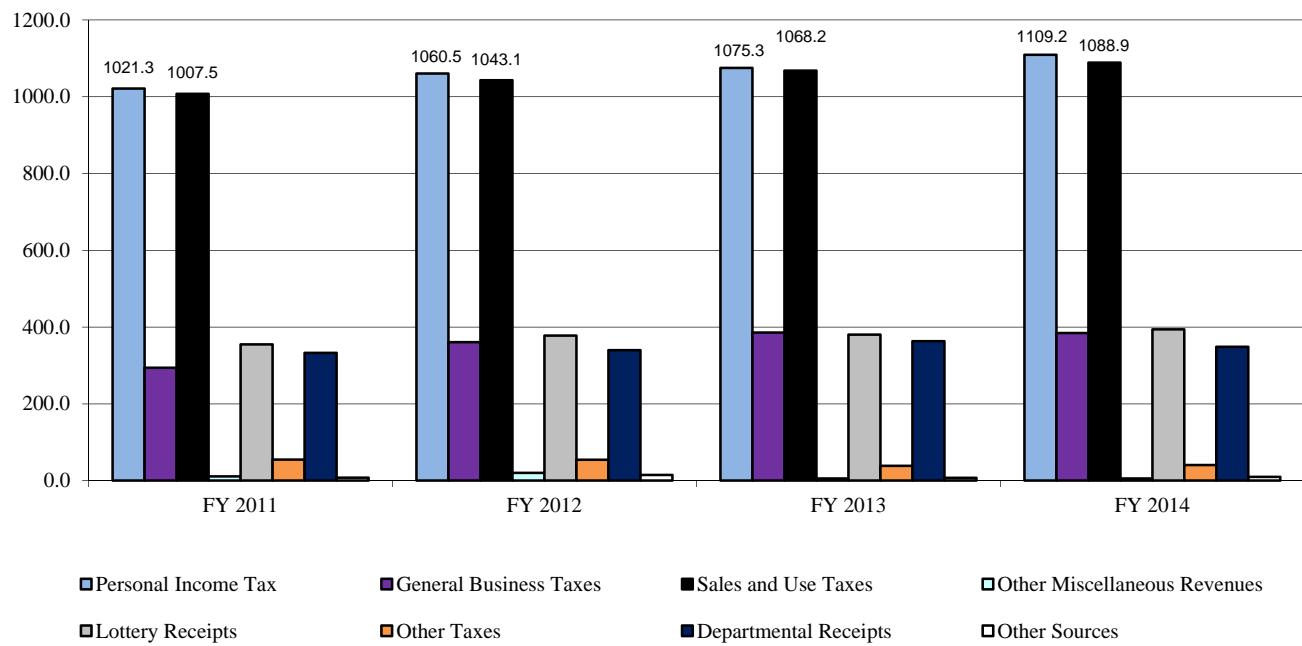
The enacted FY 2014 lottery transfer is \$13.9 million more than the final enacted FY 2013 estimate, an increase of 3.7 percent. The enacted FY 2014 lottery transfer estimate is \$1.0 million lower than the estimate adopted at the May 2013 Revenue Estimating conference and \$6.7 million less than the amount included in the Governor's FY 2014 recommended budget. The decrease in the enacted FY 2014 lottery transfer estimate from the estimate adopted at the May 2013 REC is due to the increase in Newport Grand's share of the net terminal income generated by the VLTs installed there from 27.8 percent to 30.05 percent effective from July 1, 2013 through June 30, 2015. It should be noted that the Division of Lottery's cost to administer and supervise the operation of table games at Twin River was included in the lottery transfer estimate adopted at the May 2013 REC. In FY 2014, the lottery transfer is enacted at \$394.1 million with \$63.0 million generated by traditional and monitor games, \$324.6 million generated by the video lottery terminals installed at Newport Grand and Twin River and \$6.5 million produced by the table games located at Twin River. The enacted FY 2014 lottery transfer will comprise 11.7 percent of enacted total general revenues.

The final category of general revenue receipts is the unclaimed property transfer. In the FY 2014 enacted budget, this transfer is expected to increase by \$2.7 million, or 38.6 percent, from the final enacted FY 2013 estimate. The unclaimed property transfer is projected to be \$9.7 million in the enacted FY 2014 budget and comprise 0.3 percent of enacted total general revenues. The enacted FY 2014 unclaimed property transfer estimate is the same as the amount adopted at the May 2013 REC and is \$100,000 more than the estimate included in the Governor's recommended FY 2014 budget.

The chart below shows the sources of general revenues for the period FY 2011 – FY 2014. The figures for FY 2011 and FY 2012 are final audited numbers, while those for FY 2013 and FY 2014 are the enacted estimates. The values of the two major sources of general revenues, personal income taxes and sales and use taxes, are highlighted.

Overview

General Revenue Sources (\$ millions)



Expenditure Changes from Governor's Recommended Budget

In the FY 2014 enacted budget of \$8,213.1 million, the Legislature added a total of \$40.6 million, or 0.5 percent to the Governor's recommendation of \$8,172.5 million comprised of reducing general revenue expenditures by \$39.4 million primarily due to net resources being \$52.4 million less than November, and addition of \$72.6 million in federal funds, \$2.3 million in restricted receipts, and \$5.1 million in other funds. The general revenue decrease from the Governor's recommended budget is 1.2 percent, for a total of \$3.399 billion. Major general revenue items in the area of general government include: removal of \$2.1 million in debt service based on expected issuances; removal of \$5.0 million from the Governor's initiative to provide \$10.0 million as an incentive to communities to reduce unfunded liabilities in locally administered pension plans, and; removal of \$5.0 million from the \$15.4 million recommended by the Governor in FY 2014 for distressed community relief. In the human services area of government, a general revenue reduction of \$7.7 million is related to the results of the May 2013 Caseload Estimating Conference, which forecasted lower cash assistance and medical assistance expenditures in FY 2014. Total reduction across all fund sources as a result of the May 2013 Caseload Estimating Conference is \$14.6 million in FY 2014. The federal Patient Protection and Affordable Care Act was also addressed by the Legislature by removal of \$4.0 million in general revenue and \$3.0 million in federal funds, to accommodate expected transition of eligible clientele in the Human Services and Behavioral Health departments to the expanded Medicaid program, or to the health benefits exchange.

In the area of state personnel, the Legislature amended the Governor's recommendation by including an additional \$5.9 million in turnover savings across all state departments and identifying an additional \$4.1 million in personnel savings due to delays in filling positions in several departments. The Legislature also removed a total of \$2.7 million, including \$1.5 million in general revenue, due to a recalculation of the retiree health benefit rate for state employees based on the most recent revaluation of the actuarial requirements of the state for this benefit. The Legislature also delayed implementation of termination of state-sponsored health coverage for divorced spouses of state employees till January 2014, requiring

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addition of \$915,200 in general revenue to the enacted level. The termination plan, once implemented, is expected to save the state \$1.4 million across all fund sources in each year.

Federal funds, which total \$2.718 billion in the enacted budget, increase by 2.7 percent or \$72.6 million from the Governor's recommended amount of \$2.645 billion. Specific additions include \$54.8 million for extension of unemployment insurance, due to notification of this extension after the Governor had submitted his initial recommendation. These federal dollars will be spent in concert with \$6.6 million in Employment Security financing for a total of \$61.4 million. The Affordable Care Act also resulted in an additional \$15.4 million to reflect updated enrollment projections for eligible participants up to 138.0 percent of the federal poverty level for medical assistance. This program is 100.0 percent financed with \$85.2 million in federal funds in FY 2014, and will not require a state share until FY 2017 and beyond. The Legislature also added \$4.9 million in federal stimulus financing for the state's energy plan. In combination with \$2.3 million in FY 2013, the state will begin several new initiatives, including a revolving loan program for small commercial energy efficiency projects.

Restricted Receipts total \$255.0 million in the FY 2014 enacted budget, an increase of \$2.3 million or 0.9 percent from the Governor's recommended budget of \$252.8 million. The increase is in part attributable to the Legislature's recommendation that \$1.6 million of general revenue be replaced with restricted receipt proceeds from state-owned land sales, which is allowed under law for information technology projects that support state agencies and access to public information. The Legislature also shifts \$1.8 million from general revenues to restricted receipts, requiring state agencies to maximize indirect cost recovery opportunities from federal grant agreements. These additions are offset by removing \$2.5 million from the Governor's proposal to shift the renewable energy fund to the Department of Administration, but instead the Legislature recommends the fund remain part of the Economic Development Corporation.

Other funds increase by \$5.1 million in the enacted budget to a total of \$1.881 billion, an increase of 0.3 percent from the Governor's recommendation. The increase includes additional financing proposed by the Governor for several projects financed from the Rhode Island Capital Plan Fund, including \$1.5 million for Hurricane Sandy repairs of state-owned facilities, \$4.2 million for recreational facility and commercial fishing pier improvements managed by the Department of Environmental Management, and \$1.9 million for rehabilitation projects for state facilities that serve the public, specifically buildings at the Pastore Center. The Legislature also includes \$1.0 million to renovate Harrington Hall at the Pastore Center, which serves as a shelter for the homeless. Because this rehabilitation will be financed with Rhode Island Capital Plan Fund resources, federal dollars that might otherwise be used for construction are now available to provide emergency winter shelter operations. These increases are offset by a reduction of \$10.0 million from the Governor's recommendation for a local roads improvement program. The Legislature recommends that the Rhode Island Clean Water Finance Agency use its bonding authority to provide a financing tool for local governments to provide transportation infrastructure improvements through the establishment of a new revolving loan fund seeded with \$7.0 million of bond premium proceeds. The \$3.0 million balance of the bond premium proceeds from the 2013 debt issuance have been deposited into the general fund.

The Legislature also added an additional \$1.4 million in Community Service Grant financing, bringing the total enacted amount \$8.7 million. The new additions include \$100,000 more for the Institute of Non-Violence, \$300,000 for the John Hope Settlement House, \$200,000 for a Justice Assistance Grant, \$100,000 for the Domestic Violence Court Advocacy program in the Courts, \$500,000 for Woonsocket schools and \$200,000 for minor adjustments to various grants.

General Government

The FY 2014 enacted budget for the **Department of Administration** totals \$428.7 million, including \$264.8 million in general revenue, \$62.2 million in federal funds, \$15.9 million in restricted receipts, \$78.7 million in operating transfers, and \$7.1 million in other funds. The FY 2014 enacted budget is a \$2.9 million increase

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from the Governor's recommended budget of \$425.8 million, and a \$15.7 million increase from the final FY 2013 revised budget.

The FY 2014 enacted budget for Central Management is \$3.1 million, with \$2.9 million in general revenue and \$194,591 in federal funds. The FY 2014 enacted budget is an increase of \$50,000 from the Governor's recommendation, which reflects an appropriation for a market analysis on the 38 Studios Debt. The FY 2014 enacted budget is a \$482,683 increase from the final FY 2013 revised budget.

The FY 2014 enacted budget for the Office of Accounts and Control is \$4.0 million, all general revenue, and is \$50,000 less than the Governor's recommended budget, and reflects an increase of \$187,633 from the final FY 2013 revised budget.

The Office of Management and Budget has a FY 2014 enacted budget of \$4.5 million, including \$4.0 million in general revenue and \$481,303 in restricted receipts. The FY 2014 enacted budget reflects a \$145,000 decrease in general revenue from the Governor's Recommendation and a \$1.5 million increase from the final FY 2013 revised budget.

For the Division of Purchasing, the FY 2014 enacted budget is \$3.2 million, including \$2.7 million in general revenue, \$193,710 in federal funds, and \$360,814 in operating transfers. The FY 2014 enacted budget is \$182,594 less than the Governor's recommendation. The General Assembly did not approve the new Deputy Director of Purchasing as proposed by the Governor. The FY 2014 enacted budget is a \$197,364 increase from the final FY 2013 revised.

The FY 2014 enacted budget for the Bureau of Audits is \$1.3 million, all general revenue, and is \$50,000 less than the Governor's FY 2014 recommendation, but reflects a \$207,857 increase from the final FY 2013 revised budget.

The FY 2014 enacted budget for the Division of Human Resources is \$11.2 million, including \$8.3 million in general revenue, \$808,123 in federal funds, \$469,283 in restricted receipts, and \$1.6 million in other funds. The FY 2014 enacted budget is \$355,765 less than the Governor's recommendation. The FY 2014 enacted budget is \$236,760 more than the final FY 2013 revised budget. The General Assembly did not approve 2.0 FTE positions for State Police and DMV HR Coordinators as was proposed by the Governor.

The Personnel Appeal Board has a FY 2014 enacted budget of \$75,036, all general revenue, and no change from the Governor's recommendation. The final FY 2013 revised budget was at the same level of funding.

The FY 2014 enacted budget for the Division of Legal Services is \$1.9 million, all general revenue, and is \$150,000 less than the Governor's recommendation. The General Assembly did not include this funding for State Employee Labor Contract Negotiations proposed by the Governor. The FY 2014 enacted budget includes a \$38,449 increase from the final FY 2013 revised budget.

The Division of Facilities Management has a FY 2014 enacted budget of \$37.4 million, including \$32.2 million in general revenue, \$925,630 in federal funds, \$616,083 in restricted receipts, and \$3.7 million in other funds. The FY 2014 enacted budget is \$100,000 less than the Governor's recommendation. The FY 2014 enacted budget is \$1.9 million more than the final FY 2013 revised budget with \$1.6 million from general revenues.

For the Division of Capital Projects and Property Management, the FY 2014 enacted budget is \$1.2 million, all general revenue, and is \$100,000 less than the Governor's recommendation. The General

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Assembly did not include 1.0 FTE position for a Capital Projects Manager proposed by the Governor. The FY 2014 enacted budget is \$36,744 less than the final FY 2013 revised with a decrease of \$100,000 in federal funds, which is offset by an increase in general revenue of \$63,256.

The FY 2014 enacted budget for the Division of Information Technology is \$34.0 million, including \$19.3 million in general revenue, \$7.1 million in federal funds, \$5.4 million in restricted receipts, and \$2.2 million in other funds. The FY 2014 enacted budget is \$830,244 less than the Governor's recommendation and the General Assembly did not approve \$75,000 for the purchase of new computers for Division staff, \$150,000 for software maintenance contracts, and \$455,244 for 3.0 FTE positions to maintain the state accounting system (RIFANs) which is an Oracle software platform. The FY 2014 enacted budget is \$713,425 greater than the final FY 2013 revised budget.

The Office of Library and Information Services has a FY 2014 enacted budget of \$2.2 million, including \$1.0 million in general revenue, \$1.2 million in federal funds, and \$1,694 in restricted receipts. The FY 2014 enacted is no change from the Governor's recommendation and is \$63,822 less than the final FY 2013 revised budget.

The FY 2014 enacted budget for the Division of Planning is \$20.7 million, including \$4.7 million in general revenue, \$11.0 million in federal funds, and \$5.0 million in operating transfers. The FY 2014 enacted budget includes a \$4.0 million increase in federal funds for Community Development Block Grant from the Governor's original recommendation (the Governor requested a \$2.0 million increase in a March 2013 amendment). The FY 2014 enacted budget includes an increase of \$750,000 in general revenue from the Governor's recommendation for a Housing Rental Subsidy, which is offset by a \$450,000 decrease for the Water Allocation Plan, which is under the purview of the Water Resources Board. The FY 2014 enacted budget is \$609,837 more than the final FY 2013 revised.

The Office of Energy Resources has a FY 2014 enacted budget of \$11.2 million, including \$5.7 million in federal funds and \$5.5 million in restricted receipts. The FY 2014 enacted budget is a \$2.4 million increase from the Governor's recommendation. This includes a \$4.9 million increase in federal stimulus funds for the State Energy Plan (the Governor requested this increase in a May 2013 amendment), but is offset by a \$2.5 million decrease in restricted receipt funds to reverse the Governor's recommendation to transfer the Renewable Energy Fund from the RI Economic Development Corporation (EDC) to the Office of Energy Resources. The FY 2014 enacted budget is a \$1.2 million increase from the final FY 2013 revised.

The Division of Construction Permitting, Approvals, and Licensing has a FY 2014 enacted budget of \$2.8 million, including \$1.4 million in general revenue and \$1.4 million in restricted receipts, no change from the Governor's recommendation. The FY 2014 enacted budget is a \$103,887 increase from the final FY 2013 revised.

The RI Health Benefits Exchange has a FY 2014 enacted budget of \$28.3 million, all federal funds, and no change from the Governor's recommendation. The FY 2014 enacted budget decreased \$480,901 in federal funds from the final FY 2013 revised budget.

The FY 2014 enacted budget for the General program is \$70.9 million, including \$23.6 million in general revenue, \$4.3 million in federal funds, \$421,500 in restricted receipts, and \$42.5 million in operating transfers, which is comprised of Rhode Island Capital Plan Fund (RICAP) resources for the Department. The FY 2014 enacted budget is a \$1.7 million increase from the Governor's recommendation. This includes a \$700,000 reduction in EDC Operations and Tourism, but is offset by a \$500,000 increase for Innovation Matching Grants and Bio Science Internships. The FY 2014 enacted budget includes an additional \$1.0 million in RICAP funds for the renovation of Harrington Hall at the Pastore Complex in

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Cranston. The FY 2014 enacted budget is a \$20.3 million increase from the final FY 2013 revised budget.

The FY 2014 enacted budget for the Debt Service program is \$193.0 million, consisting of \$157.4 million in general revenue, \$2.8 million in federal funds, \$2.1 million in restricted receipts, and \$30.7 million in operating transfers. The FY 2014 enacted budget is \$1.4 million less than the Governor's recommendation with a \$1.3 million decrease based on the actual debit service for the 2013 issuance for energy conservation projects, the integrated tax system and the Enhanced Technology in Local Education Agencies project, which were approved by the 2012 General Assembly. The FY 2014 enacted budget also includes \$750,000 in savings for Department of Transportation debt service thereby reducing the Governor's proposed shift of debt service costs to general revenue from \$10.0 million to \$9,250,000. The FY 2014 enacted budget includes \$2.5 million in general revenue to transfer to the Capital Reserve Fund of the EDC Job Creation Guaranty Program for the failure of 38 Studios to make its debt payments. Debt Service in the FY 2014 enacted budget is \$2.5 million less than the final FY 2013 revised budget.

The FY 2014 budget authorizes a FTE position ceiling of 720.7, which is 7.0 FTE positions less than the level recommended by the Governor. The decrease consists of 3.0 FTE positions in the Division of Information Technology to support the state accounting system RIFANs, which is an Oracle based platform. The reduction also includes 1.0 FTE position for a Deputy Director for the Division of Purchasing, 1.0 FTE position in the Division of Capital Projects and Property Management for a Project Manager, and 2.0 FTE positions for Human Resources Coordinator positions for the State Police and the Division of Motor Vehicles. The FY 2014 FTE authorization level is 8.6 more than the revised FY 2013 authorized level.

The FY 2014 enacted budget for the **Department of Business Regulation** totals \$13.0 million, including \$9.2 million in general revenue, \$1.7 million in federal funds, and \$2.0 million in restricted receipts. General revenue funding is \$200,000 less than the Governor's recommendation as a result of additional turnover savings taken by the General Assembly. FY 2014 enacted general revenue is \$320,366, or 3.6 percent, more than the final FY 2013 revised budget primarily due to personnel adjustments for staff in FY 2014.

The FY 2014 enacted budget for the Central Management program totals \$1.2 million, all in general revenue, no change from the Governor's recommendation.

The FY 2014 enacted budget for the Banking program is \$1.84 million in all funds, including \$1.2 million in general revenue, no change from the Governor's recommendation. In restricted receipts, the program's enacted budget is \$125,000, no change from the Governor's recommendation.

The FY 2014 enacted budget for the Securities Regulation program is \$1.0 million in all funds, including \$1.0 million in general revenue and \$15,000 in restricted receipts, no change from the Governor's recommendation.

The FY 2014 enacted budget for the Commercial Licensing, Racing and Athletics program totals \$1.2 million, no change from the Governor's recommendation. In general revenue, Commercial Licensing, Racing and Athletics has a FY 2014 enacted budget of \$707,941, no change from the Governor's recommendation. Restricted receipt funding is \$500,329, no change from the Governor's recommendation.

The FY 2014 enacted budget for the Insurance Regulation program totals \$5.1 million, including \$3.8 million in general revenue, a decrease of \$200,000 for turnover savings as compared to the Governor's recommendation. Restricted receipts total \$1.3 million, no change from the Governor's recommendation.

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The FY 2014 enacted budget of the Office of Health Insurance Commissioner totals \$2.3 million, including \$542,180 in general revenue and \$10,500 in restricted receipts, and \$1.8 million in federal funds, as recommended in the Governor's budget.

The FY 2014 enacted budget for the Board of Accountancy totals \$81,034, all general revenue, as in the Governor's recommendation.

The FY 2014 enacted budget for the Boards for Design Professionals totals \$253,834, all general revenue, no change from the Governor's recommendation

The FY 2014 authorization of 94.0 FTE positions is the same level as in the final FY 2013 revised budget.

The FY 2014 enacted budget for the **Department of Labor and Training** totals \$592.5 million, including \$9.1 million in general revenue, \$95.7 million in federal funds, \$43.1 million in restricted receipts, \$702,000 the Rhode Island Capital Plan Fund and \$443.9 million in other funds. The enacted budget reduces general revenue in the Workforce Regulation and Safety program by \$25,000 for additional turnover savings. The enacted budget also reduces the Governor's recommended Work Immersion & Non-Trade Apprenticeship Program funding in the Workforce Development Services program by \$750,000, resulting in an enacted general revenue budget of \$1,250,000 for this new program.

The Department of Labor and Training's FY 2014 enacted budget of \$592.5 million reflects a decrease of \$131.1 million, or 18.1 percent, from the FY 2013 final revised budget. General revenue increases by \$1.3 million, driven by the \$1.3 million appropriation for the Governor's Workforce Development Initiative. RI Capital Plan Fund resources reflect a net decrease of \$284,187, including a \$760,797 decrease attributable to the anticipated completion of the Center General Roof replacement in FY 2013, offset by a \$476,610 increase in asset protection funds.

Federal funds decrease \$70.6 million from the FY 2013 final enacted budget. The federal fund decrease is primarily driven by the cessation of federal Unemployment Insurance benefits on December 31, 2013, including Extended Unemployment Insurance benefit payments and Unemployment Insurance Administration funds, resulting in respective declines of \$56.8 million and \$5.0 million. Workforce Development Services federal funds also declined, including a \$2.8 million decrease in Workforce Investment Act funds and a \$1.6 million decrease in Trade Readjustment Act funds.

The \$43.9 million decrease in other funds results from the \$28.3 million decrease in Unemployment Insurance benefit payments and a \$15.1 million decrease in principal and interest payments on the Title XII loan, in anticipation of the loan being repaid in the beginning of calendar year 2015, whereas Temporary Disability Insurance payments increase by \$861,725. Restricted receipts decrease in the \$17.7 million from the FY 2013 final enacted budget, including a \$15.1 million decrease in the Job Development Fund for transfer to the Employment Security Trust Fund and a \$2.3 million reduction in Governor's Workforce Board/Human Resources Investment Council grants. General revenue for Policemen's and Firemen's Relief benefit payments remain relatively constant, increasing only \$28,473 above the FY 2013 final enacted budget.

Article 14 of the FY 2014 Appropriations Act makes several changes relating to the employment security trust fund. First, the 0.3 percent assessment levied on employers to repay Rhode Island's federal unemployment insurance loans is sunset in tax year 2015. Based on department projections, these loans will be fully repaid in that tax year and thus the additional assessment will no longer be required. Second, the article authorizes the trust fund to borrow from the State General Fund for the purpose of repaying outstanding loans from the federal government in a given fiscal year. Such loans must be repaid to the

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general fund, with interest, within the same fiscal year. This authorization will enable the department to pay off the state's federal loans in a time frame that will avoid over \$30.0 million in additional unemployment tax assessments on employers in tax year 2015 that would otherwise be owed if the state maintained a loan balance past November 10, 2014.

The Department's FY 2013 final revised budget totals \$723.6 million, an increase of \$62.0 million, or 9.4 percent, from the FY 2013 enacted budget. The final revised budget includes \$7.7 million in general revenue, \$166.3 million in federal funds, \$60.8 million in restricted receipts, \$986,187 from the RI Capital Plan Fund, and \$487.8 million in other funds. Compared to the FY 2013 enacted budget, general revenue decreases by \$130,269, federal funds increase by \$54.5 million, restricted receipts increase \$24.6 million, RI Capital Plan Fund resources decrease by \$77,963 and other funds decrease by \$16.9 million. The final enacted budget does not include the Governor's recommended \$1.0 million general revenue appropriation to provide funding for the Work Immersion & Non-Trade Apprenticeship initiative in the Workforce Development Services program. General revenue for Policemen's and Firemen's Relief benefit payments reflect a \$100,000 decrease from the Governor's recommendation. An additional reduction was made to RI Capital Plan Fund appropriations, which reflects a \$475,000 decrease from the Governor's recommendation based on updated project costs.

The increase in the FY 2013 final revised federal funds budget is primarily attributable to federal Unemployment Insurance benefits being extended through the end of CY 2013. This results in a \$44.5 million increase in federal Unemployment Compensation benefits, including \$39.4 million for extended benefits and \$5.1 million for short-time benefits, and a \$5.1 million increase in Unemployment Insurance (UI) Administration funds. Additional federal funds were appropriated for UI Administration information technology, including \$1.5 million in UI Administration funds, which constitutes a portion of the aforementioned \$5.1 million UI Administration increase, and \$1.4 million in federal UI Supplement Budget Request funds. In the Workforce Development Services program, federal grants were obtained for a number of new programs including \$1.4 million for the Hurricane Sandy National Emergency Grant, \$1.0 million for the DLT TANF Summer Youth program, \$439,659 for the Disability Employment Initiative and \$335,571 for the Data Quality Initiative. In existing Workforce Development programs, Workforce Investment Act funds increase by \$2.5 million and Trade Readjustment Act funds decrease by \$1.4 million.

In the FY 2013 final revised budget, the increase in restricted receipts is attributable to a \$19.0 million increase in the Job Development Fund for operating transfers to the Employment Security Trust Fund and a \$4.4 million increase in Governor's Workforce Board/Human Resources Investment Council grants. An other funds decrease of \$16.9 million results from decreases of \$23.3 million in Unemployment Insurance Benefits, \$11.0 million in Temporary Disability Insurance benefits, and \$2.0 million for Unemployment Insurance benefit payments to other states, which are partially offset by a \$19.0 million increase in payments to the federal government for Title XII advances. RI Capital Plan Fund resources for asset protection decrease by \$85,110 from the enacted amount, which is slightly offset by a \$7,147 increase in financing for the Center General building's roof replacement. The decrease in general revenue is driven by a \$102,421 reduction in Policemen's and Firemen's Relief benefit payments and a \$31,960 decrease in general revenue for the Workforce Regulation and Safety program.

The Department's authorized FTE position level in FY 2014 totals 392.0, a reduction of 31.0 FTE positions compared to the final FY 2013 revised authorization of 423.0, resulting from decreased federal funds in the Income Support and Workforce Development Services programs due to the decreased UI Administration funds at the end of CY 2013.

The FY 2014 enacted budget for the **Department of Revenue** totals \$353.4 million in all funds, including \$102.0 million in general revenue, \$3.0 million in federal funds, \$1.8 million in restricted receipts,

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\$150,000 in operating transfers, and \$246.4 million in other funds. The 2014 enacted budget is a decrease of \$8.0 million in general revenue from the Governor's recommended budget. The Governor recommended \$110.0 million in general revenue.

The majority of the decrease in general revenue from the Governor's recommended budget is in State Aid to municipalities. The Governor's FY 2014 budget proposed \$69.9 million in general revenue appropriated State Aid and the enacted budget provides \$61.9 million. See below table for a breakdown of the changes made by the General Assembly by State Aid category:

**General Revenue Appropriated State Aid to Municipalities:
FY 2014 Governor's Recommended vs. FY 2014 Enacted**

General Revenue Appropriated State Aid	FY 2014 Governor's Recommended	FY 2014 Enacted	Variance from Governor's
PILOT (Payment in Lieu of Tax)	\$33,080,409	\$35,080,409	\$2,000,000
Distressed Community Relief Fund	\$15,384,458	\$10,384,458	(\$5,000,000)
Property Revaluation Program	\$516,615	\$516,615	\$0
Municipal Incentive Aid (New FY 2014)	\$10,000,000	\$5,000,000	(\$5,000,000)
Motor Vehicle Excise Tax Reimbursement	\$10,000,000	\$10,000,000	\$0
Totals	\$68,981,482	\$60,981,482	(\$8,000,000)

* The Public Service Corporation Tax, Hotel Tax, and Meals and Beverage Tax are considered aid to municipalities, but are "Pass Through" revenues and are not appropriated. State Library Aid is also general revenue appropriated State Aid (FY 2014 enacted \$11.3 million), but is allocated in the Department of Administration budget.

Beginning in FY 2014 and continuing through FY 2016, Municipal Incentive Aid will provide a new category of state assistance with the purpose of encouraging municipalities to improve the sustainability of their retirement plans and to reduce unfunded liabilities. The aid for FY 2014 provides \$5.0 million, which is a decrease of \$5.0 million from the Governor's recommendation. The aid to Distressed Community Relief Fund is provided at \$10.4 million, which is a decrease of \$5.0 million from the Governor's recommendation. The combined \$10.0 million decrease is offset by a \$2.0 million increase in the PILOT (Payment in Lieu of Tax Exempt Property) Program which provides \$35.1 million for FY 2014. The FY 2014 enacted budget also provides \$957,497 in restricted receipts from the Car Rental Surcharge for the City of Warwick.

The total amount of appropriated State Aid to municipalities (including State Library Aid appropriated in the Department of Administration budget) and "Pass Through" revenue State Aid is \$113.2 million for FY 2014. This is an increase of \$5.9 million from the final FY 2013 revised budget, which is provided at \$107.2 million.

The FY 2014 enacted budget of \$353.4 million in all funds for the Department of Revenue reflects an increase of \$12.8 million from the final FY 2013 revised budget of \$340.6 million. The primary driver of the increase is with the Lottery Division's casino operations at Twin River and an overall division increase of \$7.3 million. Appropriated State Aid increased by \$3.9 million with the new Municipal

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Incentive Aid beginning in FY 2014. The Division of Motor Vehicles increased by \$1.0 million primarily in general revenue personnel and operating costs.

The FY 2014 enacted budget for the Office of the Director of Revenue totals \$1.2 million, all in general revenue, and no change from the Governor's recommendation. Budgeted expenses for FY 2014 increase \$331,730 from the final FY 2013 revised budget. The primary driver of the increase is to establish a 1.0 FTE position for a new Chief Financial Officer of the Department.

The FY 2014 enacted budget for the Office of Revenue Analysis totals \$528,721, all in general revenue, and no change from the Governor's recommendation. Budgeted expenses increased from the final FY 2013 revised budget to the FY 2014 enacted budget by \$51,256.

The Division of Lottery has a FY 2014 enacted budget of \$245.5 million, all other funds, and no change from the Governor's recommendation. The Lottery Division began overseeing casino operations at Twin River with table games opening in June 2013. The final FY 2013 revised budget provides \$940,000 for casino operations oversight and the FY 2014 enacted budget provides \$4.3 million. This is the largest driver of the \$7.3 million increase in expenditures for the Lottery from the final FY 2013 revised budget of \$238.2 million to the FY 2014 enacted budget of \$245.5 million. The estimated lottery transfer in FY 2014 to the general fund is \$395.1 million, with \$325.6 million from VLTs (Video Lottery Terminals), \$63.0 million from traditional games, and \$6.5 million in net revenues from the operation of table games at Twin River (figures as of the May 2013 Revenue Estimating Conference). This is projected to be an increase of \$14.9 million from FY 2013 (projected at \$380.2 million).

The Division of Taxation has a FY 2014 enacted budget of \$21.1 million with \$18.0 million in general revenue, \$1.3 million in federal funds, \$849,626 in restricted receipts, and \$959,849 in other funds. The General Assembly reduced Taxation's budget by \$100,000 in general revenue for additional turnover savings. There is an increase of \$306,582 from the final FY 2013 revised budget to the FY 2014 enacted. The enacted budget includes 2.0 additional FTE positions for a Chief, Special Investigations and a Revenue Agent I for a new Special Investigations Unit.

The FY 2014 enacted budget for the Division of Motor Vehicles is \$20.8 million with \$18.9 million in general revenue, \$1.8 million in federal funds, \$14,763 in restricted receipts, and \$150,000 in operating transfers. There is an increase of \$280,500 in FY 2014 general revenue to restore the Governor's recommendation to eliminate the requirement for the issuance of validation stickers on license plates. This is offset by \$150,000 in additional turnover savings. The FY 2014 enacted budget provides a \$1.0 million increase in expenditures from the final FY 2013 revised budget. This is primarily due to an increase in general revenue funded personnel and operating costs.

For FY 2014, the Department of Revenue's authorized FTE level is 492.0 FTE positions, an increase of 3.0 FTE positions from the final FY 2013 revised level of 489.0 FTE positions. The 3.0 new FTE positions include a CFO for the Department in the Office of the Director, a Chief, Special Investigations position and Revenue Agent I position for a new Special Investigations Unit in the Division of Taxation.

The FY 2014 enacted budget for the **Legislature** totals \$37.8 million, including \$36.2 million in general revenue and \$1.6 million in restricted receipts. The Legislature's budget of \$37.8 million reflects a net decrease of 9.8 percent, or \$4.1 million, from the FY 2013 revised budget of \$41.9 million. In FY 2014, compared to the FY 2013 revised budget, personnel financing increases by \$478,063, attributable to increases in statewide benefit calculations. Consultant and operating expense decline by a total of \$1.5 million, or 31.5 percent, largely attributable to the end of the redistricting project in early FY 2013. Capital financing decreases by \$3.1 million, from \$4.4 million to \$269,500, reflecting the Legislature's

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efforts to more closely align its budget with anticipated expenditures. Grants are financed at a total of \$2.3 million, corresponding to historical expectations of legislative grant awards.

In relation to the Governor's FY 2014 recommendation of \$38.6 million, the reduction of \$800,000 in the enacted budget reflects removal of \$700,000 in personnel turnover savings and \$100,000 in operating expense across all programs throughout the General Assembly. The FY 2013 revised budget is \$3.1 million greater than the original enacted amount, reflecting a portion of the reappropriation from FY 2012 which was originally \$6.3 million. The FY 2013 revised budget corresponds to the Governor's recommendation for the Legislature.

The Legislature's FY 2014 FTE authorization of 298.5 FTE positions is the same as the revised FY 2013 FTE authorization.

The FY 2014 enacted budget for the **Office of the Lieutenant Governor** totals \$2.1 million, including \$986,890 in general revenue and \$1.1 million in federal funds. The FY 2014 enacted federal funds budget reflects a \$315,383, or 39.8 percent, increase above the FY 2013 final revised budget, attributable to the Center for Medicare & Medicaid Innovation (CMMI) State Innovation Model federal grant. This grant totals \$969,380 in FY 2014, awarded to support the development and testing of state-based models for multi-payer payment and healthcare delivery system transformation. Federal funds obtained from the Office of the Health Insurance Commissioner's Exchange Establishment One Grant also increase by \$7,669; Exchange Establishment One Grant federal funds were obtained for assistance in health reform and are used to finance personnel costs associated with its administration. General revenue expenditures reflect an increase of \$41,579, or 4.4 percent, over the final FY 2013 revised budget. The general revenue increase is driven by a \$43,638 increase in personnel costs, resulting from the restoration of \$13,000 in turnover savings taken in the final revised FY 2013 budget, in addition to salary step increases and benefit increases.

The FY 2013 final revised budget totals \$1.7 million, consisting of \$945,311 in general revenue and \$793,105 in federal funds. The FY 2013 final revised budget reflects a \$663,368 increase in federal funds. This increase is primarily driven by the receipt of the CMMI State Innovation Model federal grant, resulting in a \$661,666 federal funds increase. General revenue decreases by \$17,644 from the FY 2013 enacted level, primarily resulting from \$13,000 taken in turnover savings that was not included in the Governor's recommendation, in addition to a \$4,256 decrease resulting from allocating personnel costs to Exchange Establishment One Grant federal funds.

The Office of the Lieutenant Governor's FY 2014 FTE authorization is 8.0 FTE positions, reflecting no change from the FY 2013 final revised FTE authorization.

The FY 2014 enacted budget for the **Secretary of State** totals \$7.0 million from all funds, including \$6.5 million in general revenue and \$454,931 in restricted receipts. The enacted budget reflects a decrease of \$95,000, or 1.3 percent, from the Governor's recommendation, consisting of a \$100,000 reduction in general revenue and a \$5,000 increase in restricted receipts. The variance between the enacted budget and the Governor's recommendation is primarily attributable to a reduction of \$100,000 in general revenue for additional turnover savings. Separate legislation was previously approved by the General Assembly authorizing the creation of the Visitors Center/Gift Shop and an associated restricted receipt account with \$5,000 of funding was authorized in the enacted budget.

Compared to the FY 2013 final revised budget, the FY 2014 enacted budget reflects a decrease of \$364,724, or 5.0 percent, consisting of a \$335,492 decrease in general revenue, a \$2,566 reduction in federal funds under the Help America Vote Act for election reform and mock elections, and a \$26,666 decrease in Historical Records Trust restricted receipts. The decrease in the enacted budget is primarily

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attributable to expenses related to the General Election held in November 2012, including \$541,500 for printing of ballots and for referenda printing, \$95,100 for mailing expenses, \$50,000 in special legal expenses related to anticipated referenda challenges and \$5,000 for interpreters for the translation of election materials. Statewide decreases total \$36,660 for medical benefits and retiree health insurance rates savings and state fleet insurance rebates. The personnel and operating increases include a net of \$155,718 mostly from restoration of turnover savings.

The FY 2013 final revised budget totals \$7.3 million, reflecting a decrease of \$100,619, or 1.4 percent, from the FY 2013 enacted budget. The final revised budget consists of \$6.8 million in general revenue, \$2,566 in HAVA federal funds for election reform and mock elections, and \$481,597 in Historical Records Trust restricted receipts. The \$79,713 general revenue decrease in the FY 2013 final revised budget is primarily attributable to a \$60,000 reduction in the budget for personnel and a \$19,713 reduction for medical holiday savings. Likewise, the federal funds increase \$2,566 for expenditures of the remaining funds in the Help America Vote Act (HAVA) for election reform and mock elections, and the Historic Records Trust restricted receipts decrease \$23,472.

The Secretary of State's FTE authorization is 57.0 FTE positions, reflecting no change from the FY 2013 final revised FTE authorization.

The FY 2014 enacted budget for the **Office of General Treasurer** totals \$35.4 million, including \$2.7 million in general revenue, \$1.1 million in federal funds, \$31.4 million in restricted receipts, and \$228,923 in other funds. The Treasury's FY 2014 enacted budget is \$346,976, or 1.0 percent more than the Governor's recommendation for the Office. The increase is comprised of \$300,000 more in general revenue included in a Governor's amendment to pay bank fees associated with investment of state funds from the Agency's operating budget, which were previously paid from investment revenues. Restricted receipts increase by \$46,976 over the Governor's recommendation, comprised of \$40,000 for research fellowship funds currently available from a private source, and \$6,976 in the Unclaimed Property program's transfer of net revenue, based on the May 2013 Revenue Estimating Conference.

In relation to the FY 2013 final revised budget of \$45.7 million, the FY 2014 enacted amount is less by \$10.3 million or 22.6 percent. General revenue decreases by \$171,809, comprised of the removal of \$229,457 for administrative expense associated with the Defined Contribution program, which was financed with general revenue during the initial implementation phase, until employee fees were available for administration expenses. Capital expense decreases by \$30,300 from FY 2013 revised to FY 2014 enacted to reflect completion of the Treasury's move and build-out of its new 50 Service Avenue facility in the early part of FY 2013. These general revenue decreases are offset by an increase of \$103,529 in personnel financing, most notably for health, retirement and retiree health benefit increases throughout the Agency. In federal funds, the FY 2014 enacted amount is \$30,925 more than the FY 2013 revised budget, reflecting benefit adjustments for federally-financed personnel specifically in the DET Administration and Crime Victims Assistance units. Restricted receipt financing decreases by \$10.2 million in FY 2014, most notably in the Unclaimed Property program to reflect the results of the May 2013 Revenue Estimating Conference which estimated a lower payout to unclaimed property owners in comparison to FY 2013, which was uniquely higher than previous years. In the Retirement Program, an additional FTE for a new Operations Manager position is provided, financed with restricted receipts.

The FY 2014 FTE position authorization for the Office of the General Treasurer is 83.0 FTE positions, an increase of 1.0 FTE position from the FY 2013 FTE position level of 82.0 FTE positions.

The FY 2014 enacted budget for the **Board of Elections** is \$1.7 million, financed entirely from general revenue and the same as the Governor's recommendation, and is a decrease of \$147,462, or 7.8 percent, from the FY 2013 final revised budget. The FY 2014 recommendation reflects a \$297,462 decrease

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attributable mostly to removing expenses for the 2012 General Election, which will not be required in FY 2014. The FY 2014 budget also includes a \$150,000 increase in the Board's IT programming budget to implement an electronic filing system for independent advocates, required pursuant to House Bill H-7859 of 2012. Consistent with the Governor's revised FY 2013 recommendation, an additional \$6,750 is added in software maintenance agreements for ERTS hosting.

The FY 2013 final revised budget totals \$1.9 million, financed entirely of general revenue. The FY 2013 final revised budget reflects a \$35,000 general revenue decrease from the Governor's supplemental budget recommendation, primarily resulting from lower than anticipated purchased services of \$38,000 and printing and operating costs of \$37,000 offset by increases in postage and other operating of \$27,054 and seasonal employment of \$12,946 due to election mailings and staff support.

The Board's FTE authorization is 11.0 FTE positions in FY 2013 and FY 2014, consistent with the enacted FY 2013 authorization.

The FY 2014 enacted budget for the **Rhode Island Ethics Commission** totals \$1.6 million, all of which is from general revenue, and representing no change from the Governor's recommended budget. Of this amount, \$1.4 million is for payroll costs, \$31,500 is for contract professional services, \$162,305 is for operating costs, and \$6,118 is for capital purchases and equipment.

The final revised FY 2013 budget for the Commission totals \$1.5 million from general revenue. This amount is \$20,000 less than the Governor's original budget recommendation. The \$20,000 reduction in appropriations is due to additional turnover savings in the agency's budget based on projected expenditures through the third quarter of FY 2013.

The FY 2014 and FY 2013 FTE position authorization of 12.0 FTE positions is the same number of positions recommended by the Governor.

The FY 2014 enacted budget for the **Office of the Governor** totals \$4.4 million, all general revenue. Compared to the final revised FY 2013 budget, general revenue expenditures increase by \$118,503. The FY 2014 enacted budget is \$50,000 less than the Governor's initial recommendation, which reflects additional turnover savings taken by the General Assembly.

In relation to the FY 2013 final revised budget of \$4.3 million, the FY 2013 enacted budget was \$26.6 million; the decrease is the result of the Rhode Island Health Benefit Exchange being transferred to the Department of Administration in the Governor's recommended supplemental budget. The FY 2013 final revised budget is \$75,897 less than the Governor's recommendation for the Office, as a result of additional turnover and operating savings taken by the General Assembly based on projected year-end expenditures.

The Governor's Office's FTE authorization for both the FY 2013 revised and FY 2014 enacted budgets remains at 45.0 FTE positions. In the FY 2013 enacted budget there were 39.0 FTE positions authorized in the Governor's Office and 6.0 FTE positions authorized in the Health Benefits Exchange. These Health Benefits Exchange positions were part of the Governor's Office authorization initially. However, when the Health Benefits Exchange was created in the Governor's Office, 6.0 existing, vacant FTE positions were used to allow the Exchange's work to commence. Upon the transfer of the Health Benefits Exchange to the Department of Administration, new FTE positions were requested and the Governor's Office maintained the 6.0 FTE positions as originally authorized for the Office.

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The FY 2014 enacted budget for the **Rhode Island Commission for Human Rights** totals \$1.5 million, including \$1.2 million in general revenue and \$308,638 in federal funds. There was no change from the Governor's original recommended budget in either source of funds.

General revenue funding reflects a net increase of \$17,656 or 1.6 percent from the final FY 2013 revised budget of \$1.1 million. Federal funds reflect a net increase of \$1,950 or 0.6 percent from the final FY 2013 revised budget of \$306,688.

The final revised FY 2013 budget totals \$1.4 million, comprised of \$1.1 million in general revenue and \$306,688 in federal funds. Similar to FY 2014, there was no change to the Governor's supplemental recommendation in either source of funds.

The Commission for Human Rights enacted budget includes 14.5 FTE positions, which is unchanged from the final FY 2013 revised budget authorization.

The FY 2014 enacted budget for the **Public Utilities Commission** totals \$8.4 million, including \$166,818 in federal funds and \$8.3 million in restricted receipts. This is \$149,090 less than the level recommended by the Governor and reflects the elimination of restricted receipt funds for two FTE positions that were formerly funded from American Recovery and Reinvestment Act (ARRA) federal funds. Compared to the final FY 2013 enacted budget of \$8.5 million, the FY 2014 enacted budget is \$69,647 less. Federal funds (primarily ARRA) decrease by \$181,603 and restricted receipts increase by \$111,956.

The FY 2014 FTE positions authorization of 49.0 is 1.0 FTE position more than the final level of 48.0 authorized for FY 2013, which in turn is 1.0 FTE position more than the original FY 2013 enacted level of 47.0 FTE positions. These positions are an additional investigative auditor and an additional consumer agent position to address backlogs in audits, consumer related billing issues, service quality concerns and termination proceedings. The FTE authorization associated with the two positions formerly funded with federal ARRA dollars is maintained in the enacted budget and the Commission is authorized to fill these positions and finance them with restricted receipts funds.

Human Services	<p>The FY 2014 enacted budget for the Executive Office of Health and Human Services (EOHHS) totals \$1.868 billion, including \$843.2 million in general revenue, \$1.015 billion in federal funds, and \$10.0 million in restricted receipts. General revenue funding reflects a net increase of 8.3 percent, or \$64.3 million from the final FY 2013 revised budget of \$778.9 million, and corresponds to a 0.9 percent, or \$7.8 million decrease to the Governor's original FY 2014 recommendation. Federal funding reflects a net increase of 14.2 percent, or \$126.4 million from the final FY 2013 revised budget of \$888.3 million, and corresponds to a 1.5 percent, or \$15.4 million increase to the Governor's original FY 2014 recommendation. Restricted receipt funding reflects a net decrease of \$3.2 million from the final FY 2013 revised budget of \$13.2 million, and is equivalent to the Governor's original FY 2014 recommendation.</p>
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**Human
Services**

The FY 2014 enacted budget for the **Executive Office of Health and Human Services (EOHHS)** totals \$1.868 billion, including \$843.2 million in general revenue, \$1.015 billion in federal funds, and \$10.0 million in restricted receipts. General revenue funding reflects a net increase of 8.3 percent, or \$64.3 million from the final FY 2013 revised budget of \$778.9 million, and corresponds to a 0.9 percent, or \$7.8 million decrease to the Governor's original FY 2014 recommendation. Federal funding reflects a net increase of 14.2 percent, or \$126.4 million from the final FY 2013 revised budget of \$888.3 million, and corresponds to a 1.5 percent, or \$15.4 million increase to the Governor's original FY 2014 recommendation. Restricted receipt funding reflects a net decrease of \$3.2 million from the final FY 2013 revised budget of \$13.2 million, and is equivalent to the Governor's original FY 2014 recommendation.

The Central Management program includes all financing for the administrative and operational activities of the Executive Office, and includes the Offices of the Secretary, Budget, Policy, Legal Services, Program Oversight, and Medical Assistance Administration. The FY 2013 final enacted general revenue budget for Central Management totals \$23.2 million, a decrease of \$3.1 million relative to the Governor's recommendation. The legislative revision to the Governor's supplemental budget consists of: (1) turnover savings of \$816,572, as identified in the Executive Office's third quarter report; (2) a substitution of \$360,000 in federal funds for general revenue to adjust for an updated matching rate applied to the \$1.00 per member per month charge for Medicaid beneficiaries under Rhode Island's Statewide Health Information Exchange (HIE), known as "Currentcare"; and (3) a decrease of \$1.9 million, reflecting the

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full reallocation of matching funds for the HIV Treatment CNOM from general revenue to available balances of AIDS Drug Assistance Program (ADAP) rebate funds.

The FY 2014 enacted general revenue budget for Central Management totals \$27.7 million, a decrease of \$2.4 million relative to the Governor's recommendation of \$30.1 million. The legislative revisions to the Governor's original recommendation are: (1) a reduction of \$584,294 due to the General Assembly's withdrawal of 10.0 FTE positions from the Governor's proposed FY 2014 staff augmentation of 21.0 FTE positions; (2) managed turnover savings of \$250,000; (3) an increase of \$150,000 for the continued support of contracted professional services for the Coordinated Health Planning Project; (4) a decrease of \$320,584 in general revenue dedicated to the \$1.00 per member per month charge for Medicaid beneficiaries under Rhode Island's Statewide Health Information Exchange (HIE), known as "Currentcare" (again in recognition of an updated federal matching rate); and (5) reductions totaling \$1.4 million to the HIV Treatment CNOM, reflecting both the reallocation of state matching funds to available ADAP rebate reserves and more aggressive transitioning of current beneficiaries to the ACA-expanded Medical Assistance program in CY 2014.

FY 2014 appropriations for the Central Management program reflect the General Assembly's concurrence with several budgetary initiatives set forth by the Governor. These include all-funds financing of \$20.3 million, consisting of \$3.6 million in general revenue, to support the Unified Health Infrastructure Project (UHIP), a fully integrated and interoperable system of eligibility determination spanning multiple programs of public assistance and the Health Benefits Exchange. Secondly, the General Assembly accepted the Governor's recommendation providing \$2.0 million, or \$200,000 in general revenue, to develop enhancements to the Medicaid Management Information System (MMIS) that incorporate the use of real-time "predictive modeling" in the analyses of Medical Assistance claims. The General Assembly likewise approved the Governor's proposed appropriation of \$200,000, of which \$100,000 is from general revenue, to create an EOHHS strategic plan. This plan will clarify the future goals and objectives of the Executive Office in its role as the Single State Agency for Medicaid Administration and the coordinating authority for all major human services agencies within state government.

Enacted staffing authorizations total 184.0 FTE positions in FY 2014, an increase of 15.0 FTE positions relative to the FY 2013 final revised level of 169.0 FTE positions, and 10.0 FTE positions below the Governor's FY 2014 recommendation of 194.0 FTE positions. The year-over-year increase in authorized staff reflects both the transfer-in of 4.0 chief financial officer positions from the departments currently under EOHHS auspices, as well as the augmentation of the EOHHS administrative staff by 11.0 FTE positions.

The FY 2013 final enacted budget for the Medical Assistance (Medicaid) program totals \$1.575 billion, including \$755.7 million in general revenue. In comparison to the Governor's original FY 2013 recommendation, which was predicated on the results of the November 2012 Consensus Caseload Estimating Conference (CEC), final revised appropriations reflect a net decrease of \$40.6 million in total funding, and a \$19.3 million net decrease in general revenue. Final FY 2013 appropriations fully comport with the Governor's recommendation as amended following the May 2013 CEC, with no deviation from consensus estimates.

The FY 2014 enacted budget for the Medical Assistance (Medicaid) program totals \$1.751 billion, including \$815.5 million in general revenue. In comparison to the Governor's original FY 2013 recommendation, which was predicated on the results of the November 2012 Consensus Caseload Estimating Conference (CEC), final enacted appropriations reflect a net increase of \$8.0 million in total funding, and a \$5.4 million net decrease in general revenue. In contrast to the Governor's recommendation as amended following the May 2013 CEC, enacted appropriations reflect a decrease of \$7.5 million in total funding, and a \$4.0 million decrease in general revenue. Relative to the FY 2013

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final revised budget, total financing increases by \$175.7 million, or \$59.8 million in general revenue. Enacted appropriations also incorporate a Governor's budget amendment transferring \$11.1 million, or \$5.5 million in general revenue, from the Department of Human Services, Division of Elderly Affairs' Home and Community Care Medicaid Waiver program to the EOHHS Medical Assistance program.

Funding for the Medical Assistance program reflects caseload levels as adopted by the May 2013 Consensus Caseload Estimating Conference (CEC), modified by both legislative items as well as various initiatives that were originally proposed by the Governor. Those initiatives set forth in the FY 2014 Governor's Budget, and accepted by the General Assembly as part of the FY 2014 enacted budget include: (1) trend-based reductions to managed care capitation (i.e. monthly cost per member) rates, effective July 1, 2013; (2) a one-year freeze of FY 2013 payment rates for inpatient and outpatient hospital services within both the fee-for-service and the managed care segments of the Medical Assistance program; (3) suspension of the rate increase to nursing care and hospice facilities scheduled for October 1, 2013; and (4) savings stemming from the aggressive recoupment of fraudulent or otherwise inappropriate Medicaid payments uncovered by the newly established Office of Program Oversight. Combined, these policies generate savings totaling \$26.9 million to the Medical Assistance program, of which \$13.4 million represents general revenue. All statutory provisions required to actualize these measures were submitted by the Governor and enacted within Article 19 of the FY 2014 Appropriations Act, *Relating to Medical Assistance*.

In concert with a key provision of the Patient Protection and Affordable Care Act (ACA), the Governor's FY 2014 Budget proposed the expansion of Medical Assistance coverage to non-pregnant, childless adults up to 138 percent of the Federal Poverty Level, commencing on January 1, 2014. In passing Section 2 of Article 19, the General Assembly adopted this proposal, and FY 2014 appropriations for Medical Assistance include \$85.2 million in federal-only funding to meet the attendant cost of the ACA-based Medicaid expansion. Under ACA, full federal financing of Medicaid services for the expanded eligibility population elapses in January 2017, after which the federal matching rates decline incrementally until reaching 90 percent for 2020 and thereafter. As such, the state's share in support of medical services for the newly eligible population will not be required until FY 2017.

Both caseload expenditures adopted by the May 2013 CEC and the FY 2013 final and FY 2014 enacted budgets include the Governor's recommendation to increase both fee-for-service and managed care Medicaid payment rates for primary care physicians (offering certain specified services) to align with those of the federal Medicare program, commencing January 2013. Mandated by ACA, this provision is entirely federally financed in CY 2013 and CY 2014. After December 31, 2014, states retain the option to continue primary care reimbursement at these enhanced rates, although federal financial participation (with respect to the rate differential) will decrease from 100 percent to the prevailing Federal Medical Assistance Percentage (FMAP), or approximately 50 percent.

The FY 2014 enacted budget for Medical Assistance also contains several significant measures that were initiated by the 2013 General Assembly, most of which involve program changes and/or restructuring arising from the ACA-based Medicaid expansion and the establishment of the Rhode Island Health Benefits Exchange in 2014. First, the General Assembly has set forth the "ACA First" principle, whereby certain individuals who are currently enrolled in the Medical Assistance program through the "Medically Needy" (flexible income test or "spend-down") eligibility option will be shifted from traditional Medical Assistance to either the Health Benefits Exchange or the expanded Medicaid program, commencing in January 2014. To ease this transition, the enacted budget contains general revenue of \$2.0 million for an "ACA Transition Program", designed to ensure that this population (or a portion thereof) is successfully relocated to the Exchange with no interruption of medical services. Net of planned expenditures for the ACA Transition Program (also referred to as the ACA Transition Fund), savings for "ACA First" total \$2.0 million, consisting of \$1.0 million in general revenue.

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Effective January 1, 2014, Section 4 of Article 19 reduces the Rite Care income eligibility threshold for parents from 175 percent of the Federal Poverty Level (FPL) to 133 percent of the FPL, thereby transitioning all current Rite Care parents above 133 percent of FPL out of the Medical Assistance program and into commercial coverage obtained via the Health Benefits Exchange. To aid these individuals in meeting the cost of coverage, the General Assembly created a new program of premium assistance (Article 19, Section 2) for Exchange-enrolled adults with dependent children at or below 175 percent of FPL. Specifically, after deductions of the former Rite Care co-share amount as well as the value of any federal tax credits received, this program will subsidize 50 percent of the commercial plan's cost. The anticipated cost of premium assistance for the third and fourth quarters of FY 2014 totals \$1.4 million in general revenue. Net of these expenditures, the General Assembly enacted savings of \$8.4 million, consisting of \$4.2 million in general revenue, for the reduction in parental Rite Care eligibility.

Designed to further ease the financial burden on former Rite Care parents transitioning to commercial insurance, Article 19, Section 4, also eliminates monthly co-sharing requirements under the Rite Care program, effective January 1, 2014. Under current statute and regulation, families with at least one Rite Care enrollee and monthly income ranging between 150 percent and 250 percent of the FPL are charged a graduated monthly premium of either \$61, \$77, or \$92. To compensate for the foregone program revenue during the second half of FY 2014, the General Assembly provided additional appropriations of \$2.8 million, consisting of \$1.2 million in general revenue.

The FY 2014 enacted budget for the **Department of Children, Youth & Families** totals \$213.9 million, including \$153.0 million in general revenue, \$56.7 million in federal funds, \$2.6 million in restricted receipts, and \$1.6 million in other funds. This budget is \$236,982 less than the final FY 2013 revised budget of \$214.1 million. This includes a net general revenue increase of 0.7 percent, or \$1.1 million, from the final FY 2013 revised budget of \$151.8 million. The final FY 2013 budget also includes a decrease of \$313,492 in federal funds and \$1.1 million in other funds. The FY 2014 enacted budget includes an additional \$2.6 million as compared to the Governor's FY 2014 recommendation and the final FY 2013 revised budget was \$1.0 more the Governor's FY 2013 revised recommendation.

For FY 2014, the budget for the Central Management program totals \$7.1 million, including \$4.9 million in general revenue, \$2.2 million in federal funds, and \$34,991 in restricted receipts. This reflects a net increase of 1.7 percent, or \$125,224, which is attributed to changes in purchased services and personnel expenditures, as compared to the final FY 2013 revised budget of \$7.2 million. There are no changes to the Governor's recommendation in the Central Management program.

The FY 2014 budget for the Children's Behavioral Health program totals \$10.6 million, including \$4.5 million in general revenue, \$5.6 million federal funds, and \$555,000 from the Rhode Island Capital Plan Fund. This reflects a net decrease of \$1.9 million, including decreases of \$375,823 in general revenue, \$417,210 in federal funds, and \$1.1 million in other funds from the final FY 2013 revised budget of \$12.5 million. The majority of the reductions in this program are in grants and benefits, which is due to funds being shifted to the Child Welfare program, and the Rhode Island Capital Plan Fund for repairs at the Rhode Island Training School and NAFI Center. There were no changes to the Governor's recommendation for FY 2014. The revised budget for FY 2013 reduced the Governor's recommendation for FY 2013 by approximately \$300,000 and reflects anticipated expenditures for various capital projects.

The Juvenile Corrections program is authorized \$27.7 million from all sources in FY 2014, including \$26.9 million from general revenue, \$334,915 from federal funds, and \$535,000 from the Rhode Island Capital Plan Fund for improvements to the Rhode Island Training School for Youth. This authorization represents a decrease of \$426,874, including an increase of \$67,491 from general revenue, from the final

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FY 2013 revised budget of \$28.2 million. There is a reduction of \$171,900 from other funds and \$322,465 in federal funds. The majority of the reductions in this program are related to capital projects.

For FY 2014, the enacted budget for Juvenile Corrections did not include any changes to the Governor's recommendation. The final revised budget for FY 2013 as compared to the Governor's recommendation included additional turnover savings of \$95,947.

The FY 2014 enacted budget for the Child Welfare program totals \$168.2 million, including \$116.5 million in general revenue, \$48.6 in federal funds, \$2.6 million in restricted receipts, and \$500,000 in other funds. This reflects a net increase of \$2.2 million from all funds, or 1.3 percent, from the final FY 2013 revised budget of \$166.0 million. General revenue increased by \$1.5 million. The majority of the increase in this program is related to personnel expenditures.

Compared to the Governor's FY 2014 budget recommendation, the enacted budget contains a general revenue increase of \$50,000 for a Community Service Grant for Youth Pride Incorporated. Turnover savings is increased by \$500,000. There is also an additional \$500,000 from general revenue to support the two lead networks in the System of Care.

A major component of the Child Welfare program encompasses the full implementation of System of Care Transformation. Phase I of the System of Care began in 2009 and established the Family Care Community Partnerships for youth that are at risk for Department involvement due to abuse and neglect or serious emotional disturbance (SED) and youth who are returning to the community following a Rhode Island Training School sentence. Phase II instituted a network of community-based wraparound services that serve as a system of support for those families who are in need of, or at risk for, out of home placement with a goal of facilitating permanency plans, decreasing the need for hospitalizations and residential placements, and increasing access to home and community-based services and supports.

Full implementation of the System of Care took place on July 1, 2012. The final budgets included an additional \$2.4 million, \$500,000 general revenue and \$1.9 million federal funds, in FY 2013 revised and \$3.0 million, \$500,000 general revenue and \$2.5 million federal funds, in the FY 2014 enacted budget, as compared to the Governor's recommendation, to support the two lead networks in the System of Care. The additional federal funds in both years include an allocation from available social services block grant funding under the Department of Human Services. Total costs for the System of Care are \$73.8 million in FY 2013 and \$74.2 million in FY 2014.

The Department of Children, Youth & Families' authorized FTE level for the FY 2013 budget is 671.5 FTE positions and for the FY 2014 budget is 670.5 FTE positions.

The FY 2014 enacted budget for the **Department of Health** totals \$121.0 million, including \$24.3 million from general revenue, \$62.0 million from federal funds, \$34.6 million from restricted receipts, and \$35,310 from other funds. Across all fund sources, appropriations decreased by 4.5 percent or \$5.8 million from the FY 2013 revised budget of \$126.7 million. General revenue funding decreased by \$138,721 from the FY 2013 revised budget of \$24.4 million. Federal funding decreased by 12.2 percent or \$8.7 million from the FY 2013 revised budget of \$70.7 million. Restricted receipt funding decreased by 9.9 percent or \$3.1 million from the FY 2013 revised budget of \$31.5 million. Other funds funding decreased by 72.0 percent or \$91,001 from the FY 2013 revised budget of \$126,311.

Compared to the FY 2014 Governor's recommendation of \$121.1 million, the FY 2014 enacted budget for the Department of Health decreased by \$92,290. Within separate funding categories, general revenue funding decreased by 2.4 percent or \$592,290 from the recommended total of \$24.9 million; federal

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funding did not change; restricted receipt funding was increased by 1.5 percent or \$500,000 from the recommended total of \$34.1 million; and other funds funding did not change.

The source of the change between the Governor's recommended budget and the enacted budget for FY 2014 is in two areas. First, the General Assembly added \$157,710 to further support the financial demands of the State's Blood Lead Poisoning Prevention initiative. The Governor recommended financing of \$442,290 in support of this program. The additional funding will bring this initiative up to \$600,000, which will allow the department to maintain the scope of this initiative rather than scaling back activities.

Secondly, the General Assembly decreased general revenue funding by \$750,000, partially offset with a \$500,000 increase in restricted receipt funding. Within the general revenue decrease, \$250,000 is comprised of additional turnover savings in the Environmental and Health Services Regulation and Health Laboratories programs. The remaining \$500,000 of savings is due to a shift of general revenue expenditures to the Indirect Cost Recovery restricted receipt account. This account typically has a carryover balance from year to year, and the enacted budget recognizes the availability of these residual balances.

The enacted budget for FY 2014 includes \$13.4 million for the Central Management program, which coincides with the Governor's recommendation. Though there is a zero dollar change to all funds, general revenue decreased by 47.8 percent or \$500,000 from the Governor's recommendation of \$1.0 million to \$544,959. This change is offset in the restricted receipt category of spending with a 13.4 percent or \$500,000 increase from the Governor's recommendation of \$3.7 million to \$4.2 million. Federal funds did not change from the Governor's recommended total of \$8.6 million.

The budget for the State Medical Examiner program in FY 2014 includes \$2.5 million, which coincides with the Governor's recommendation. General revenue financing remains at \$2.4 million. Federal funding also remains unchanged at \$163,940.

The budget for the Environmental and Health Services Regulation program in FY 2014 includes \$19.5 million, a \$125,000 decrease from the Governor's recommended budget of \$19.7 million. General revenue expenditures decreased 1.3 percent, or \$125,000 from the Governor's recommended total of \$9.6 million to \$9.5 million to accommodate the aforementioned turnover savings. Federal funding and restricted receipt funding remained unchanged at \$5.9 million and \$4.2 million, respectively.

The budget for the Health Laboratories program in FY 2014 includes \$7.7 million, a 1.6 percent or \$125,000 decrease from the Governor's recommended budget of \$7.8 million. General revenue decreased 2.0 percent, or \$125,000 from the Governor's recommended total of \$6.3 million to \$6.2 million, due to the aforementioned turnover savings. Enacted federal funding is unchanged from the Governor's budget at \$1.5 million.

The budget for the Public Health Information program in FY 2014 includes \$2.5 million across all funds, a number reflected in both the Governor's recommended budget and the enacted budget. General revenue is unchanged at \$1.5 million and federal funding is unchanged at \$945,533.

The FY 2014 budget for the Community and Family Health and Equity program in FY 2014 totals \$70.5 million, an increase of \$157,710 from the Governor's recommended budget of \$70.3 million. General revenue funding is \$2.4 million, which reflects the entirety of the change within this program with the addition of \$157,710 to the Governor's recommended budget. Federal funding of \$41.8 million is unchanged from the Governor's recommendation. Restricted receipt and other funding remain unchanged at \$26.2 million and \$35,310 respectively.

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The Governor's recommended budget for the Infectious Disease and Epidemiology program in FY 2014 remains unchanged at \$4.8 million in the enacted budget. General revenue funding remains at \$1.7 million. Federal funding remains at \$3.1 million.

FY 2014 staffing authorizations for the Department total 494.1 FTE positions, a decrease of 3.9 from the FY 2013 enacted level of 498.0, consistent with the Governor's Budget.

The FY 2014 enacted budget for the **Department of Human Services (DHS)** totals \$662.1 million, including \$93.5 million in general revenue, \$554.4 million in federal funds, \$9.8 million in restricted receipts, and \$4.5 million in other funds. General revenue funding reflects a net decrease of 2.3 percent, or \$2.2 million from the final FY 2013 revised budget of \$95.7 million, and corresponds to a 6.1 percent, or \$6.0 million reduction to the Governor's original FY 2014 recommendation. Federal funding reflects a net increase of 0.8 percent, or \$4.4 million from the final FY 2013 revised budget of \$550.0 million, and corresponds to a 1.5 percent, or \$8.4 million reduction to the Governor's original FY 2014 recommendation. Restricted receipt funding reflects a net decrease of 19.0 percent, or \$2.3 million from the final FY 2013 revised budget of \$12.1 million, and constitutes a \$163,724 increase to the Governor's original FY 2014 recommendation. Other funding reflects a net decrease of 1.8 percent, or \$83,661 from the final FY 2013 revised budget of \$4.6 million, but no deviation from the Governor's FY 2014 recommendation.

The FY 2014 enacted general revenue budget for the Central Management program totals \$5.5 million, an increase of \$548,311 relative to the Governor's recommendation. This revision is attributable to the following: (1) an apportionment of the General Assembly's removal of 15.5 vacant FTE positions throughout the Department (excluding positions related to the Unified Health Infrastructure Project (UHIP) and the Work Support Strategies Grant) totaling \$18,078; and (2) additional community services grants of \$566,389, consisting of two new grants for community agencies in the amounts of \$300,000 and \$150,000, a \$120,000 upward correction for pre-existing grants to various community action programs ("CAPs"), and a downward revision of \$3,611 for the removal a single grant due to closure of the intended grantee's facility. All community service grants budgeted in Human Services, other than those administered by the Division of Elderly Affairs, are housed within the Central Management program. The FY 2013 final enacted general revenue budget for Central Management totals \$5.2 million, a reduction of \$7.00 relative to the Governor's recommendation, reflecting the sum of: (1) \$116,396 in personnel savings due to turnover savings identified in the third quarter report coupled with this program's share of a department-wide 11.5 FTE position reduction; and (2) \$116,389 for additional community service grants.

The FY 2014 enacted general revenue budget for the Office of Child Support Services (OCSS) totals \$2.4 million, fully consistent with the Governor's recommendation. The FY 2013 final enacted general revenue budget for OCSS totals \$2.4 million, an increase of \$74,368 relative to the Governor's recommendation to remedy anticipated deficits in various areas of the Office's operations, as detailed in the Department's third quarter report.

The FY 2014 enacted general revenue budget for the Individual and Family Support (IFS) program totals \$20.9 million, a decrease of \$461,627 relative to the Governor's recommendation of \$21.4 million. The legislative revision to the Governor's Budget consists of: (1) an apportionment of the General Assembly's removal of 15.5 vacant FTE positions throughout the Department (excluding positions related to the Unified Health Infrastructure Project (UHIP) and the Work Support Strategies Grant) totaling \$390,812; (2) managed turnover savings of \$225,000; and (3) an upward revision of \$154,185, reflecting the acceptance of a Governor's budget amendment restoring general revenue matching funds for certain

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“Costs Not Otherwise Matchable” (CNOM) programs that were erroneously reduced in the Governor’s original budget proposal.

The FY 2013 final enacted general revenue budget for Individual and Family Support totals \$20.2 million, a reduction of \$855,757 relative to the Governor’s recommendation of \$21.1 million. The legislative revisions in FY 2013 consist of \$602,297 in personnel savings stemming from turnover savings identified in the third quarter report coupled with this program’s share of a department-wide 11.5 FTE position reduction, the removal of \$336,460 in unexpended general revenue for the Work Support Strategies project, and the addition of \$83,000 to accommodate a deficit within the monthly stipend program for SSI-eligible individuals who reside in non-Medicaid assisted living facilities.

With the passage of Article 18 of the FY 2014 Appropriations Act, *Relating to Human Services-Temporary Assistance for Needy Families and Child Care*, the General Assembly enacted a signature policy goal of the Governor’s FY 2014 budget proposal: the creation of new, innovative approaches to job preparation for TANF (RI Works) recipients and the enhancement of coverage under Rhode Island’s program of subsidized child care. Designed in part to increase Rhode Island’s TANF work participation rates, this pilot initiative is financed through new allocations of federal TANF State Family Assistance Grant (block grant) funds, and will effectively incorporate employment support strategies and transitional child care to facilitate the movement of families out of the Rhode Island Works Program and into permanent, gainful employment.

In accordance with these policy objectives, Article 18 specifically authorizes the Department to create an innovative job development proposal and to competitively select a qualified vendor to implement and test the new approaches set forth therein. Article 18 also establishes the Child Care Subsidy Transition Program, temporarily increasing the *continuing* eligibility threshold for the low-income segment of the Child Care Assistance Program (CCAP) from 180 percent of the Federal Poverty Level (FPL) to 225 percent of the FPL. From October 1, 2013 through September 30, 2014, families currently receiving subsidized child care through CCAP (under original income guidelines) will remain eligible for CCAP services until their family income exceeds 225 percent of the FPL. However, these families will still be liable for co-payments as stipulated in departmental rules and regulations. As recommended by the Governor, federal financing of \$3.0 million was enacted in support of this pilot initiative, \$1.5 million of which is contained within the IFS budget to support expenses related to the job development contract.

The FY 2014 enacted general revenue budget for the Division of Veterans’ Affairs totals \$21.0 million, \$175,000 below the Governor’s recommendation of \$21.2 million. This revision is comprised solely of a reduction of \$175,000 for managed turnover savings at the Veterans’ Home. The FY 2013 final enacted general revenue budget for the Division of Veterans’ Affairs totals \$19.6 million, equivalent to the Governor’s recommendation. The Division’s FY 2013 final and FY 2014 enacted budgets include the Governor’s proposal for grounds improvements, maintenance, and capital projects at both the Rhode Island Veterans’ Memorial Cemetery and the Rhode Island Veterans’ Home. Also proposed by the Governor and maintained by the General Assembly were heightened allocations of general revenue for overtime expenditures at the Veterans’ Home.

The FY 2014 enacted general revenue budget for the Health Care Eligibility (HCE) program totals \$8.1 million, \$184,794 below the Governor’s recommendation. The legislative revision is comprised solely of this program’s apportionment of the General Assembly’s removal of 15.5 vacant FTE positions throughout the Department (excluding positions related to the Unified Health Infrastructure Project (UHIP) and the Work Support Strategies Grant). The FY 2013 final enacted general revenue budget for HCE totals \$7.4 million, a reduction of \$192,055 relative to the Governor’s recommendation, reflecting turnover savings identified in the third quarter report coupled with this program’s share of a department-wide 11.5 FTE position reduction.

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The FY 2014 enacted general revenue budget for the Division of Elderly Affairs (DEA) totals \$5.7 million, \$5.0 million below the Governor's original recommendation of \$10.7 million. The legislative revision reflects the sum of four distinct changes: (1) the acceptance of a Governor's amendment requesting the transfer of the DEA Home and Community Care Medicaid Waiver program to the Medical Assistance program of the Executive Office of Health and Human Services (EOHHS), thus shifting \$5,493,073 in general revenue from DEA to EOHHS; (2) an upward revision of \$920,856, reflecting the acceptance of a Governor's budget amendment restoring general revenue matching funds for certain "Costs Not Otherwise Matchable" (CNOM) programs that were erroneously reduced in the Governor's original budget proposal; (3) a substitution of \$397,491 in restricted receipts for general revenue due to (potential) future recoveries of indirect costs incurred in the administration of the Division's federal grants; and (4) a downward adjustment to community service grants totaling \$10,527.

The FY 2013 final enacted general revenue budget for the Division totals \$10.9 million, an increase of \$422,543 relative to the Governor's recommendation. This is comprised of a \$24,236 reduction for discontinued community service grants (due to grantee agency closure) and the addition of \$446,779 to accommodate third quarter deficits evidenced within both the Home and Community Care Medicaid Waiver program and the home care component of the DEA Co-Pay (CNOM) Program.

Enacted staffing authorizations are 959.1 FTE positions in FY 2014, reflecting the General Assembly's removal of 15.5 vacant FTE positions contained within the Governor's recommendation of 974.6 FTE positions.

The FY 2014 enacted budget for programs of cash assistance administered by the Department of Human Services are as follows:

Rhode Island Works (formerly the Family Independence Program) and the Child Care Assistance Program: Total financing of \$90.0 million, consisting of \$9.7 million in general revenue, reflecting caseloads as adopted by the May 2013 Consensus Caseload Estimating Conference (CEC) and a new \$1.5 million allocation of the TANF block grant for the inception of the Child Care Subsidy Transition Program. As in recent fiscal years, all general revenue is appropriated in support of the Child Care Assistance Program (primarily in satisfaction of federal maintenance of effort (MOE) requirements for state-subsidized child care), whereas Rhode Island Works is fully financed through the federal TANF block grant. Budgeted expenditures for these programs in FY 2014 are \$2.1 million above the FY 2013 final enacted level of \$87.9 million, with the entirety of the increase accommodated by available federal resources.

Supplemental Security Income Program (SSI): Total financing of \$18.2 million in general revenue, reflecting caseloads as adopted by the May 2013 Consensus Caseload Estimating Conference and the Governor's recommendation as amended. Budgeted expenditures for this program in FY 2014 are \$32,834 above the FY 2013 final enacted level. The FY 2014 enacted budget maintains the provision of Article 23 of Chapter 151 of the Public Laws of 2011, which reduced the State Supplemental Payment (SSP) from \$538 per month to the federally-mandated floor of \$332 per month for SSI recipients residing in assisted living facilities. Note, however, that for FY 2014 the General Assembly again appropriated \$250,000 in support of a \$206 per month (non-SSP) stipend to the subset of these individuals who reside in non-Medicaid assisted living facilities. Financing for these payments is included within the Department's Individual and Family Support (IFS) program, and is therefore not subject to estimation at the CEC.

General Public Assistance (GPA): Bridge Program: \$693,000 in general revenue, consistent with adopted caseload levels and the Governor's recommendation as amended. **Burials:** \$700,000 in general

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revenue, consistent with adopted caseload levels and the Governor's recommendation as amended. *GPA Medical (GMED), designated as a "Cost Not Otherwise Matchable" (CNOM)*: \$612,500, comprised of \$303,800 in general revenue, and consistent with adopted caseload levels coupled with the Governor's recommendation to transfer qualifying GMED beneficiaries to the expanded Medicaid program of EOHHS, commencing on January 1, 2014. *GPA Hardship Contingency Fund*: \$210,000 in general revenue, consistent with Article 1 of the FY 2014 Appropriations Act.

Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): Federal funding for benefits provided under the Supplemental Nutrition Assistance Program (SNAP), which are not determined at the CEC, totals \$298.2 million in both the FY 2013 final enacted and FY 2014 budgets. Financing for benefits provided under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), also not determined at the CEC, totals \$19.4 million in both the FY 2013 final enacted and FY 2014 budgets. These allocations are consistent with the Governor's original recommendations.

The FY 2014 enacted budget for the **Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals** totals \$437.8 million, including \$202.1 million in general revenue, \$217.8 million in federal funds, \$7.4 million in restricted receipts, and \$10.6 million in other funds. The Department's total FY 2014 budget of \$437.8 million is \$6.7 million less than the Governor's FY 2014 recommendation and \$8.8 million more than the FY 2013 final revised budget of \$429.0 million. Compared to the FY 2013 final revised budget, general revenue increased by \$8.9 million, other funds by \$5.8 million, and restricted receipts by \$219,506. There is \$6.1 million less in federal funds.

FY 2014 general revenue funding of \$202.1 million reflects a net increase of 4.6 percent from the FY 2013 revised budget of \$193.2 million and \$4.6 million less than the Governor's FY 2014 recommendation of \$206.6 million. General revenue reductions from the Governor's recommendation include \$3.0 million to support savings associated with the Affordable Care Act and \$1.9 million for a statewide benefit adjustment for 24 hour facilities that was requested as a Governor's Amendment to adjust for personnel savings related to retiree health and dental benefits costs, a reduction in municipal substance abuse task forces and hospital licensing fees, and an increase in indirect cost recovery. The General Assembly included an additional \$1.0 million in turnover savings compared to the Governor's recommendation. There is also an addition of \$1.0 million in the developmentally disabled program for private providers. The largest increase in general revenue in the FY 2014 budget from the FY 2013 revised budget is \$10.9 million and falls within the grants and benefits category. This increase is slightly offset by a reduction of \$2.0 million for personnel expenditures. The final revised general revenue budget for FY 2013 concurs with the Governor's FY 2013 supplemental recommendation.

The decrease of \$6.1 million in federal funds in FY 2014 reflects a reduction of 2.7 percent from the FY 2013 revised budget of \$223.8 million and \$2.4 million from the Governor's FY 2014 recommendation. Federal reductions from the Governor's recommendation include \$2.0 million to support savings associated with the Affordable Care Act and \$1.3 million for a statewide benefit adjustment for 24 hour facilities, hospital licensing fees, and an increase in indirect cost recovery. There is also an addition of \$1.0 million in the private provider developmentally disabled program. The federal funds budget for FY 2013 reflects an increase of \$346,350 from the Governor's FY 2013 supplemental recommendation. This increase includes an additional \$950,000 requested in a Governor's budget amendment to adjust for overtime expenditures at the hospital, which is offset by a \$603,650 reduction in the federal Medicaid match for fire code upgrades in the developmentally disabled program to reflect actual spending.

Other funds increased by \$5.8 million from FY 2013 to FY 2014 entirely from the Rhode Island Capital Plan Fund. Significant increases in funding provide \$2.7 million for the hospital consolidation project and \$2.9 million for Eleanor Slater HVAC. The Governor's recommendation is reduced by \$2.9 million

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in the Rhode Island Capital Plan Fund in the FY 2013 final revised budget based on updated year end project expenditure estimates.

On an all funds basis, grants and assistance payments to providers totaling \$290.0 million comprise the largest portion of the Department's budget in FY 2014, followed by \$122.8 million for salary and benefits expenses, \$12.7 million for operating expenses, \$11.1 million for capital purchases and equipment, and \$1.3 million for contract professional services. Major net changes from the FY 2013 revised budget consist of an increase in grants and assistance payments of \$7.1 million and \$5.9 million for capital purchases and equipment, which is slightly offset by a reduction of \$3.6 million for personnel expenditures. Key changes to the Governor's FY 2014 recommended budget include reductions of \$5.0 million for additional Affordable Care Act savings, \$401,157 for the Eleanor Slater Hospital licensing fee, \$1.2 million for indirect cost, \$500,000 for municipal substance abuse task forces, and \$1.0 million in additional turnover savings. The enacted budget included an additional \$2.0 million for the private provider developmentally disabled program. Other funds decrease by \$3.5 million in the FY 2013 revised budget from the Governor's FY 2013 recommendation.

For the Central Management program, the FY 2014 enacted budget is \$1.2 million, including \$816,045 in general revenue and \$429,446 in federal funds. The enacted budget is 5.1 percent, or \$59,890, more than the FY 2013 revised budget of \$1.2 million. For the Hospital and Community Support System program, the FY 2014 enacted budget is \$3.6 million, including \$1.6 million in general revenue, \$734,152 in restricted receipts, and \$1.3 million from the Rhode Island Capital Plan Fund. The enacted budget is \$33,909 more than the FY 2013 revised budget. The only major change from the Governor's recommendation in FY 2014 is a net reduction of \$475,870 for indirect cost recovery.

For the Services for the Developmentally Disabled program, the FY 2014 enacted budget is \$224.3 million, including \$109.5 million in general revenue, \$112.1 million in federal funds, \$1.7 million in restricted receipts, and \$1.1 million from the Rhode Island Capital Plan Fund. The FY 2014 enacted budget is 6.7 percent, or \$1.5 million, more than the FY 2013 revised budget of \$222.9 million and \$3.2 million more than the Governor's FY 2014 recommendation. This increase reflects additional funding for the private providers to provide services to the developmentally disabled population.

The Department continues to implement Project Sustainability, which redesigned the developmentally disabled service system. The redesign included the development and implementation of a new rate and payment methodology applied to all service providers that would increase transparency and consistency across the system. The restructuring of the network of service providers is intended to maximize services and operational efficiencies and assure beneficiaries' needs are met with the most appropriate services in the most appropriate setting.

For the Behavioral Healthcare Services program, the FY 2014 enacted budget is \$94.3 million, including \$39.7 million in general revenue, \$53.3 million in federal funds, \$125,000 in restricted receipts, and \$1.2 million from the Rhode Island Capital Plan Fund. The enacted budget is 0.8 percent, or \$823,935, less than the FY 2013 revised budget of \$95.1 million. In comparison to the Governor's FY 2014 recommendation, the enacted budget contains a total of \$6.2 million in adjustments to the Affordable Care Act initiative, which mandated an optional expansion of Medicaid coverage to a states' population of non-disabled, childless adults up to 138 percent of the Federal Poverty Level (FPL) in January 2014. It is anticipated that there will be migration of current beneficiaries receiving services through current programs into the Medical Assistance program within the Executive Office of Health and Human Services.

For the Hospital and Community Rehabilitative Services program, the FY 2014 enacted budget is \$114.4 million. Of this amount, \$50.5 million is general revenue, \$51.9 million is federal funds, \$4.9 million is

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restricted receipts, and \$7.1 million is from the Rhode Island Capital Plan Fund. The enacted budget is 7.6 percent, or \$8.1 million, more than the FY 2013 revised budget of \$106.3 million, the majority being in the Rhode Island Capital Plan Fund. Major changes to the Governor's FY 2014 recommendation include reductions of \$2.1 million from all funds to reflect additional turnover savings, a statewide benefit adjustment for the 24 hour facilities, and a reduction in the Eleanor Slater Hospital licensing fee. The final enacted FY 2013 budget contains a reduction of \$1.7 million from the Governor's FY 2013 recommendation in other funds.

The Department's FTE authorization in the enacted budget is 1,424.4 for FY 2013 and 1,423.4 for FY 2014.

The FY 2014 enacted budget for the **Governor's Commission on Disabilities** totals \$1.5 million, including \$357,711 in general revenue, \$129,989 in federal funds, \$10,365 in restricted receipts, and \$957,271 in other funds. Across all sources, appropriations increased by 143 percent or \$856,333 from the FY 2013 revised budget of \$599,003. General revenue appropriations increase by 10.3 percent or \$33,290 from the FY 2013 revised budget of \$324,421. Federal funds decrease by 39.6 percent or \$85,379 from the FY 2013 revised budget of \$215,368. Restricted receipts increase by 12.5 percent or \$1,151 from the FY 2013 revised budget of \$9,214. Other funds increase by \$907,271 from the FY 2013 revised budget of \$50,000. Compared to the FY 2014 Governor's recommendation, the FY 2014 enacted budget for the Governor's Commission on Disabilities is unchanged across all funds.

The large increase in funding for the FY 2014 enacted budget, as compared to the FY 2013 revised budget, is due to an increase in resources from the Rhode Island Capital Plan fund for the Commission. Funding is included in the enacted budget for Accessibility to Disability Service Providers, Accessibility Fire Safety Renovations, and Accessibility to Higher Education Facilities.

Staffing authorizations for the Commission remain unchanged from FY 2013 at 4.0 FTE positions, consistent with the Governor's proposal for FY 2014.

The FY 2014 enacted budget for the **Commission on the Deaf & Hard of Hearing** totals \$471,609, including \$391,609 in general revenue and \$80,000 in restricted receipts. On an all funds basis, funding increased by 23.6 percent or \$89,908 from the FY 2013 revised budget of \$381,701. General revenue funding increased 2.6 percent or \$9,908 from the FY 2013 revised budget of \$381,701. Restricted receipt funding was not appropriated in FY 2013 but will total \$80,000 for FY 2014. Compared to the FY 2014 Governor's recommendation, the FY 2014 enacted budget for the Commission on the Deaf & Hard of Hearing is unchanged across all funds.

The FY 2014 budget includes passage of Article 17, Relating to Emergency and Public Communication Access Fund. This article, which was included in the Governor's recommended budget, creates the Emergency and Public Communication Access program, which requires an annual remittance of \$80,000 from the surcharge collected by the Public Utilities Commission on telecommunications service providers. This article also establishes a new restricted receipt account for the Commission on the Deaf & Hard of Hearing in FY 2014. The purpose of this fund is to enhance emergency and public communication for the deaf and hard of hearing population by including training for first responders and emergency personnel, providing for further outreach to the public, and for the purchase of equipment to increase communication access.

Staffing authorizations for the Commission remain unchanged from FY 2013 at 3.0 FTE positions, consistent with the Governor's proposal for FY 2014.

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The FY 2014 enacted budget for the **Office of the Child Advocate** totals \$648,648, including \$608,651 in general revenue and \$39,997 in federal funds. Across all funds, appropriations increased by 1.9 percent or \$11,916 from the FY 2013 revised budget of \$636,732. General revenue increases by 3.0 percent or \$17,987 from the FY 2013 revised budget of \$590,664. Federal funds, consisting of the Child Victims Services grant, decreased by 13.2 percent or \$6,071 from the FY 2013 revised budget of \$46,068.

Compared to the FY 2014 Governor's budget proposal, the FY 2014 enacted budget for the Office of the Child Advocate decreased by 1.0 percent or \$6,500. General revenue decreases by 1.1 percent or \$6,500 compared to the Governor's recommended budget of \$615,151 for FY 2014, while federal funds remain unchanged. The modest change in the Office of the Child Advocate's budget is due to a change in classification for one of the Office's positions. The Office was given the authorization to change a vacant 0.8 FTE Staff Attorney III position to a 1.0 FTE Legal Counsel position. This change in classification yielded personnel savings despite the increase in full-time equivalency.

Staffing authorizations for the Office increase from 5.8 FTE positions in FY 2013 to 6.0 FTE positions in FY 2014.

The FY 2014 enacted budget for the Office of the **Mental Health Advocate** totals \$486,144 within its sole funding source of general revenue. General revenue appropriations increased 50.4 percent or \$162,837 from the final FY 2013 budget of \$323,307. The change in funding is due to substantial turnover savings taken in the FY 2013 revised budget due to a vacancy in the Mental Health Advocate position for part of the fiscal year.

Compared to the FY 2014 Governor's recommendation, the FY 2014 enacted budget for the Office of the Mental Health Advocate is unchanged and totals \$486,144.

Staffing authorizations for the Office remain unchanged from FY 2013 at 3.7 FTE positions, consistent with the Governor's proposal for FY 2014.

Education

The FY 2014 enacted budget for the **Department of Elementary and Secondary Education** totals \$1.226 billion, including \$964.7 million in general revenue, \$225.7 million in federal funds, \$27.7 million in restricted receipts, and \$7.9 million in other funds. The Department's FY 2014 enacted budget overall is mostly consistent with the Governor's recommendation, with

the exception of \$66,939 more in general revenue offset by a decrease of \$54,212 in other funds. There was no change in federal funds and restricted receipts as compared to the Governor's recommendation. General revenue funding reflects a net increase of \$35.8 million or 3.9 percent from the final FY 2013 revised budget of \$928.9 million. Federal funds reflect a net decrease of \$12.4 million or 5.2 percent from the final FY 2013 revised budget of \$238.1 million. Restricted receipts reflect a net increase of \$1.0 million or 3.9 percent from the final FY 2013 revised budget of \$26.6 million. Other funds reflect a net decrease of \$3.9 million or 33.4 percent from the final FY 2013 revised budget of \$11.8 million.

The FY 2014 enacted budget for the Administration of the Comprehensive Education Strategy (ACES) program totals \$252.0 million, including \$19.8 million in general revenue, \$223.8 million in federal funds, \$5.2 million in restricted receipts, and \$3.1 million in other funds. The program's FY 2014 enacted budget is \$133,788 more than the Governor's recommendation, comprised of \$388,000 more in general revenue, offset by a \$254,212 decrease in other funds. Federal funds and restricted receipts are equal to the Governor's recommendation. The increase in general revenue from the Governor's recommendation is a result of an increase of \$588,000 for community service grants, which are offset by a decrease of \$100,000 each in turnover savings and the Channel 36 Transition Grant. General revenue funding reflects a net increase of \$1.1 million, or 5.7 percent, from the final FY 2013 revised budget of \$18.8 million. Other funds reflect a net increase of \$846,538 or 37.2 percent from the final FY 2013

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revised budget of \$2.3 million attributed to adjustments to various projects financed from the Rhode Island Capital Plan Fund.

The final revised FY 2013 budget for the ACES program totals \$261.6 million, comprised of \$18.8 million in general revenue, \$235.9 million in federal funds, \$4.7 million in restricted receipts, and \$2.3 million in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for ACES is \$1.5 million less than the Governor's recommendation, including \$65,126 less in general revenue and \$1.5 million less in other funds offset by \$100,292 more in federal funds. The decrease in general revenue financing is attributed to turnover savings achieved through a delay in hiring a high-level position. Federal funds are adjusted to reflect available carry forward funds and actual grant rewards. In other funds, the \$1.5 million is shifted from FY 2013 to later years to better reflect projected spending for two capital projects; total funding for each project remains as recommended by the Governor.

As a winner in the Race to the Top competition, Rhode Island was awarded \$75.0 million in federal funds that will be used over a four-year period, from 2010 through 2014. As described by the Department, Rhode Island will use Race to the Top funding to realize a single powerful vision: an educational system that prepares all Rhode Island students for success in college, careers and life. Over the term of this grant, Rhode Island will realize this vision through five important support systems: Standards and Curriculum, Instructional Improvement Systems, Educator Effectiveness, Human Capital Development, and School Transformation and Innovation. The final FY 2013 revised budget contains \$29.7 million, while the FY 2014 enacted budget allocates \$25.5 million from this grant.

In December 2011, Rhode Island was awarded an additional \$50.0 million through the latest round of the Race to the Top program. Under the title Race to the Top – Early Learning Challenge Grant, funding will be used to improve education for pre-school students. This program will involve multiple human service state agencies, such as the state's Department of Health, Department of Human Services, and the Department of Children, Youth, and Families, with funding allocated over the four-year span of January 2012 to December 2015, similar to the previous Race to the Top program. Within the Department's budget, \$4.2 million has been allocated for year two of the program in the final FY 2013 revised budget and \$4.1 million in year three, which encompasses FY 2014.

The FY 2014 enacted budget for the William M. Davies Career and Technical School totals \$17.8 million, including \$12.8 million in general revenue, \$1.5 million in federal funds, \$2.6 million in restricted receipts, and \$925,271 in other funds. Davies' FY 2014 enacted budget is \$275,140 more than the Governor's recommendation, comprised of \$75,140 and \$200,000 more in general revenue and other funds, respectively. There was no change to the Governor's recommendation for federal funds and restricted receipts. The increase in general revenue is for an adjustment to the education aid funding formula based on March 2013 updated student enrollment numbers along with free and reduced price lunch data and the restoration of statewide medical savings mistakenly removed from Davies' aid distribution as calculated by the funding formula. The Governor proposed both changes within an amendment, which the General Assembly accepted. General revenue financing reflects a net decrease of \$589,491 or 4.4 percent from the final FY 2013 revised budget of \$13.4 million. Federal funds reflect a net decrease of \$236,976 or 13.6 percent from the final FY 2013 revised budget of \$1.7 million. Restricted receipts also reflect a net decrease of \$83,452 or 3.4 percent from the final FY 2013 revised budget of \$2.5 million. Other funds reflect a net decrease of \$1.7 million or 64.7 percent from the final FY 2013 revised budget of \$2.6 million.

The final revised FY 2013 budget for Davies totals \$20.2 million, including \$13.4 million in general revenue, \$1.7 million in federal funds, \$2.5 million in restricted receipts, and \$2.6 million in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for

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Davies is \$53,246 more than the Governor's recommendation, entirely comprised of restoring statewide medical savings taken from Davies in error.

The FY 2014 enacted budget for the R.I. School for the Deaf totals \$6.8 million, including \$6.1 million in general revenue, \$402,679 in federal funds and \$300,000 in restricted receipts. The School for the Deaf's FY 2014 enacted budget is \$67,500 less than the Governor's recommendation all comprised of general revenue. The General Assembly instructs the School to use an equal amount in rental income to offset the general revenue decrease. General revenue financing reflects a net increase of \$92,756 or 1.5 percent from the final FY 2013 revised budget of \$6.2 million. Federal funds reflect a net decrease of \$106,212 or 20.9 percent from the final FY 2013 revised budget of \$508,891. Restricted receipts reflect a net decrease of \$50,000 or 14.3 percent from the final FY 2013 revised budget of \$350,000.

The final revised FY 2013 budget for the School for the Deaf totals \$7.0 million, including \$6.2 million in general revenue, \$508,891 in federal funds, and \$350,000 in restricted receipts. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for the School for the Deaf is \$39,786 more than the Governor's recommendation, including \$13,660 and \$50,000 more in federal funds and restricted receipts, respectively, offset by a decrease of \$23,874 in general revenue credited to additional turnover savings. The change in federal funds is attributed to an increase in Title I grants to make a one-time payment for a substitute teacher. In restricted receipts, the \$50,000 increase is for expenses relating to the settlement of a legal case against the State for activity pertaining to prior years. These expenses were not previously budgeted, but must be paid for before the close of FY 2013.

The FY 2014 enacted budget for the Metropolitan Career and Technical School (The MET) totals \$14.6 million, including \$11.1 million in general revenue and \$3.5 million in other funds. The MET's FY 2014 enacted budget is \$3,195 less than the Governor's recommendation, comprised of a decrease in general revenue financing done through an adjustment to the education aid funding formula based on March 2013 updated student enrollment numbers along with free and reduced price lunch data. The Governor proposed this change within an amendment, which the General Assembly accepted. There was no change to the Governor's recommendation for other funds. General revenue financing reflects a net decrease of \$563,207 or 4.8 percent from the final FY 2013 revised budget of \$11.6 million. Other funds reflect a net decrease of \$3.1 million or 46.8 percent from the final FY 2013 revised budget of \$6.6 million.

The final revised FY 2013 budget for the MET totals \$18.3 million, including \$11.6 million in general revenue and \$6.6 million in other funds. The final revised FY 2013 budget for the MET is consistent with the Governor's recommendation in all fund sources.

The FY 2014 enacted budget for Education Aid totals \$744.8 million, including \$724.9 million in general revenue, \$19.6 million in restricted receipts, and \$300,000 in other funds. Education Aid's FY 2014 enacted budget is \$1.5 million more than the Governor's recommendation, comprised entirely of general revenue. There were no changes to the Governor's recommendation for other funds. The \$1.5 million adjustment is mostly attributed to a \$2.4 million increase for the education aid funding formula, a technical change based on updated data as requested by the Governor in a March 2013 amendment, and \$250,000 for a Full-Day Kindergarten Pilot Program. These increased expenses are offset by a \$1.0 million decrease in the Career and Technical Education and Early Childhood Demonstration categorical funds. General revenue financing reflects a net increase of \$33.7 million or 4.9 percent from the final FY 2013 revised budget of \$691.5 million. Restricted receipts reflect a net decrease of \$497,736 or 2.6 percent from the final FY 2013 revised budget of \$19.1 million. Other funds are equal to the final FY 2013 revised budget of \$300,000.

The Governor proposed, and the General Assembly enacted, full funding for year three of the education aid funding formula for LEAs in the FY 2014 enacted budget. The \$2.4 million increase in general

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revenue is a result of an adjustment to the education aid funding formula based on March 2013 updated student enrollment numbers along with free and reduced price lunch data. The General Assembly also accepted the Governor's proposal to fund the five education aid categorical funds that were included in the funding formula legislation passed in 2010 and will be distributed to LEAs according to their own individual set of rules. These funds consist of a Regionalization Bonus, a Transportation categorical fund, a High Cost Special Education categorical fund, a Career and Technical Education categorical fund, and an Early Childhood Demonstration program initiative. However, the Career and Technical Education categorical fund and the Early Childhood Demonstration initiative were maintained at the FY 2013 financing level, while the other categorical funds were increased according to the ten-year transition plan for full funding.

The General Assembly also approved \$250,000 in general revenue for the Full-Day Kindergarten Pilot program. The Governor's FY 2014 Budget and the Department's request did not include any financing for this purpose since there were no applicants at the time of budget preparation. The provided financing will cover a portion of reasonable one-time, start-up costs. FY 2014 will be the first year this program is implemented.

The final revised FY 2013 budget for Education Aid totals \$710.9 million, comprised of \$691.5 million in general revenue, \$19.1 million in restricted receipts, and \$300,000 in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for Education Aid is \$400,000 less than the Governor's recommendation entirely comprised of the removal of general revenue aid for the Rhode Island Telecommunications Education Access Fund (RI-TEAF). The Department had requested general revenue to support this program in FY 2013, but due to the availability of carryover funds from the previous fiscal year this funding was not needed.

The FY 2014 enacted budget for the Central Falls School District totals \$38.4 million, all from general revenue. The District's FY 2014 enacted budget is \$211,281 more than the Governor's original recommendation, comprised of an increase in general revenue financing through an adjustment to the education aid funding formula based on March 2013 updated student enrollment numbers along with free and reduced price lunch data. The Governor proposed this change within an amendment, which the General Assembly accepted. General revenue financing reflects a net decrease of \$1.3 million or 3.3 percent from the final FY 2013 revised budget of \$39.7 million. The final revised FY 2013 budget for Central Falls Aid totals \$39.7 million, all from general revenue and unchanged from the Governor's supplemental recommendation.

The FY 2014 enacted budget for School Construction Aid totals \$69.9 million, all from general revenue. There is a decrease of \$1.2 million as compared to the program's FY 2014 Governor's recommendation, all attributed to various projects not completing according to schedule and savings achieved during construction. General revenue financing reflects a net increase of \$2.1 million or 2.9 percent from the final FY 2013 revised budget of \$72.1 million.

The General Assembly passed an article stating that for any refunding of bonds that occur between July 1, 2013 and December 31, 2015, a community shall receive 80.0 percent of the total savings and the State shall receive 20.0 percent. Previous to this article, any net interest savings resulting from the refunding of bonds issued by local communities in support of school housing projects was allocated between the community and the State of Rhode Island based on the School Housing Aid ratio at the time of issuance of the bonds. FY 2015 will be the earliest this new law will have an effect on school housing aid because aid is paid in the fiscal year following the completion of the project.

The final revised FY 2013 budget for School Construction Aid totals \$72.1 million, all from general revenue. In comparison to the Governor's supplemental recommendation, the final revised FY 2013

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budget for the program is \$24,246 less than the Governor's original recommendation. The Governor submitted and the General Assembly accepted an amendment to the program to adjust for the final aid number for the School Construction program based on the interest earning and unspent bond proceeds. Housing aid is paid on the net amount and as a result savings were achieved in Providence and Gloucester, but were offset by an adjustment necessary for the final schedule in Woonsocket.

The FY 2014 enacted budget for Teacher Retirement totals \$81.7 million, all from general revenue. The Teacher Retirement program's FY 2014 enacted budget is \$822,750 less than the Governor's recommendation all attributed to wages increasing at a slower rate than anticipated. General revenue financing reflects a net increase of \$5.6 million or 7.4 percent from the final FY 2013 revised budget of \$76.9 million. The increase in general revenue financing is due to an increase in the state share from 7.88 percent to 8.42 percent in FY 2014. The final revised FY 2013 budget for Teacher Retirement totals \$76.9 million, all from general revenue, a decrease of \$836,703 from the Governor's recommendation. This is also attributed to wages increasing at a slower rate than anticipated.

The Department's enacted budget includes 171.4 FTE positions for the Administration of the Comprehensive Education Strategy (ACES) and Education Aid programs, which is unchanged from the final FY 2013 revised budget authorization. This is an increase of 2.0 FTE positions, from 169.4 to 171.4, as compared to budgets prior to final FY 2013 revised budget in order to comply with legislation passed in the 2012 General Assembly session that mandated the Department, in consultation with the Division of Municipal Finance, conduct periodic reviews, analyze school revenues and expenses, review compliance with the approved budget model and best practices, and identify local education agencies considered to be at risk of a year-end deficit or a structural deficit that could impact future years.

Under the ACES program, the final FY 2013 revised and FY 2014 enacted budget includes thirteen (13.0) limited-term FTE positions to be financed under the Race to the Top – Early Learning Challenge Grant. Additionally, the budget includes 126.0 FTE positions for the Davies Career and Technical School, which is unchanged from the final FY 2013 revised budget authorization. Lastly, the budget includes 60.0 FTE positions for the R.I. School for the Deaf, which is unchanged from the final FY 2013 revised budget authorization.

The FY 2014 enacted budget for **Public Higher Education** is \$1.1 billion, including \$180.0 million in general revenue, \$6.2 million in federal funds, \$702,583 in restricted receipts, and \$870.6 million in other funds. The enacted general revenue budget for Public Higher Education is \$879,000 less than the Governor's recommendation, and consists of a \$1.0 million decrease in the Office of Higher Education and a \$121,000 increase in Rhode Island College. The \$1.0 million decrease in general revenue funding for the Office of Higher Education represents a 50 percent reduction from the FY 2013 revised budget. Compared to the FY 2013 revised budget, the enacted budget provides additional general revenue of \$7.3 million to Public Higher Education. On an all funds basis, the enacted budget includes \$21.5 million more than the FY 2013 revised budget.

The majority of the additional general revenue funding provided to Higher Education in FY 2014 is in support of the Governor's initiative to freeze tuition for the 2013-2014 academic year at the three institutions. A provision in the FY 2014 enacted appropriations act requires the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island: (1) to maintain tuition charges in the 2013 – 2014 academic year at the same level as the 2012 – 2013 academic year; (2) to not decrease internal student financial aid during the same period; and (3) prior to the commencement of the 2013 – 2014 academic year, to report to the Chair of the Board of Education that tuition charges have been maintained and financial aid has not been decreased.

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The FY 2014 enacted budget includes \$30.0 million from the Rhode Island Capital Plan Fund for the three institutions of higher learning, of which \$12.3 million is for asset protection; \$10.1 million is for fire safety and protection; \$5.0 million is for Rhode Island College infrastructure modernization; and \$2.3 million is for advanced planning for a combined URI/RIC Nursing Education Center.

For FY 2014, the Office of Higher Education is authorized 13.8 FTE positions, of which 1.0 FTE position is to be supported with third party funds; the University of Rhode Island is authorized a total of 2,456.5 FTE positions, 593.2 of which are to be supported with third party funds; Rhode Island College is authorized a total of 923.6 FTE positions, of which 82.0 are to be supported with third party funds; and the Community College of Rhode Island is authorized a total 854.1 FTE positions, of which 100.0 are to be supported with third party funds. The total authorized FTE level of 4,248.0 is 4.0 FTE positions less than the Governor's FTE positions authorization recommendation, but 7.0 FTE positions more than the FY 2013 revised budget.

Article 4 of the FY 2013 Appropriation Act (H-7323 Sub A, as amended) created a new Rhode Island Board of Education, effective January 1, 2013, with eleven public members appointed by the Governor. By July 1, 2013, the Board was required submit to the Governor and to the Legislature a final plan for a "permanent administrative structure for higher education." The Board of Education now expects to complete this plan by September 1, 2013. The plan may distribute functions of the Office of Higher Education to the three institutions and appropriate state agencies. Article 4 also abolishes the Office of Higher Education effective July 1, 2014.

The FY 2013 revised budget for Public Higher Education is \$1.0 billion, including \$172.7 million in general revenue, \$5.2 million in federal funds, \$702,583 in restricted receipts, and \$857.4 million in other funds. The revised budget is \$962,379 less than the Governor's recommendation and consists of a \$1.1 million decrease in funding from the Rhode Island Capital Plan Fund for fire safety and protection projects and a \$137,621 increase for Rhode Island College private research grants.

The FY 2014 enacted budget for the **Rhode Island State Council on the Arts** totals \$2.8 million, including \$1.3 million in general revenue, \$797,329 in federal funds, and \$632,536 in other funds. There is no change between the Council's FY 2014 enacted budget and the Governor's recommendation. In relation to the final FY 2013 enacted budget, general revenue funding decreases by \$230,183 or 14.7 percent from the final revised budget authorization of \$1.6 million. Federal funds reflect a net increase of \$43,138 or 5.7 percent from the final FY 2013 revised budget of \$754,191. Other funds reflect a net decrease of \$954,956 or 60.2 percent from the final FY 2013 revised budget of \$1.6 million.

In addition, the Council's community service grant allocation was unchanged for FY 2013 and FY 2014 as compared to the Governor's recommendation for each fiscal year. The FY 2014 enacted budget is \$250,000 less than the FY 2013 revised budget for this purpose due to the removal of a one-time grant to Waterfire Providence.

The final revised FY 2013 budget totals \$3.9 million, comprised of \$1.6 million in general revenue, \$754,191 in federal funds, and \$1.6 million in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget is consistent with the Governor's recommendation.

The Council's enacted budget includes 6.0 FTE positions, which is consistent with the Governor's recommendation and the FY 2013 revised budget authorization. In FY 2013, as compared to FY 2012, the Council did experience a decrease of 2.6 FTE positions attributed to the shift of the Rhode Island Film and Television Office from the Council to the Department of Administration.

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The FY 2014 enacted budget for the **Rhode Island Atomic Energy Commission** totals \$1.4 million from all funds, including \$861,710 in general revenue, \$267,044 in federal funds, and \$307,977 in other funds. This is an increase of \$34,295, or 2.4 percent, more than the FY 2013 revised budget due to personnel adjustments in both general revenue and in the URI radiation safety program's other fund allocations as in the Governor's recommendation.

The final FY 2013 revised budget totals \$1.4 million, including \$841,750 in general revenue, a decrease of \$25,000 for additional turnover savings from the Governor's recommendation, \$267,044 in federal funds and \$293,642 in other funds, as in the Governor's recommendation.

The enacted budget authorizes 8.6 FTE positions, the same level as FY 2013.

The FY 2014 enacted budget for the **Rhode Island Higher Education Assistance Authority** totals \$26.8 million from all funds, including \$4.3 million in general revenue, \$13.3 million in federal funds, and \$9.2 million in other funds. The FY 2014 enacted budget decreased general revenue funding by \$1.4 million, or 25.0 percent, compared to the FY 2013 revised budget. The General Assembly reduced grants funded from general revenue by \$1.0 million and increased grants funded from other funds by \$550,000. The FY 2014 enacted budget also shifted \$390,664 of general revenue funded administrative costs to other funds, specifically the Tuition Savings Program. The enacted budget finances \$8.8 million of scholarships in the Tuition Savings Program. Scholarships from all funds are \$12.9 million, a reduction of \$471,277 from the FY 2013 revised budget of \$13.4 million.

The final FY 2013 revised budget for the Authority, as in the Governor's recommendation, totals \$28.2 million, comprised of \$5.7 million in general revenue, \$14.0 million in federal funds, and \$8.5 million in other funds.

The FY 2014 enacted budget authorizes 23.0 FTE positions, 13.0 less than the FY 2013 level of 36.0 FTE positions.

The FY 2014 enacted budget for the **Rhode Island Historical Preservation and Heritage Commission** totals \$3.5 million, including \$1.4 million in general revenue, \$609,949 in federal funds, \$454,491 in restricted receipts, and \$1.1 million in other funds. The agency's FY 2014 enacted budget is \$25,000 more than the Governor's recommendation, comprised entirely of general revenue. There was no change to the Governor's recommendation for federal funds and other funds. General revenue funding reflects a net increase of \$92,093 or 7.3 percent from the final FY 2013 revised budget of \$1.3 million. Federal funds reflect a net increase of \$20,670 or 3.5 percent from the final FY 2013 revised budget of \$589,279. Restricted receipts reflect a net increase of \$300 or 0.1 percent from the final FY 2013 revised budget of \$454,191. Other funds reflect a net increase of \$943,393 or 666.2 percent from the final FY 2013 revised budget of \$141,606.

The General Assembly increased the Historical Preservation and Heritage Commission's community service grants by \$25,000 in FY 2014 in comparison to the Governor's recommendation of \$111,301 based on a new grant awarded to the Holocaust Memorial. The FY 2014 enacted budget includes \$1.0 million from the Rhode Island Capital Plan Fund for the complete overhaul of the Eisenhower House located in Newport, RI.

The final revised FY 2013 budget totals \$2.5 million, comprised of \$1.3 million in general revenue, \$589,279 in federal funds, \$454,191 in restricted receipts, and \$141,606 in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for the Commission is \$75,000 less than the Governor's recommendation comprised entirely of shifting Eisenhower House

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capital funding from FY 2013 to FY 2015 to better comply with the project timeline. Total financing of \$1.2 million for the Eisenhower House overhaul project remains unchanged.

The Commission's enacted budget includes 16.6 FTE positions, which is unchanged from the final FY 2013 revised budget authorization. The Commission has an agreement with the Rhode Island Department of Transportation (RIDOT) to have 1.0 FTE position be solely responsible for assisting in the development and implementation of a shared information system to streamline historic review of construction sites. Although this position is fully-funded through RIDOT with federal highway monies via fund transfers, it is counted towards the Commission's FTE authorization. The FY 2013 revised budget includes six months or \$41,606 and the FY 2014 enacted budget includes one year of financing or \$84,999 for this position under other funds.

No appropriation is made to the **Rhode Island Public Telecommunications Authority** within the FY 2014 enacted budget. As of July 1, 2013, the Authority will no longer receive state support and will have transitioned fully to the Rhode Island PBS Foundation. This is unchanged from the Governor's recommended FY 2014 budget.

The Governor did however recommend \$400,000 in FY 2014 in the form of a grant to the Rhode Island PBS Foundation for transitional funding. The final enacted budget has reduced this grant by \$100,000 for a total transitional grant of \$300,000 in FY 2014. The grant is appropriated in the Rhode Island Department of Elementary and Secondary Education's FY 2014 budget. A grant at a lesser amount will also be considered for FY 2015, after which time the Foundation would expect to be self-sufficient through other fundraising and revenue generating opportunities and thus no further state grants would be required.

The final revised FY 2013 budget totals \$799,077, comprised entirely of general revenue. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for the Authority reflects an increase of \$3,591. The Governor requested a budget amendment, which the General Assembly accepted, to restore financing for statewide adjustments made to medical benefits that were inadvertently removed. The Authority ceased state operations in November 2011 and based on an agreement between the State Controller's Office and the Authority, all enacted state funds were expended at that point.

The Authority's enacted budget no longer includes an authorization for any FTE positions, which is a decrease of 14.0 FTE positions from the final FY 2013 revised authorization.

Public Safety

The FY 2014 enacted budget for the **Attorney General** totals \$30.4 million, including \$23.7 million in general revenue, \$1.6 million in federal funds, \$5.1 million in restricted receipts, and \$50,000 in other funds. Across all fund sources, appropriations increase by 4.3 percent or \$1.2 million from the FY 2013 revised budget of \$29.1 million. General revenue increases by 4.5 percent or \$1.0 million from the FY 2013 revised budget of \$22.6 million. Federal funds decreases by 39.4 percent or \$1.1 million from the FY 2013 revised budget of \$2.7 million. Restricted receipt funding increases by 56.6 percent or \$1.8 million from the FY 2013 revised budget of \$3.2 million. Other funds funding decreases by 91.7 percent or \$550,000 from the FY 2013 revised budget of \$600,000.

Compared to the FY 2014 Governor's recommendation, the FY 2014 enacted budget for the Attorney General's Office increases by \$11,000 across all funds from \$30.4 million. Federal funding increases by \$11,000 from the Governor's recommended budget of \$1.6 million. General revenue, restricted receipt, and other funds funding remained unchanged. The change in federal funding was the result of an

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amendment submitted after the Governor's budget proposal to reflect changes to the availability of funds for the Victims of Crime Assistance Grant.

The enacted budget for FY 2014 includes \$20.5 million across all funds for the Criminal program which is an increase of \$11,000 from the Governor's recommended budget of \$20.5 million. General revenue and restricted receipt funding remain unchanged at \$14.4 million and \$4.4 million, respectively. Federal funding constitutes the full amount of the change within this program at an increase of \$11,000 from the Governor's recommended budget of \$1.6 million.

The FY 2014 enacted budget includes \$5.6 million for the Civil program, which is in line with the Governor's recommended budget. General revenue funding and restricted receipt funding remains unchanged at \$5.0 million and \$632,970, respectively.

The enacted budget for FY 2014 includes \$1.5 million in general revenue for the Bureau of Criminal Identification program, which is reflective of the Governor's recommended budget.

The enacted budget for FY 2014 includes \$2.8 million across all funds for the General program which is in line with the Governor's recommended budget. Funding from general revenue and other funds remains the same at \$2.7 million and \$50,000, respectively.

Staffing authorizations for the Office remain unchanged from FY 2013 at 233.1 FTE positions, consistent with the Governor's proposal for FY 2014.

The FY 2014 enacted budget for the **Department of Corrections** totals \$204.7 million, comprising \$185.4 million in general revenue, \$1.8 million in federal funds, \$64,890 in restricted receipts, and \$17.5 million from the Rhode Island Capital Plan Fund. The FY 2014 enacted all funds budget increases by \$6.8 million compared to the FY 2013 final revised budget of \$197.9 million. General revenue decreases by \$162,945, federal funds decrease by \$1.3 million, while the other funds category increases by \$8.3 million.

The Department's FY 2014 budget is \$200,000 less than the Governor's recommendation, comprising a \$500,000 decrease in general revenue offset by an increase of \$300,000 in the Rhode Island Capital Plan Fund. Programmatic changes include the General Assembly including a turnover savings adjustment of \$500,000 (\$150,000 in Central Management, \$250,000 in Healthcare Services, and \$100,000 in Community Corrections) and increasing Rhode Island Capital Plan Fund expenditures by \$300,000 to reflect revised estimates in the Maximum General Renovations project.

The FY 2014 budget continues to reflect a reorganization of departmental programs in order to facilitate performance tracking. The reorganization includes the transfer of the inmate accounts unit and the Central Distribution Center internal service fund to the Central Management program, the reorganization of the Institutional Corrections program into four programs: Custody and Security, Institutional Support, Institutional-based Rehabilitation, and Healthcare Services, and the transfer of the Correctional Industries internal service fund to Institutional-based Rehabilitation.

In the Central Management program, the FY 2014 enacted budget is \$9.1 million, virtually all of which is general revenue. The latter increases from the final FY 2013 revised budget by \$512,483. This is offset by a decrease in federal funds of \$876,283, for a net decrease of \$363,600. The budget includes general revenue funding of \$749,522 for one training class of 40 correctional officers in FY 2014, starting in the fall of 2013 with graduation in early 2014. The budget also includes \$350,000 to initiate funding for the development of a Time Tracker system to replace current human resources time keeping with a fully integrated process that would include employee profiles and other data to track and report on all hours.

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In the Parole Board program, the FY 2014 enacted budget is \$1.4 million, all but \$38,000 in general revenue. The general revenue increase from the final FY 2013 revised budget appropriation is \$56,812. The \$38,000 in federal funds is for victim's services.

In the Custody and Security program, the FY 2014 enacted budget is \$116.2 million, including \$115.4 million in general revenue and \$761,526 in federal funds. This program primarily finances personnel costs of Correctional Officers working in the department's six facilities, as well as security, investigative and records and ID personnel. The general revenue budget of \$115.4 million is a decrease of \$3.1 million from the FY 2013 final revised budget of \$118.5 million. Federal funds in FY 2014 will finance \$705,034 in core personnel costs through the State Criminal Alien Assistance program.

In the Institutional Support program, which includes food services, maintenance, classification, and capital projects, the FY 2014 final enacted budget is \$33.2 million, including \$15.7 million in general revenue (an increase of \$228,904 from the FY 2013 final revised budget) and \$17.5 million from the Rhode Island Capital Plan Fund (an increase of \$8.3 million from FY 2013). In order to provide necessary repairs and renovations to the Department's aging facilities, the final enacted budget includes Rhode Island Capital Plan Fund resources of \$3.0 million for asset protection projects, \$9.8 million for various infrastructure renovation projects at the Intake Services Center, Maximum, and Medium Moran facilities, \$2.5 million for the expansion of Minimum Security, and \$2.2 million in renovation costs to enable the transfer of women inmates from their current facilities to the new Gloria McDonald facility.

In the Institutional-based Rehabilitation program, which includes educational and vocational training, substance abuse services, correctional industries, case management, and transitional services, the FY 2014 final enacted budget is \$10.0 million, including \$9.1 million in general revenue (an increase of \$165,789 from the FY 2013 budget), \$29,758 in restricted receipts, and \$859,312 in federal funds (a decrease of \$339,666). Federal funds in FY 2014 will finance adult inmate education, residential drug treatment, reentry services, and federal stimulus grants from the American Recovery and Reinvestment Act (ARRA) for programs in inmate family reunification and inmate transition through access to employment.

In the Healthcare program, which includes physician, pharmacy, dental, nursing and mental health services, AIDS counseling, and medical records, the FY 2014 final enacted budget is \$19.6 million, all in general revenue. This amount represents an increase of \$1.1 million from the FY 2013 revised budget.

The FY 2014 final enacted budget reflects a revised inmate population of 3,152. This is 42 fewer inmates than the FY 2013 level of 3,194. The inmate reduction reflects the most recent inmate population, the FY 2013 year-to-date May average of 3,160. The final enacted FY 2014 per diem inmate related expenditures totals \$11.8 million, in medical supplies and pharmaceuticals (\$2.8 million), medical services (\$2.9 million), food (\$4.3 million), janitorial and kitchen supplies (\$1.1 million), program supplies (\$246,744), and linen, inmate clothing, and other non-medical costs (\$499,392). Compared to the final FY 2013 revised budget, overtime supervisory costs decrease by \$5.6 million in FY 2014 level from \$18.0 million to \$12.4 million, reflecting the anticipated hiring of correctional officer trainees.

In the Community Corrections program, which includes probation and parole, home confinement, and victim's services, the FY 2014 final enacted budget is \$15.1 million, including \$15.0 million in general revenue, \$73,986 in federal funds, and \$35,132 in restricted receipts. The enacted budget includes a general revenue reduction and a corresponding increase in restricted receipts to reflect the transfer of indirect administrative expenditures of 5.0 percent of applicable federal funds. The general revenue increase from the final FY 2013 revised budget is \$479,619.

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The FY 2013 revised budget totals \$197.9 million, including \$185.5 million in general revenue, \$3.1 million in federal funds, \$73,362 in restricted receipts, and \$9.1 million from the Rhode Island Capital Plan Fund. The revised budget is \$490,160 more than the Governor's recommendation of \$197.4 million. Programmatic changes include general revenue increases of \$995,386, \$400,000 for overtime costs incurred as a result of the February snowstorm, \$200,000 for retaining information technology expenditures (software upgrades and licensing fees) in the department, and \$395,386 for retaining facilities and maintenance expenses (municipal sewer charges, Statehouse and Waterplace park) in the department. The final revised budget also reflects federal grant adjustments of \$93,680, as well as a reduction of \$598,906 in Rhode Island Capital Plan Fund resources for the Maximum Security Renovations project.

The FY 2013 and FY 2014 authorized FTE level for the Department remains the same as the FY 2012 level of 1,419.0 FTE positions.

The FY 2014 enacted budget for the **Judiciary** totals \$107.6 million, including \$91.7 million in general revenue, \$2.6 million in federal funds, \$11.8 million in restricted receipts, and \$1.5 million in Rhode Island Capital Plan Fund financing. In relation to the Governor's recommendation, the FY 2014 enacted budget increases by \$1.4 million, or 1.3 percent. General revenue decreases by \$200,000, attributable to turnover and operational savings in the amount of \$800,000 throughout all courts, offset by the addition of \$300,000 for staffing in the new Veteran's Court, \$200,000 for a new Justice Assistance modeling grant, and \$100,000 more for the Domestic Violence Court Advocacy legislative grant. Federal funds correspond to the Governor's recommendation of \$2.6 million, mostly for child support enforcement and delinquency prevention efforts. Restricted receipts increase by \$13,000 from the Governor's recommendation, to provide expanded access to civil justice for low-income and disadvantaged persons. Rhode Island Capital Plan Fund financing is provided in the amount of \$1.5 million in FY 2014, same as the Governor's recommended amount.

For the Supreme Court, the FY 2014 enacted budget totals \$34.9 million, comprised of \$29.8 million in general revenue, \$272,163 in federal funds, \$3.4 million in restricted receipts and \$1.5 million in other funds. Across all fund sources, the FY 2014 enacted budget is \$1.7 million less than the FY 2013 final revised budget. General revenues increase by \$775,770 from FY 2013, comprised of base adjustments for statewide personnel in the Governor's recommendation in the amount of \$558,615, \$300,000 more for the Domestic Violence grant, and \$49,750 more for judge's pensions, offset by removal of \$138,960 in operating savings. Restricted receipts increase by \$400,833 over the FY 2013 final enacted, attributable to increased availability of indirect cost recoveries for staff financing and computer system improvements, including the new case management system. Rhode Island Capital Plan fund financing decreases by \$2.9 million, reflecting the completion of several HVAC and other asset protection projects in courthouses throughout the state.

In the Superior Court, the FY 2014 enacted budget is \$22.7 million, comprised of \$22.3 million in general revenue, \$94,205 in federal funds, and \$306,723 in restricted receipts. The FY 2014 enacted budget is \$753,385, or 3.3 percent greater than the FY 2013 final revised budget. The majority of the increase is in general revenue personnel financing, notably for statewide benefit adjustments, for judge's pensions and to provide financing for vacant positions in the court.

Family Court financing in FY 2014 totals \$18.5 million, which is \$216,386 or 4.1 percent greater than the FY 2013 revised budget. General revenue increases by \$824,295, or 4.3 percent, from the FY 2013 revised level largely attributable to statewide benefit adjustments, and \$49,250 more for judges' pensions. Federal funds decrease by \$32,699, or 1.5 percent, reflecting the completion of a federal award from the National Coalition Against Sexual Assault for victims of child abuse.

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In FY 2014, the District Court is financed at \$12.8 million, an increase of \$1.2 million, or 9.6 percent from the FY 2013 revised budget. Financing in this court is comprised of \$12.5 million in general revenue and \$297,822 in restricted receipt recoveries from small claims mediation efforts. General revenues increase by \$1.2 million from the FY 2013 revised budget all in the personnel category, attributable to salary and statewide benefit growth, financing for vacancies, and \$300,000 for the new Veteran's Court personnel. The new Veteran's Court is established to specifically address the unique issues facing veterans including substance abuse counseling and job placement services.

Traffic Tribunal financing totals \$8.1 million in FY 2014, an increase of \$156,767, or 1.9 percent from the FY 2013 revised budget. The court is financed entirely with general revenue. Between the two years, personnel financing increases by \$66,042, security services increase by \$48,756 to correspond to past expenditure levels, and judges pensions increase by \$41,969.

The Worker's Compensation Court, financed entirely with restricted receipts, totals \$7.8 million in FY 2014, an increase of \$148,731, or 1.9 percent from the FY 2013 revised enacted level. Personnel increases by \$126,073, mostly attributable to statewide growth in the benefit category. Elsewhere, minor adjustments to operating codes to correspond to historical expenditure contribute another \$20,658 to the year over year increase.

The Judicial Tenure and Discipline program increases by \$2,300, attributable to changes in benefit calculations. The program is financed entirely with general revenue.

Court-wide, the final FY 2013 revised budget of \$106.3 million is \$5,000 more than the Governor's recommended amount, attributable to part year financing from the American Bar Association for access to civil justice for low-income and disadvantaged persons, which was included as a late year amendment to the Governor's recommendation for the Courts.

The authorized FTE position level for the final FY 2014 budget is 726.3 FTE, an increase of 3.0 FTE positions from the FY 2013 level of 723.3 FTE positions. The new FTE positions in FY 2014 are for the new Veteran's Court in the District Court.

The FY 2014 final enacted budget totals \$43.2 million for the **Military Staff**, including \$3.9 million in general revenue, \$34.9 million in federal funds, \$1.0 million in restricted receipts, and \$3.4 million from the Rhode Island Capital Plan Fund. Compared to the final revised FY 2013 appropriation, general revenue expenditures increase by \$221,283, federal funds decrease by \$21.0 million, restricted receipts increase by \$263,889, and financing from the Rhode Island Capital Plan Fund decreases by \$2.3 million.

The FY 2014 enacted budget is \$1.7 million less than the Governor's initial recommendation. The general revenue reduction of \$766,701 from the Governors recommendation reflects removal of \$289,297 for 5.0 new FTE positions, which the Military Staff now indicates can be financed entirely with federal funds, and removal of \$477,404 for perceived availability of indirect cost recoveries from federal grants for personnel offsets. Restricted receipt financing is increased by a corresponding amount to reflect the indirect cost recovery shift. Federal financing is \$2.8 million less than the Governor's initial recommendation reflecting known requirements of several grant authorizations, most of which were included in an amendment to the Governor's recommendation.

Rhode Island Capital Plan Fund financing increases by \$1.4 million from the Governor's recommendation, reflecting a shift of \$1.5 million from FY 2013 to FY 2014 for the state match portion of Hurricane Sandy recovery projects, to be used by various state agencies and municipalities for capital reconstruction from damage caused by the storm event. The FY 2014 enacted budget also reflects statewide target adjustments, including increases for medical benefits, the employer retirement

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contribution and the payroll accrual, offset by reductions for medical waivers and the statewide benefit assessment.

In the National Guard program, the FY 2014 enacted budget totals \$19.9 million, including \$1.4 million in general revenue, \$14.8 million in federal funds, \$300,000 in restricted receipts, and \$3.4 million from the Rhode Island Capital Plan Fund. In relation to the FY 2013 revised enacted, general revenue decreases by \$251,928 reflecting the proposed offset to indirect cost recoveries in Emergency Management, federal funds are \$287,603 greater reflecting expected expenditure of the program's federal share resources, restricted receipts are \$220,000 reflecting known expenditures for counter-drug efforts financed with Google funds, and Rhode Island Capital Plan Fund resources decrease by \$2.3 million to correspond with the Governor's recommendation.

The National Guard program budget includes \$95,000 in general revenue for the Funeral Honors program to be used to compensate military retirees who wish to provide ceremonial services. The budget also continues funding of various benefits provided to National Guard personnel, including \$100,000 for the Education Benefit to fund enrollment of eligible guardsmen in courses at state colleges, and the Life Insurance Benefit to reimburse federally funded life insurance for guardsmen deployed overseas. Capital project funding from the Rhode Island Capital Plan Fund includes \$1.1 million for various asset protection projects, and \$800,000 to begin work on the historic Benefit Street Arsenal revitalization project.

In the Emergency Management program, the FY 2014 enacted budget totals \$23.3 million, comprised of \$2.5 million in general revenue, \$20.1 million in federal funds, and \$700,779 in restricted receipts. Capital projects include \$1.5 million in Rhode Island Capital Plan Fund financing (budgeted in the National Guard program) for reimbursements for capital improvements required in the wake of Hurricane Sandy. Work on the Command Readiness Center Addition, financed with Rhode Island Capital Plan Fund financing is expected to be complete in FY 2013, and will provide expanded space for centralized disaster response activities. General revenue increases by \$473,211 from the FY 2013 final revised budget, mostly attributable to an increase of \$670,645 for the Rhode Island Statewide Communications Network to a total of \$1.9 million in FY 2014. The increase will continue the Agency's efforts to improve interoperability between the State Emergency Management Agency and local police, fire and medical personnel, including maintenance and insurance of the system. Additional resources from federal and restricted resources in the amount of \$118,046 are also available for this effort in FY 2014.

The enacted budget includes \$4.8 million in federal financing for homeland security, port security, transit protection and urban areas security initiatives. Authorized expenditures include first responder equipment, equipment for local emergency response and urban search and rescue teams, municipal planning, exercises, and training, state homeland security equipment, training, exercise and planning activities, law enforcement terrorism protection, and volunteer training programs.

The FY 2014 final enacted budget includes an authorized FTE level of 117.0 full-time equivalent positions, an increase of 5.0 FTE positions from the FY 2013 final enacted level. The authorization of five new positions in the Emergency Management Agency are for statewide coordination of planning and preparedness efforts for natural and manmade emergencies.

The FY 2014 enacted budget for the **Department of Public Safety** totals \$123.5 million, including \$96.4 million in general revenue, \$6.2 million in federal funds, \$12.8 million in restricted receipts, and \$8.2 million in other funds. The agency's FY 2014 enacted budget is \$1.8 million less than the FY 2014 Governor's recommendation, comprised of \$772,222 less in general revenue and \$1.1 million less in other funds and operating transfers. The Department's budget of \$123.5 million reflects a net increase of 2.8 percent, or \$3.4 million, from the final revised FY 2013 budget of \$120.1 million. General revenue

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funding reflects a net increase of 2.8 percent, or \$3.4 million, federal funding reflects a net decrease of 43.0 percent, or \$4.6 million, restricted receipt funding reflects a small increase of \$332, and other funds and operating transfers reflect a net increase of 52.0 percent, or \$2.8 million from the final revised FY 2013 budget.

In the Central Management program, the FY 2014 enacted budget totals \$5.3 million, including \$1.2 million in general revenue, \$4.1 million in federal funds, and \$850 in restricted receipts. The program's FY 2014 enacted budget is \$194,955 less than the FY 2014 Governor's recommendation, comprised entirely of a 2.0 FTE position reduction in general revenue shifted from federal funding due to the stimulus' end. The program's budget of \$5.3 million reflects a net decrease of 11.3 percent, or \$677,054, from the final revised FY 2013 budget of \$6.0 million.

In the E-911 program, the FY 2014 enacted budget totals \$5.5 million and is solely financed from general revenue. The program's FY 2014 enacted budget equals the FY 2014 Governor's recommendation. The program's budget of \$5.5 million reflects a net increase of 5.3 percent, or \$276,373, from the final revised FY 2013 revised budget of \$5.2 million. The program's final revised FY 2013 budget is equal to the FY 2013 Governor's recommendation.

In the State Fire Marshal program, the FY 2014 enacted budget totals \$4.0 million, including \$2.9 million in general revenue, \$277,338 in restricted receipts, and \$855,303 in other funds. The program's FY 2014 enacted budget is \$1.3 million less than the FY 2014 Governor's recommendation due to a \$1.3 million delay in the Fire Academy Building project. The program's budget of \$4.0 million reflects a net increase of 3.4 percent, or \$130,406, from the final revised FY 2013 budget of \$3.9 million. The final revised FY 2013 budget is \$627,029 less than the FY 2013 Governor's recommendation, which is a direct result of \$700,000 in Rhode Island Capital Plan Fund financing for the State Fire Academy being delayed and an increase of \$72,971 in federal funds.

In the Security Services program, the FY 2014 enacted budget totals \$21.8 million and is solely financed from general revenue. The program's FY 2014 enacted budget is \$200,000 less than the FY 2014 Governor's recommendation due to additional turnover savings taken in the Sheriff's Division. The program's budget of \$21.8 million reflects a net increase of 2.8 percent, or \$596,636, from the final revised FY 2013 budget of \$21.2 million. The final revised FY 2013 budget is equal to the FY 2013 Governor's recommendation.

In the Municipal Police Training Academy program, the FY 2014 enacted budget totals \$562,173 and includes \$293,022 in general revenue and \$269,151 in federal funds. The program's budget of \$562,173 is equal to the Governor's recommendation and reflects a net decrease of 8.7 percent, or \$54,430, from the final revised FY 2013 budget of \$615,603.

In the State Police program, the FY 2014 enacted budget totals \$86.2 million, including \$64.6 million in general revenue, \$1.8 million in federal funds, \$12.5 million in restricted receipts, and \$7.4 million in other funds. The FY 2014 enacted budget is \$152,267 less than the FY 2014 Governor's recommendation comprised of \$377,267 less in general revenue, offset by \$225,000 more in other funds. The program's budget of \$86.2 million reflects a net increase of 3.7 percent, or \$3.0 million, from the final revised FY 2013 budget of \$83.2 million. The program's final revised FY 2013 budget is \$2.4 million less than the FY 2013 Governor's recommendation comprised of \$214,747 less in general revenue and \$2.5 million less in other funds, offset by \$254,200 more in federal funds and \$340,000 more in restricted receipts. The reductions can be attributed to a shift in financing for capital projects.

The Department's FY 2014 FTE authorization of 645.2 FTE positions reflects an increase of 36.0 FTE positions from the FY 2013 revised budget appropriation of 609.2 FTE positions. The net increase of

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36.0 positions is comprised of the addition of 40.0 FTE troopers in a new academy class and reduction by the Legislature from the Governor's recommendation of 2.0 FTE positions for a systems manager and computer programmer who were previously funded by federal stimulus funds in Central Management, but recommended funded with general revenue at the end of stimulus support, and of reduction by the Legislature from the Governor's recommendation of 2.0 new FTE positions for a paralegal and a public information officer for the State Police.

The FY 2014 enacted budget for the **Office of the Public Defender** totals \$11.3 million, including \$11.0 million in general revenue and \$291,996 in federal funds. The FY 2014 general revenue budget is \$577,272 more than the final FY 2013 revised budget, while federal funds remain the same. The agency's FY 2014 enacted budget is unchanged from the Governor's recommendation. The budget reflects adjustments to current services required for salary and employee benefits of the existing staff, including both initial statewide target increases for retirement, retiree health, and medical benefits and statewide reductions in these items due to identified savings. The enacted budget includes \$45,940 in general revenue financing in contract services for both trial related work and continued funding of intake eligibility technicians. The final enacted budget also includes \$30,215 for computer network and operating systems upgrades. The enacted budget also includes three federal grants: 1) \$75,000 for the John R. Justice Incentive Grant, which will be loaned out as scholarly assistance to municipal, state and federal prosecutors and defenders; 2) \$121,996 for the Juvenile Response grant; and 3) \$95,000 for the Community Partnership program, which funds legal and social work assistance to clients.

The FY 2013 final revised budget totals \$10.8 million, comprised of \$10.5 million in general revenue and \$291,996 in federal funds. The general revenue enacted budget is \$300,000 less than the Governor's recommendation, and reflects estimated turnover savings.

The FY 2013 and FY 2014 authorizations are for 93.0 FTE positions.

Natural Resources

The FY 2014 enacted budget for the **Department of Environmental Management** totals \$116.2 million, including \$34.8 million in general revenue, \$38.4 million in federal funds, \$18.1 million in restricted receipts, and \$24.9 million in other funds. The agency's FY 2014 enacted budget is \$9.6 million more than the FY 2014 Governor's recommendation, reflecting addition of \$3.3 million in federal financing, mostly for a new commercial fishing infrastructure grant, \$2.2 million more in restricted receipts financed with third- party contributions for a marine education center at Fort Adams State Park, and \$4.3 million more in Rhode Island Capital Plan Fund. These increases are offset by a reduction of \$120,129 in general revenue, reflecting expected staffing levels in the Coastal Resources and Criminal Investigation units.

The FY 2014 enacted budget is \$18.6 million, or 19.0 percent greater than the revised FY 2013 budget for the department, including \$494,961 more in general revenue, mostly for statewide personnel benefit adjustments, \$1.5 million more in federal funds reflecting availability of federal grants in the Natural Resources and Environmental Protection bureaus, \$2.7 million more in restricted receipts largely for **the marine education facility Ft. Adams, and \$4.3** million more in Rhode Island Capital Plan Fund financing for various projects associated with maintaining the state's commercial fishing industry and its outdoor recreational systems and facilities.

The final revised FY 2013 budget totals \$97.6 million, consisting of \$34.3 million in general revenue, \$36.9 million in federal funds, \$15.4 million in restricted receipts, and \$11.1 million in other funds. In relation to the Governor's supplemental recommendation, the final revised FY 2014 budget is a decrease of \$1.9 million, mostly to align Rhode Island Capital Plan Fund financing to known project requirements in FY 2013.

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In the Office of the Director program, the FY 2014 enacted budget totals \$7.7 million, including \$4.6 million in general revenue, \$150,000 in federal funds, and \$2.9 million in restricted receipts. The program's budget of \$7.7 million reflects a net decrease of 12.2 percent, or \$1.1 million, from the final enacted FY 2013 budget of \$8.8 million. The program's FY 2014 enacted budget corresponds to the Governor's recommendation, and preserves the Governor's commitment to environmental policy and promotion efforts within the Office of the Director. Aside from policy and promotion, the Office of the Director is also the department-wide administrator of computer systems, legal services, personnel administration and the headquarters facility. The Office also administers commercial and recreational boat registrations and adjudicates environmental infractions.

In the Bureau of Natural Resources program, the FY 2014 enacted budget totals \$74.5 million, including \$18.7 million in general revenue, \$27.1 million in federal funds, \$6.6 million in restricted receipts, and \$22.0 million in other funds. The program's FY 2014 enacted budget is a net increase of \$21.6 million, or 40.8 percent from the final FY 2013 revised budget of \$52.9 million, of which \$13.8 million is attributable to acceleration of capital improvements for the Galilee and Newport fishing piers, improvements to Fort Adams for America's Cup sailing events, refurbishment of World War II Park in Woonsocket, and development of Rocky Point as a public access recreation facility. In relation to the Governor's FY 2014 recommendation, the Legislature added \$9.6 million, comprised of \$3.3 million more for a new federal commercial fishing infrastructure grant as recommended by the Governor, \$2.2 million in restricted receipts for the marine education center at Fort Adams, and \$4.3 million more in capital financing based on the Governor's recommendation for Rhode Island Capital Plan Fund financing. The Legislature's FY 2013 enacted budget for the Natural Resources corresponds to the Governor's recommendation, including aligning Rhode Island Capital Plan Fund financing to known capital requirements.

In the Bureau of Environmental Protection program, the FY 2014 enacted budget totals \$34.1 million, including \$11.4 million in general revenue, \$11.1 million in federal funds, \$8.6 million in restricted receipts, and \$2.9 million in other funds. The Legislature's recommendation for the Bureau is 5.4 percent less, or \$1.9 million in comparison to the FY 2013 revised budget of \$36.0 million. General revenue financing remains consistent from FY 2013 to FY 2014, and corresponds to the Governor's recommendation for the Bureau. Federal funds decrease by \$2.2 million year over year, reflecting availability of financing for grants to municipalities for non-point source pollution abatement projects. Restricted receipts and other funds remain consistent year over year in the amounts of \$8.6 million and \$2.9 million, respectively.

The Department's FY 2014 FTE positions authorization is 399.0 FTE positions, same as the FY 2013 authorization. The Department also has significant seasonal employment requirements for operation of the state's beaches, natural areas, and campgrounds.

The FY 2014 enacted budget for the **Coastal Resources Management Council** totals \$4.7 million, including \$2.2 million of general revenue, \$2.2 million of federal funds, and \$374,982 in restricted receipts. The FY 2014 enacted budget is \$477,222 less than the Governor's recommendation. Of the reduction, \$124,982 is in general revenue and results from the budgeting of a five percent indirect cost recovery target and is offset by the transfer of these expenses to restricted receipts. The federal funds reduction of \$477,222 is comprised of the indirect recovery reduction of \$124,982, and the shift of \$352,240 in expenditures from FY 2014 to FY 2013, reflecting a revised project schedule for restoring access to spawning habitat in the Ten Mile and Pawcatuck River watersheds for migratory species.

In relation to the FY 2013 revised budget, general revenue decreases by \$10,930, federal funds decrease by \$376,810 and RI Capital Plan Fund financing decreases by \$722,281. The \$2.2 million of federal

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funds includes \$1.3 million for personnel and operating support; \$338,281 for the Narragansett Bay Habitat Restoration Planning to complete the study of shorelines to determine how organic materials can be used to restore habitats; and \$54,523 for aquatic invasive species management. Restricted receipts of \$250,000 from the Oil Spill Prevention, Administration and Response Fund finances specific coastal habitat restoration projects. In addition to statewide target adjustments, including a revision in retirement, health benefit, and retiree health rates, the general revenue budget includes \$126,000 for contract legal expenditures.

The final revised FY 2013 budget for the agency totals \$5.7 million, including \$2.2 million in general revenue, \$2.5 million in federal funds, \$250,000 in restricted receipts, and \$722,281 from the Rhode Island Capital Plan Fund. The revised budget is \$297,240 more than the Governor's recommendation, comprised of \$352,240 more federal funds reflecting the shift in projected expenditure in the Rhode Island River Ecosystem Restoration project, and \$55,000 less general revenue reflecting adjustments for estimated turnover savings.

The FTE position authorization for the Council is unchanged at 29.0 FTE positions for FY 2013 and FY 2014.

<i>Transportation Function</i>	The FY 2014 enacted budget for the Department of Transportation (RIDOT) totals \$460.2 million, including \$140.5 million in other funds, \$311.8 million in federal funds, including \$6.9 million in federal stimulus funds, and \$8.0 million in restricted receipts. The agency's FY 2014 enacted budget represents a \$9.7 million, or 2.1 percent, decrease from the Governor's recommendation for the department, comprised entirely in other funds.
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The decrease in other funds is primarily due to the General Assembly not accepting the Governor's plan for a Local Roads and Streetscape program in FY 2014, which would have provided \$10.0 million in Rhode Island Capital Plan Funds for a State-funded Local Roads Program to improve the condition of local roads through a streamlined process to allow local communities to select the roads most in need of resurfacing, and to implement these projects on a local level. In place, the General Assembly passed Article 20, Relating to Municipal Road and Bridge Revolving Fund, which creates the Municipal Road and Bridge Revolving Fund Act of 2013, to be administered by the Rhode Island Clean Water Finance Agency. As start-up funding, Article 1 of the FY 2014 enacted budget provides \$6,992,890 of bond premium proceeds from the Rhode Island Capital Plan Fund to be transferred to the Municipal Road and Bridge Revolving Fund. Local cities and towns will now be allowed to bond for road and bridge construction projects under the Clean Water Finance Agency. The article also gives authorization to RIDOT to inspect all approved projects, while also receiving an appropriation by the General Assembly for expenses incurred by the Department. Lastly, the Clean Water Finance Agency shall determine the maximum amount of financial assistance available for the forthcoming calendar year, not to exceed \$20.0 million and provided that the agency shall not obligate more than 50.0 percent of available funding in any calendar year to any one city or town unless there are no other eligible projects on the project priority list.

The Department's FY 2014 enacted budget represents a decrease of \$5.6 million, or 1.2 percent, from the final FY 2013 revised budget of \$465.8 million.

The final revised FY 2013 budget for the Department totals \$465.8 million, comprised of \$317.0 million in federal funds, including \$7.0 million in federal stimulus funds, \$1.0 million in restricted receipts, and \$147.9 million in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2013 budget for the department represents a decrease of \$1.5 million, or 0.3 percent, from the Governor's recommendation, including a decrease of \$508,667 in federal funds, no change in restricted receipts, and a decrease of \$2.0 million in other funds. The increase in federal funds is based on the

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Governor's proposed budget amendment, which the General Assembly accepted, to increase two federal stimulus accounts based on carry forward ARRA funds. For a variety of reasons, both projects extended into FY 2013 and based on timing, were not first initially budgeted. This increase is offset by decreases to multiple Rhode Island Capital Plan Fund shovel-ready projects for the Rhode Island Public Transit Authority, shifting Rhode Island Capital Plan funds into FY 2014 for RIDOT's Portsmouth Facility and Salt Facility projects based on updated schedules, along with a slight decrease in the forecast of the per penny yield of gasoline tax revenues impacting other funds.

The State's gasoline tax remains at 32.0 cents per gallon in FY 2014, with an additional 1.0 cent per gallon for the Underground Storage Tank Fund. Upon receipt, all gasoline tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to the Department of Transportation, the Rhode Island Public Transit Authority (RIPTA), and the elderly/disabled transportation program in the Department of Human Services. The disposition of the gasoline tax is as follows: the Department of Transportation receives 19.75 cents per gallon, RIPTA receives 9.25 cents per gallon, the GARVEE/ Motor Fuel program receives 2.0 cents per gallon (for debt service) and the Department of Human Services receives 1.0 cent per gallon for its elderly services program. The 1.0 cent from the Underground Storage Tank Fund originally directed to the Department of Environmental Management (DEM), was split as of FY 2009, with 0.50 cent directed to the Rhode Island Public Transit Authority, and the remainder to DEM.

FY 2014 Gas Tax Allocation (cents per gallon)
Fiscal Year

Recipient	2008	2009	2010	2011	2012	2013	2014
DOT	20.75	20.75	21.75 ³	21.75	21.75	21.75	21.75
RIPTA	7.25 ¹	7.75 ²	9.75 ⁴	9.75	9.75	9.75	9.75
General Fund	1.00 ¹	1.00	0.00 ³	0.00	0.00	0.00	0.00
DHS ⁵	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DEM	1.00	0.50 ²	0.50	0.50	0.50	0.50	0.50
Total	31.00	31.00	33.00	33.00	33.00	33.00	33.00

¹ Increased to 7.25 cents in May 2006 with a corresponding decrease to the General Fund.

² The Underground Storage Tank Fee of 1.00 cent which was previously directed to DEM is now split with 0.50 cent to DEM and 0.50 cent to RIPTA, beginning FY 2009.

³ The 1.00 cent that previously went to the General Fund now flows to the DOT as of July 2009.

⁴ Gasoline tax increased to 32.0 cents in July 2009 with a corresponding 2.00 cent increase to RIPTA.

⁵ The administration of the Elderly and Disabled Transportation Program has been transferred from DEA to DHS as of July 2009.

The FY 2014 gasoline tax budget for the Intermodal Surface Transportation Fund totals \$135.5 million, an increase of \$167,147 from the Governor's recommendation. The slight increase is primarily a result of an increase in the forecast of the per penny yield of gasoline tax revenues. The gasoline tax yield, as projected by the Office of Revenue Analysis, was increased \$5,143 per cent to \$4,170,507 from the original forecast utilized in the Governor's recommendation, offset by a \$12,975 decrease in projected balance forward funds within the Department of Transportation. Additionally, the General Assembly reduced general revenue financing that the Governor had recommended as part of a multi-year plan to shift financing of RIDOT's debt service from gas tax resources to general revenue. The General Assembly reduced the amount of general revenue allocated for RIDOT debt service from \$10.0 million to

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\$9.3 million in FY 2014. As a result, an additional \$750,000 in gasoline tax revenue will be used towards debt service.

The FY 2014 gasoline tax budget for the Intermodal Surface Transportation Fund of \$135.5 million represents a decrease of \$1.2 million from the final FY 2013 revised budget of \$136.7 million. The primary variance is the decrease of \$1.8 million in the carry forward balance between the two years.

The FY 2014 budget of the Central Management division of the Department of Transportation totals \$12.8 million, no change from the Governor's recommendation. The \$12.8 million enacted budget represents a decrease of \$745,541 from the final FY 2013 revised budget of \$13.5 million. Other funds, which are comprised solely of gasoline tax funds in this division, are \$1.5 million, a decrease of \$45,291 from the previous year's final enacted. Federal funds of \$11.3 million decrease \$700,250 within the National Highway Transportation Safety Administration grants and reflect expected federal awards for various highway safety programs.

Within the Management and Budget program, gasoline tax funds for FY 2014, the only funds appropriated within this division, total \$1.5 million, an increase of \$110,600 from the revised FY 2013 final budget of \$1.4 million, which is attributable to an increase in personnel costs due to lower indirect cost recovery rates, which reduce the portion of personnel costs allocated to federal projects. There is no change from the Governor's recommendation for the division.

Other funds in the Infrastructure Engineering program increase \$1.2 million from the Governor's recommendation to \$89.1 million, of which gasoline tax funded expenses of \$53.1 million increased by \$60,430. The gasoline tax increase is primarily due to the upward revised estimate of the per penny gasoline tax yield. The \$1.2 million increase in other funds is primarily due to the Legislature appropriating an additional \$1.1 million from the Rhode Island Capital Plan Fund to accelerate the elimination of general obligation bond financing for the Department of Transportation's federal highway match. The 2013 General Assembly appropriated \$20.0 million from the RICAP Fund to replace debt financing, which will eventually reduce the debt service of the department and alleviate the systemic deficits that have recurred in the recent past. The department will also be using a new motor vehicle surcharge for a portion of the funding, to be used as a pay-go match in lieu of borrowing. The surcharge language in current law was altered by the Governor under Article 6, which also included revised data and revenue projections, which reflect a decrease in available funding for the match. Revised estimates based on the phase-in plan as part of Article 6 include \$5.9 million in FY 2014, \$11.4 million in FY 2015 and \$16.8 million in FY 2016 and beyond. The FY 2014 enacted budget increases the Highway Projects Match Plan by \$1.1 million for a total of \$21.1 million to ensure the department maintains sufficient funding to be used as the state match as bond proceeds go away.

The remaining other funds have not changed from the Governor's recommendation of \$14.8 million, from land sales revenue, primarily the anticipated sale of the land made available from the I-195 project. Federal funds total \$300.5 million, including the \$6.9 million related to the American Recovery and Reinvestment Act of 2009, which did not change from the Governor's recommendation. Restricted receipts of \$8.0 million for FY 2014 within the Infrastructure Engineering Division remained at the same funding level as the Governor's recommendation.

Total funds of \$397.6 million are appropriated in Infrastructure Engineering for FY 2014, a decrease of \$8.2 million from the final FY 2013 enacted budget. Federal funds account for \$4.5 million of the decrease over the previous year, \$11.7 million decrease in other funds, the majority of which are due to a reduction in projected land sales as compared to FY 2013. The decreases are offset by an increase of \$1.1 million in Rhode Island Capital Plan Fund and an increase of \$7.0 million in restricted receipts for the inclusion of the new Rhode Island Highway Maintenance Trust Fund.

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The FY 2014 enacted budget includes \$6.9 million from the American Recovery and Reinvestment Act of 2009, no change from the Governor's recommendation, and a decrease of \$655,915 from the final FY 2013 revised budget of \$7.5 million. The stimulus funds \$5.7 million for improvements to Kingston track capacity and platform improvements and \$1.2 million for the Providence Train Station Improvement Project. Funds for the Highway Improvement Program, Commuter Rail projects and an on-the-job training program have been exhausted in FY 2013. FY 2013 represents the end of highway stimulus funding under the American Recovery and Reinvestment Act of 2009. The Department of Transportation originally increased total employment of 89.0 FTE temporary positions to complete the projects budgeted, which have been converted to permanent positions. These FTE positions are assigned to the federal highway funded construction projects.

Other funds of \$48.4 million in the Infrastructure Maintenance program decrease \$10.8 million from the Governor's recommendation. Gasoline tax revenues of \$42.3 million decrease \$648,426 from the Governor's recommend. Rhode Island Capital Plan Fund resources of \$5.8 million decreased \$10.2 million from the recommendation due to the removal of the Governor's recommended Local Roads and Streetscapes Project, as discussed previously. The General Assembly accepted the Governor's proposal to include \$1.0 million in each of FY 2013 and FY 2014 from the Rhode Island Capital Plan Fund for the purchase of heavy duty equipment, such as ten-wheel dump trucks and large scale vacuum trucks, necessary to the operations of the department's Maintenance Division.

Total appropriated expenditures for the Infrastructure Maintenance program increased \$3.2 million in FY 2014 from the final FY 2013 enacted budget. The primary reasons were the inclusion of additional funds in the amount of \$1.4 million for the purchase of new maintenance vehicles combined with an increase in Rhode Island Capital Plan Fund financed projects of \$1.2 million over the previous year.

The General Assembly introduced a new Article 5, Relating to Highways. The new version of Article 5, then superseded by House Bill 6329 Substitute A, amends RIGL 24-12-40.F entitled "Sakonnet River Bridge Vested in Rhode Island Turnpike and Bridge Authority – Institution of Tolls". The amendment delays the collection of tolls on the Sakonnet River Bridge until August 19, 2013, at which time; the Authority may then charge and collect tolls for the use of the bridge. The toll imposed shall not exceed ten cents (\$0.10) until April 1, 2014. The amendment also establishes a Special Legislative Commission to make a comprehensive study of all types of funding mechanisms and strategies to support Rhode Island's infrastructure, including the Sakonnet River Bridge.

A total of 772.6 FTE positions are authorized for the department in FY 2014, no change from the final FY 2013 enacted authorization.

All Sources

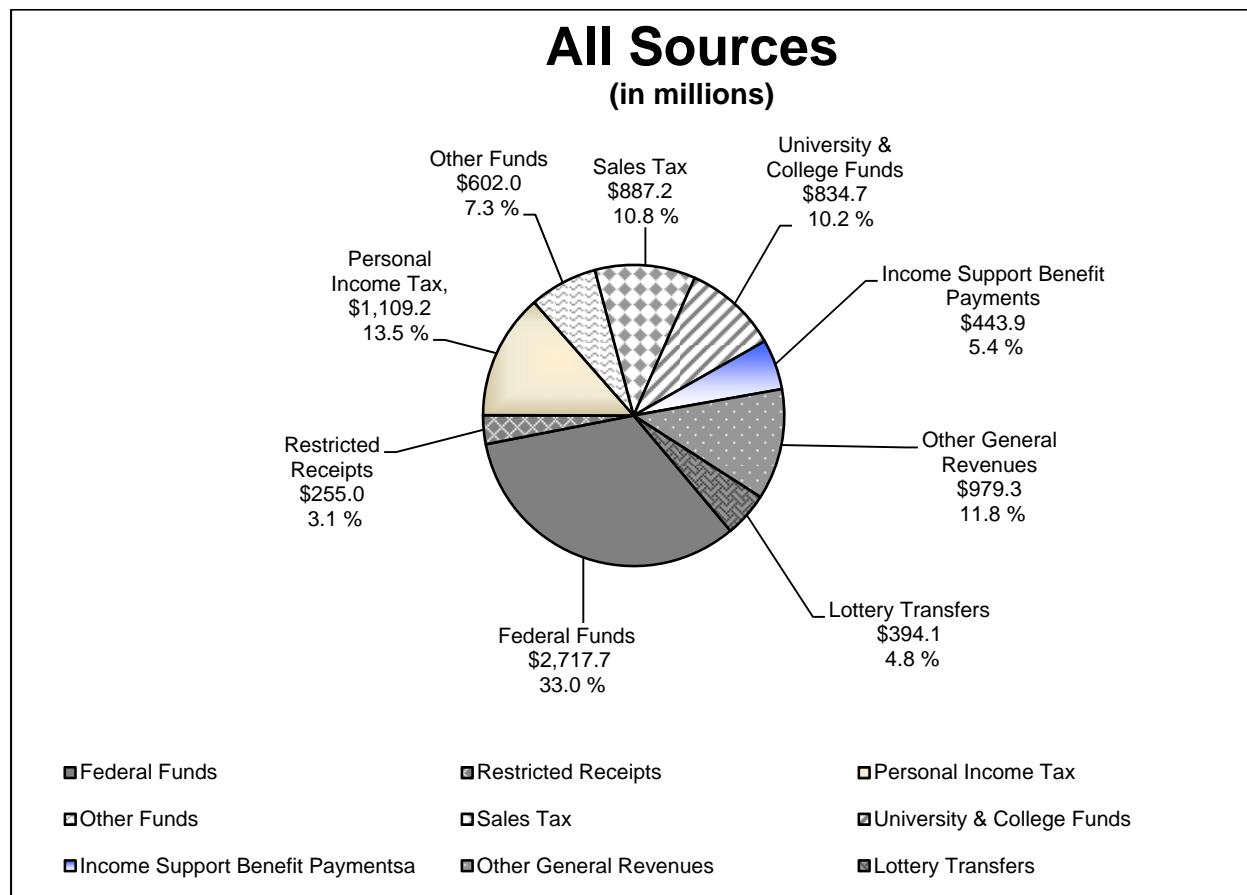
The total expected resources for FY 2014 are \$8,327.7 million and include all sources of funds from which state agencies make expenditures. It should be noted that \$104.2 million of the total available resources is allocated directly to the budget stabilization fund.

Federal funds are the large single source of revenues at 33.0 percent of total available resources. Over 70.1 percent of federal funds are expended for human services, primarily for Medicaid.

Personal Income and Sales Taxes provide a combined 24.3 percent of all revenue sources.

University and College Funds, including tuition payments, and Income Support benefit payments represent 10.2 percent and 5.4 percent of the total, respectively.

Remaining sources include: Other General Revenues (net surplus and general business taxes), 11.9 percent; the Lottery Transfer, 4.8 percent; Restricted Receipts, 3.1 percent; and Other Funds 7.3 percent of enacted FY 2014 total available resources.



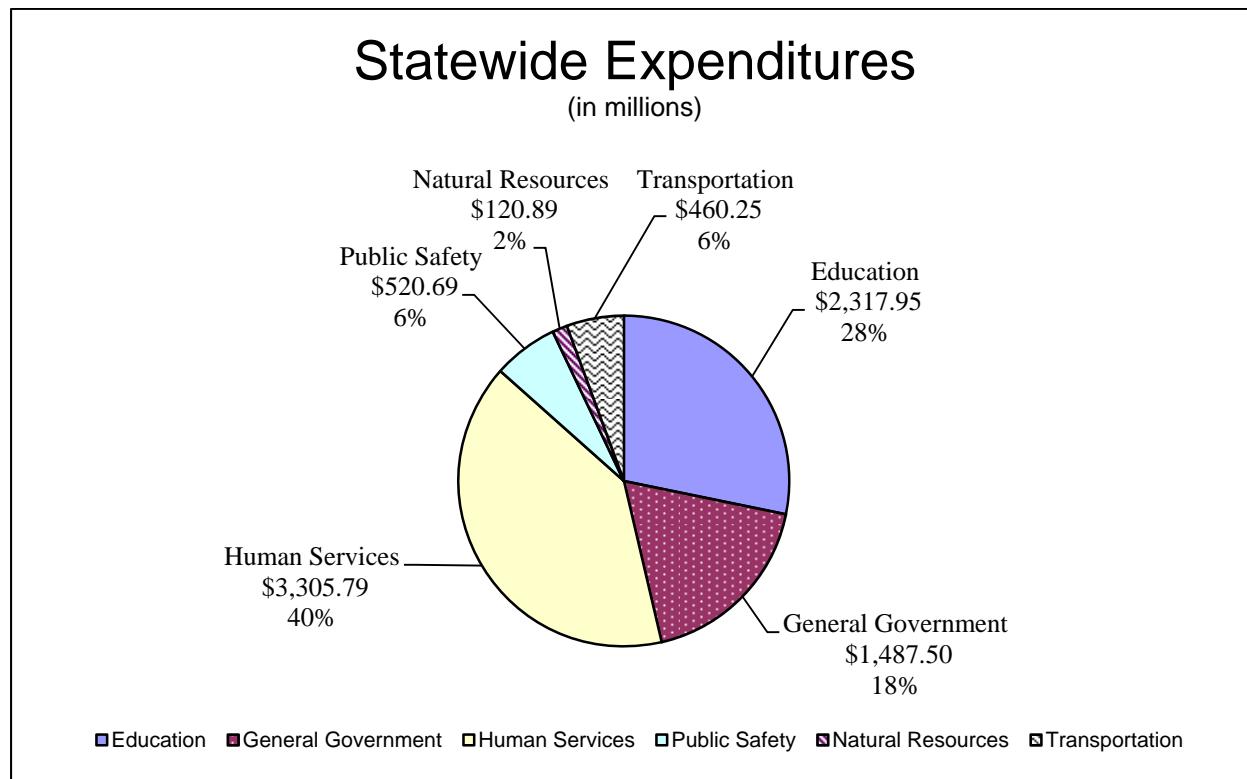
All Expenditures

Approximately 68.5 percent of all expenditures are for human services and education programs. The budgets for the human services agencies total \$3.3 billion, or 40.3 percent of all expenditures. Education expenditures of \$2.7 billion are 33.1 percent of the total expenditures, with \$1.2 billion for aid to local units of government for category aid, teacher retirement, school construction, and charter schools. This is approximately 52.9 percent of all education expenditures, and 14.9 percent of all spending authorized for FY 2014.

Expenditures of \$1.5 billion authorized for general government programs include \$603.1 million in non-education aid to local units of government and for assistance, grants and benefits to individuals. These expenditures are primarily for vehicle and property tax relief in addition to employment training, and unemployment benefits. General government expenditures are 18.1 percent of the total all funds budget.

Transportation expenditures of \$460.3 million compose 5.6 percent of the total budget, including funds for public transportation, highway, road and bridge expenditures. Remaining expenditures are \$641.6 million, or 6.3 percent for public safety agencies, and \$120.9 million, or 1.5 percent for natural resources agencies.

Overall, expenditures from all funds increased 1.4 percent, or \$111.5 million, from the final revised FY 2013 budget authorization.



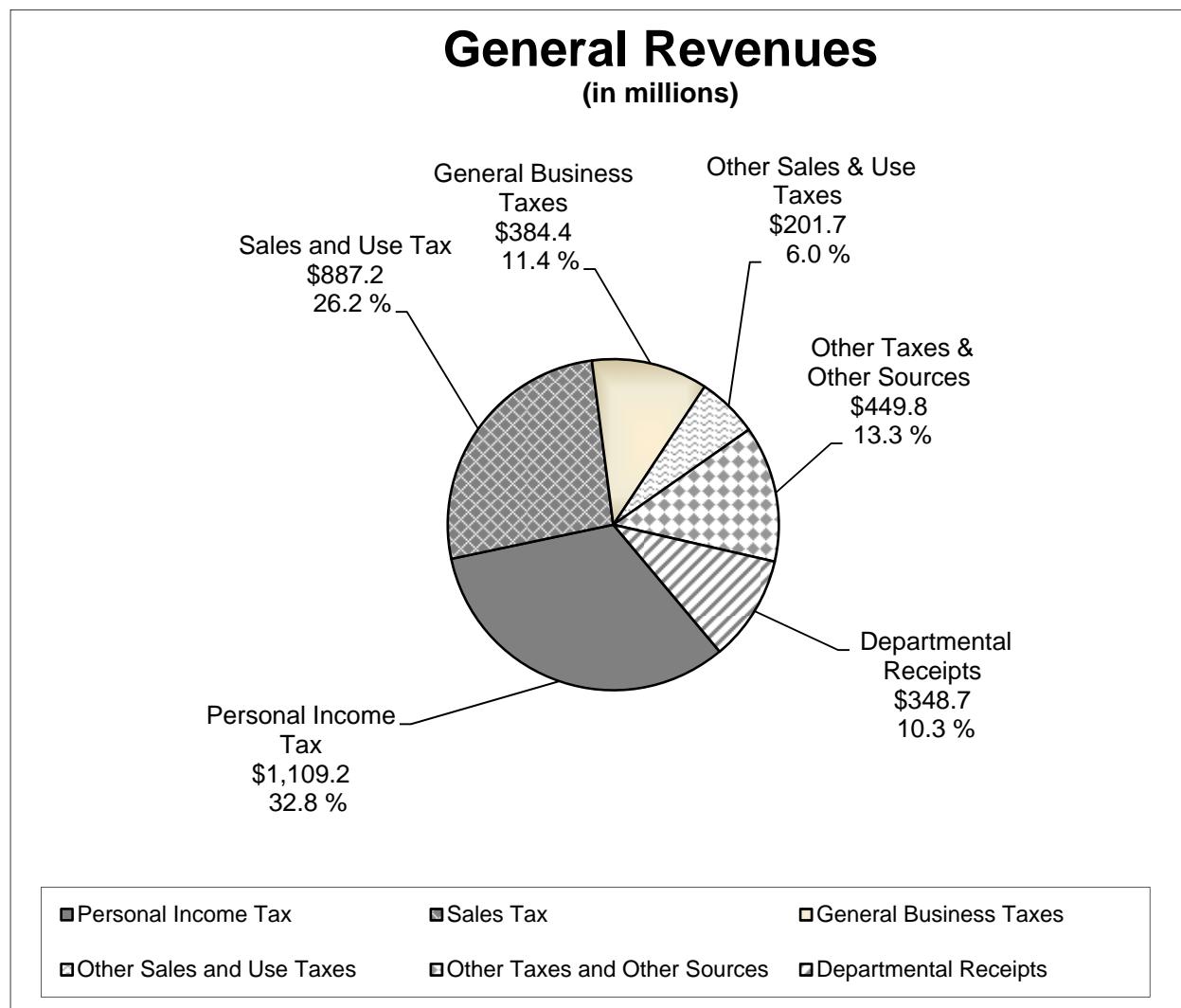
General Revenues

The enacted FY 2014 general revenue budget is based upon \$3.381 billion of general revenues. General revenues are subject to appropriation for any lawful government purpose.

The personal income tax is the largest single general revenue source at 32.8 percent. All sales and use taxes, including the sales tax, motor vehicle licenses and fees, cigarette taxes and alcohol taxes, are an additional 32.2 percent of general revenue. The sales tax on its own is projected at \$887.2 million, or 26.2 percent of general revenue.

General business taxes, including corporate income taxes, are 11.4 percent of general revenue while all departmental receipts equal 10.3 percent of general revenues.

Other revenue sources, including other taxes, are an additional \$449.8 million, or 13.3 percent of the general revenue.

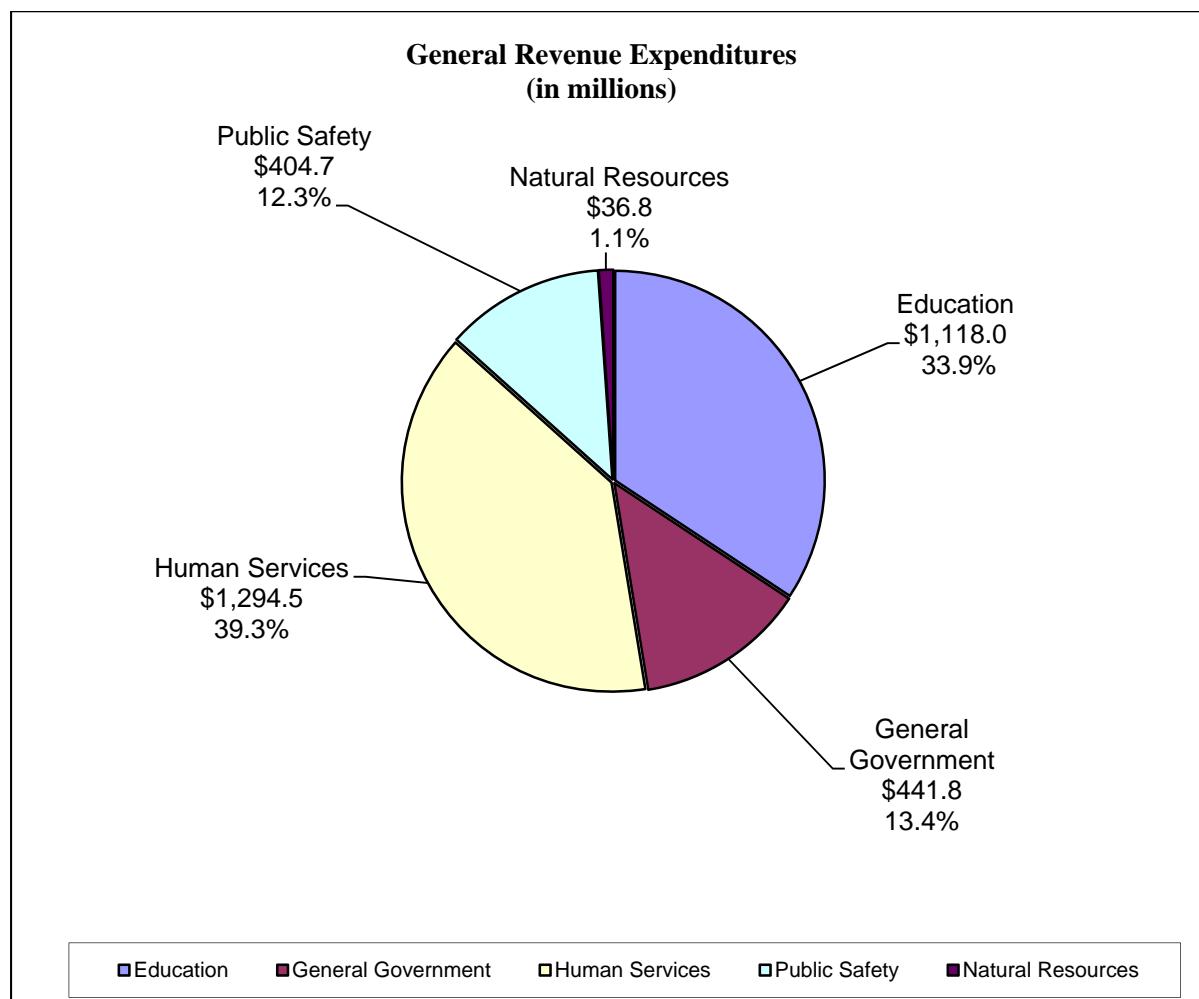


General Revenue Expenditures

The enacted FY 2014 budget from general revenues is \$3.4 billion or \$126.1 million more than the FY 2013 final authorized budget. This allows for the statutory mandate that the state spend no more than 97.0 percent of taxes and departmental receipts. The remaining 3.0 percent (\$104.2 million) is deposited into the Budget Reserve and Cash Stabilization Fund.

Human services programs comprise the largest share at 39.2 percent of all FY 2014 authorizations. The majority of the expenditures are for assistance, grants, and benefits and represent direct services to clients, patients and consumers. Education programs, which include local education aid, comprise the second largest share of expenditures from general revenue at 34.3 percent.

General Government programs constitute 13.1 percent of general revenue appropriations. Authorized public safety expenditures are 12.3 percent of all general revenue enacted budgets. Natural resource programs will receive \$37.1 million in general revenues or 1.1 percent of all general revenue authorizations. Transportation receives all of its funding from the gas tax and other non-general revenues.



Full Time Equivalent Positions

Full Time Equivalent Positions

The number of full time equivalent (FTE) positions authorized within the agency FTE caps in the FY 2014 final enacted budget is 15,118.3, an increase of 41.9 FTE positions from the FY 2013 final revised budget of 15,076.4. This net increase is made up of both increases and decreases in several agencies. The largest variances are in the Public Safety function, where there is an increase of 44.0 FTE positions from the FY 2013 final revised budget, including a 36.0 FTE position increase in the Department of Public Safety for the July 2013 State Trooper Academy training class, a 5.0 FTE increase in the Military Staff for Emergency Management, and a 3.0 FTE position increase in the Judiciary for the Veterans Court.

The next largest increase of 35.3 FTE positions is in the Human Services function. The Department of Human Services increases by 26.0 FTE positions for the Unified Health Infrastructure Program. The Executive Office of Health and Human Services increases by 15.0 FTE positions for administrative staff. These increases are partially offset by reductions in Children, Youth and Families (1.0), Health (3.9), and Behavioral Healthcare, Developmental Disabilities, and Hospitals (1.0), and a technical adjustment of 0.2 in the Office of the Child Advocate.

The largest decrease of 20.0 FTE positions is in the Education function, where the Higher Education increase of 10.0 FTE positions for additional faculty and staff in URI and RIC is offset by reductions in the Office of Higher Education (3.0), the Higher Education Assistance Authority (13.0) and the Public Telecommunication Authority (14.0). The reduction in FTE positions for the Public Telecommunication Authority is due to the end of state funding for the agency.

The next largest decrease of 17.4 FTE positions is in the General Government function. In the Department of Labor and Training, the reduction of 31.0 FTE positions (along with a 39.5 FTE position decrease in FY 2013) relates to the end of Unemployment Insurance Extended Benefits. The Department of Revenue increases by 3.0 FTE positions, including 2.0 tax investigators and 1.0 chief financial officer position in the Office of the Director. This is in addition to the 31.0 FTE positions added in FY 2013 in the Lottery Division to oversee table gaming operations at the Twin River casino. The General Treasurer FTE position cap increases by 1.0 legal counsel position in the retirement program. The Public Utilities Commission adds 1.0 consumer agent FTE in FY 2014 (in addition to 1.0 audit FTE in FY 2013), while the Department of Administration's FTE cap increases by 8.6 FTE positions.

The final enacted FY 2014 FTE cap of 15,118.3 is 53.3 FTE positions less than the Governor's recommended FTE cap of 15,171.6 positions. The General Assembly made the following changes to the Governor's recommendation:

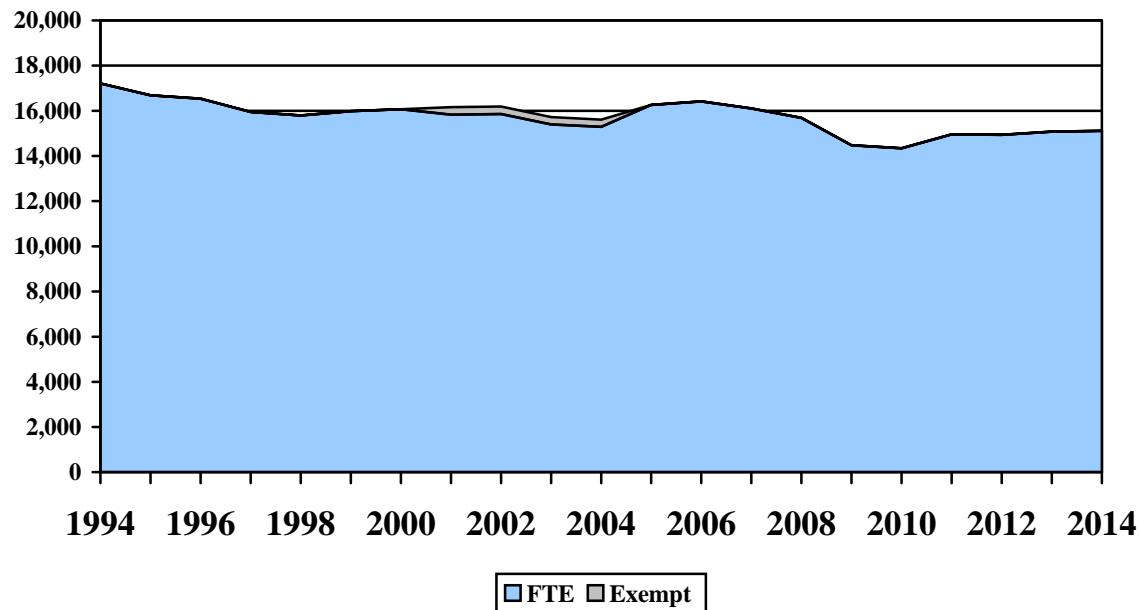
- Reduced the Governor's recommended increase in Administration by 7.0 FTE positions, including 2.0 State Police and Motor Vehicle human resources coordinators, 3.0 information technology (RIFANS) positions, a deputy director of purchasing, and a capital projects manager.
- Reduced the Governor's recommended FTE position increases by 10.0 administrative staff positions in the Executive Office of Health and Human Services.
- Reduced the Governor's recommended increase in the Department of Human Services by 15.5 FTE positions, including eligibility technicians and social caseworker positions.
- Adjusted by 0.2 the FTE position cap of the Office of the Child Advocate.
- Reduced the Governor's recommended FTE position increases by 4.0 FTE positions in the Office of Higher Education.
- Reduced the Governor's recommended FTE level by 13.0 FTE positions in the Higher Education Assistance Authority.

Full Time Equivalent Positions

- Added 3.0 FTE positions in the Judiciary for the Veterans Court.
- Reduced the Governor's recommended FTE position increases by 6.0 FTE positions in the Department of Public Safety, including 2.0 information technology positions, 2.0 positions in the Workers Comp unit, 1.0 paralegal, and 1.0 public information officer.
- Reduced the Governor's recommended FTE position increases by 1.0 senior reconciliation clerk position in the Department of Environmental Management.

In the final FY 2013 revised budget, the number of full time equivalent positions is 15,076.4, an increase of 50.1 FTE positions from the FY 2013 original enacted budget of 15,026.3. The authorized FTE position level in the FY 2013 revised budget includes increases of 31.0 in Revenue, 41.2 in Behavioral Healthcare, Developmental Disabilities, and Hospitals, 24.9 in Administration, and 6.0 in Children, Youth and Families. These increases are partially offset by reductions in Labor and Training (39.5), Human Services (7.6), and Environmental Management (8.0). The final revised budget includes a 26.1 FTE position reduction from the Governor's recommended supplemental budget of 15,102.5 positions. Changes include 11.6 FTE positions less in Administration, 1.0 FTE position less in the Business Regulation, and 13.5 FTE position less in Human Services.

Full Time Equivalent Positions



Schedules

General Revenues as Enacted

	FY 2011	FY 2012	FY 2013	FY 2013	FY 2014
	Actual	Actual	Enacted^a	Final Enacted	Enacted
Personal Income Tax	\$ 1,021,338,869	\$ 1,060,481,684	\$ 1,080,856,603	\$ 1,075,300,000	\$ 1,109,154,500
General Business Taxes					
Business Corporations	84,510,308	123,054,377	133,251,413	137,000,000	141,300,000
Public Utilities Gross Earnings	103,743,912	100,631,477	100,100,000	98,300,000	94,900,000
Financial Institutions	2,459,474	3,557,938	1,700,000	12,800,000	4,300,000
Insurance Companies	60,590,000	89,487,511	89,825,327	93,600,000	98,815,832
Bank Deposits	1,967,288	2,000,645	2,100,000	2,500,000	2,500,000
Health Care Provider Assessment	40,760,872	41,922,464	42,206,533	41,400,000	42,610,544
Sales and Use Taxes					
Sales and Use	813,007,301	851,055,730	886,720,059	872,500,000	887,201,672
Motor Vehicle	47,654,534	48,391,564	47,758,650	51,100,000	51,800,000
Motor Fuel	1,054,939	732,672	1,100,000	800,000	1,000,000
Cigarettes	134,060,439	131,085,912	138,053,896	131,800,000	130,700,000
Alcohol	11,683,059	11,873,646	12,200,000	12,000,000	18,173,328
Other Taxes					
Inheritance and Gift	46,855,153	46,411,738	35,148,959	30,200,000	31,800,000
Racing and Athletics	1,325,193	1,327,003	1,200,000	1,200,000	1,200,000
Realty Transfer	6,370,632	6,434,665	5,900,000	7,100,000	7,500,000
Total Taxes	\$ 2,377,381,973	\$ 2,518,449,026	\$ 2,578,121,440	\$ 2,567,600,000	\$ 2,622,955,876
Departmental Receipts	\$ 332,714,668	\$ 339,895,284	\$ 342,873,883	\$ 363,400,000	\$ 348,707,542
Taxes and Departmentals	\$ 2,710,096,641	\$ 2,858,344,310	\$ 2,920,995,323	\$ 2,931,000,000	\$ 2,971,663,418
Other Sources					
Gas Tax Transfer	\$ -	\$ -	\$ -	\$ -	\$ -
Other Miscellaneous	11,116,047	20,110,214	4,440,000	5,665,000	5,545,000
Lottery	354,860,987	377,706,394	387,553,420	380,160,000	394,100,000
Unclaimed Property	7,640,462	14,555,573	7,900,000	7,000,000	9,700,000
Other Sources	\$ 373,617,496	\$ 412,372,181	\$ 399,893,420	\$ 392,825,000	\$ 409,345,000
Total General Revenues	\$ 3,083,714,137	\$ 3,270,716,491	\$ 3,320,888,743	\$ 3,323,825,000	\$ 3,381,008,418

^a Omits \$163,409 in additional revenue from various legislative changes which became law after the Budget was enacted.

FY 2013 General Revenue Changes to Enacted

	Original Enacted Revenues <i>June 2012</i>	November 2012 REC <i>November 2012</i>	Governor Recommended <i>January 2013</i>	May 2013 REC <i>May 2013</i>	Total Enacted Revenue Enhancements <i>June 2013</i>	Final Enacted Revenues <i>June 2013</i>
Personal Income Tax	\$ 1,080,856,603	\$ 1,078,600,000	\$ 1,078,600,000	\$ 1,075,300,000	\$ -	\$ 1,075,300,000
General Business Taxes						
Business Corporations	133,251,413	135,900,000	135,900,000	137,000,000	-	137,000,000
Public Utilities Gross Earnings	100,100,000	104,000,000	104,000,000	98,300,000	-	98,300,000
Financial Institutions	1,700,000	8,200,000	8,200,000	12,800,000	-	12,800,000
Insurance Companies	89,825,327	91,900,000	91,900,000	93,600,000	-	93,600,000
Bank Deposits	2,100,000	2,100,000	2,100,000	2,500,000	-	2,500,000
Health Care Provider Assessment	42,206,533	42,300,000	42,300,000	41,400,000	-	41,400,000
Sales and Use Taxes						
Sales and Use	886,720,059	879,400,000	879,400,000	872,500,000	-	872,500,000
Motor Vehicle	47,758,650	48,700,000	48,700,000	51,100,000	-	51,100,000
Motor Fuel	1,100,000	1,000,000	1,000,000	800,000	-	800,000
Cigarettes	138,053,896	137,700,000	137,700,000	131,800,000	-	131,800,000
Alcohol	12,200,000	12,000,000	12,000,000	12,000,000	-	12,000,000
Other Taxes						
Inheritance and Gift	35,148,959	33,800,000	33,800,000	30,200,000	-	30,200,000
Racing and Athletics	1,200,000	1,200,000	1,200,000	1,200,000	-	1,200,000
Realty Transfer	5,900,000	6,500,000	6,500,000	7,100,000	-	7,100,000
Total Taxes	\$ 2,578,121,440	\$ 2,583,300,000	\$ 2,583,300,000	\$ 2,567,600,000	\$ -	\$ 2,567,600,000
Departmental Receipts	\$ 342,873,883	\$ 347,500,000	\$ 351,935,000	\$ 363,100,000	\$ 300,000	\$ 363,400,000
Taxes and Departmentals	\$ 2,920,995,323	\$ 2,930,800,000	\$ 2,935,235,000	\$ 2,930,700,000	\$ 300,000	\$ 2,931,000,000
Other Sources						
Gas Tax Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Miscellaneous	4,440,000	4,615,000	4,615,000	5,665,000	-	5,665,000
Lottery	387,553,420	386,700,000	385,100,000	380,160,000	-	380,160,000
Unclaimed Property	7,900,000	6,300,000	6,300,000	7,000,000	-	7,000,000
Other Sources	\$ 399,893,420	\$ 397,615,000	\$ 396,015,000	\$ 392,825,000	\$ -	\$ 392,825,000
Total General Revenues	\$ 3,320,888,743	\$ 3,328,415,000	\$ 3,331,250,000	\$ 3,323,525,000	\$ 300,000	\$ 3,323,825,000

FY 2014 General Revenue Changes to Estimated

	Initial Estimated Revenues November 2012	Governor Recommended January 2013	May 2013 REC May 2013	Enacted Revenue Enhancements June 2013	Original Enacted June 2013
Personal Income Tax	\$ 1,129,000,000	\$ 1,130,750,000	\$ 1,107,800,000	\$ 1,354,500	\$ 1,109,154,500
General Business Taxes					
Business Corporations	140,400,000	135,120,004	141,300,000	-	141,300,000
Public Utilities Gross Earnings	102,400,000	102,400,000	94,900,000	-	94,900,000
Financial Institutions	3,100,000	3,100,000	4,300,000	-	4,300,000
Insurance Companies	97,000,000	96,822,068	98,000,000	815,832	98,815,832
Bank Deposits	2,200,000	2,200,000	2,500,000	-	2,500,000
Health Care Provider Assessment	43,500,000	43,069,721	43,000,000	(389,456)	42,610,544
Sales and Use Taxes					
Sales and Use	904,100,000	904,300,000	895,000,000	(7,798,328)	887,201,672
Motor Vehicle	48,700,000	48,700,000	51,800,000	-	51,800,000
Motor Fuel	1,000,000	1,000,000	1,000,000	-	1,000,000
Cigarettes	137,400,000	137,400,000	130,700,000	-	130,700,000
Alcohol	12,200,000	12,200,000	12,200,000	5,973,328	18,173,328
Other Taxes					
Inheritance and Gift	35,400,000	35,400,000	31,800,000	-	31,800,000
Racing and Athletics	1,100,000	1,100,000	1,200,000	-	1,200,000
Realty Transfer	6,700,000	6,700,000	7,500,000	-	7,500,000
Total Taxes	\$ 2,664,200,000	\$ 2,660,261,793	\$ 2,623,000,000	\$ (44,124)	\$ 2,622,955,876
Departmental Receipts	\$ 206,800,000	\$ 353,292,687	\$ 206,600,000	\$ 142,107,542	\$ 348,707,542
Taxes and Departmentals	\$ 2,871,000,000	\$ 3,013,554,480	\$ 2,829,600,000	\$ 142,063,418	\$ 2,971,663,418
Other Sources					
Gas Tax Transfer	\$ -	\$ -	\$ -	-	-
Other Miscellaneous	2,430,000	2,430,000	2,545,000	3,000,000	5,545,000
Lottery	405,100,000	400,800,000	395,100,000	(1,000,000)	394,100,000
Unclaimed Property	9,600,000	9,600,000	9,700,000	-	9,700,000
Other Sources	\$ 417,130,000	\$ 412,830,000	\$ 407,345,000	\$ 2,000,000	\$ 409,345,000
Total General Revenues	\$ 3,288,130,000	\$ 3,426,384,480	\$ 3,236,945,000	\$ 144,063,418	\$ 3,381,008,418

General Revenue Changes to Adopted Estimates

FY 2013	Governor Recommend ^a	Assembly Enacted ^b
<u>Departmental Revenues</u>		
<i>Licenses and Fees</i>		
DHS: FY 2012 Hospital Licensing Fee Partial Payment ^c	\$ 4,435,000	\$ -
<i>Miscellaneous Receipts</i>		
Treasurer: Recognition of Gross Investment Earnings to Comply with Auditor General's Finding	\$ -	\$ 300,000
<i>Subtotal: Departmental Revenues</i>	\$ 4,435,000	\$ 300,000
<u>Other Sources</u>		
<i>Lottery Transfer</i>		
Division of Lottery's Administrative Costs for Table Games at Twin River ^d	\$ (1,600,000)	\$ -
<i>Subtotal: Lottery Transfer</i>	\$ (1,600,000)	\$ -
Subtotal: Other Sources	\$ (1,600,000)	\$ -
FY 2013 Total General Revenue Changes	\$ 2,835,000	\$ 300,000

^a Governor Recommend is based on estimates adopted at the November 2012 Revenue Estimating Conference.

^b Assembly Final Enacted is based on estimates adopted at the May 2013 Revenue Estimating Conference

^cThis revenue item was included in the revenue estimates adopted at the May 2013 Revenue Estimating Conference

^dThese expenses were reduced to \$940,000 and netted against the Lottery's share of gross table game revenues as part of the lottery transfer estimate adopted at the May 2013 Revenue Estimating Conference

General Revenue Changes to Adopted Estimates

FY 2014	Governor Recommend ^a	Assembly Enacted ^b
Taxes		
<i>Personal Income Tax</i>		
Refunds: Creation of Special Investigation Tax Unit	\$ 1,000,000	\$ 1,000,000
Finals: Out of State Collection Agencies	750,000	750,000
Finals: Increase Cap on Contributions to Scholarship Organizations Tax Credit	-	(395,500)
Finals: Conform to Internal Revenue Code on Section 179 Expensing and Bonus Depreciation Rules ^c	n/a	n/a
Finals: Disallow Federal Domestic Production Activities Deduction ^c	n/a	n/a
<i>Subtotal: Personal Income Tax</i>	\$ 1,750,000	\$ 1,354,500
<i>General Business Taxes</i>		
<i>Business Corporations Tax</i>		
Reduce Business Corporations Tax Rate to 8.00% effective January 1, 2014	\$ (8,038,007)	-
Decrease of 25.0% in value of Job Development Act Rate Reduction effective Jan 1, 2014	2,448,632	-
Elimination of Enterprise Zone Wage Credit effective January 1, 2014	309,380	-
Conform to Internal Revenue Code on Section 179 Expensing and Bonus Depreciation Rules ^c	n/a	n/a
Disallow Federal Domestic Production Activities Deduction ^c	n/a	n/a
<i>Subtotal: Business Corporations Tax</i>	\$ (5,279,996)	\$ -
<i>Insurance Companies Gross Premiums Tax</i>		
Health/HMO: Managed Care Rate Reduction	\$ (177,932)	\$ (179,668)
Property, Casualty, and Life: Increase Cap on Contributions to Scholarship Organizations Tax Credit	-	(104,500)
Health/HMO: Affordable Care Act Medicaid Expansion	-	1,100,000
<i>Subtotal: Insurance Companies Gross Premiums Tax</i>	\$ (177,932)	\$ 815,832
<i>Health Care Provider Assessment - Nursing Homes</i>		
Suspend Nursing Home COLA effective October 1, 2012	\$ (430,279)	\$ (389,456)
<i>Subtotal: Health Care Provider Assessment</i>	\$ (430,279)	\$ (389,456)
<i>Subtotal: General Business Taxes</i>	\$ (5,888,207)	\$ 426,376
<i>Sales and Excise Taxes</i>		
<i>Sales and Use Tax</i>		
Creation of Special Investigation Tax Unit	\$ 200,000	\$ 200,000
Repeal Tax on Sales of Wine and Spirits by Class A Licensees, eff Dec 1, 2013 thru Mar 31, 2015	-	(7,173,328)
Add Statewide Exemption for Unique Work(s) of Art incl Print and Photograph eff Dec 1, 2013	-	(825,000)
<i>Subtotal: Sales and Use Tax</i>	\$ 200,000	\$ (7,798,328)
<i>Alcohol Tax</i>		
Increase Tax on Beer and Malt to from \$3.00 per 31 Gallons (Barrel) to \$3.30 per 31 Gallons	\$ -	\$ 390,868
Increase Tax on Still Wine from \$0.60 per Gallon to \$1.40 per Gallon	-	2,699,976
Increase Tax on High Proof Distilled Spirits from \$3.75 per Gallon to \$5.40 per Gallon	-	2,882,484
<i>Subtotal: Alcohol Tax</i>	\$ -	\$ 5,973,328
<i>Subtotal: Sales and Excise Taxes</i>	\$ 200,000	\$ (1,825,000)
<i>Other Taxes</i>		
<i>Inheritance and Gift Tax</i>		
Farmland Included in Estate Valued at Use Not Full and Fair Cash Value ^d	\$ -	n/a
<i>Subtotal: Other Taxes</i>	\$ -	n/a
Subtotal: All Taxes	\$ (3,938,207)	\$ (44,124)

General Revenue Changes to Adopted Estimates

FY 2014	Governor Recommend^a	Assembly Enacted^b
<u>Departmental Revenues</u>		
<i>Licenses and Fees</i>		
DHS: FY 2012 Hospital Licensing Fee Remainder Payment ^c	\$ 5,570,624	\$ -
DHS: Reinstitute Hospital Licensing Fee at 5.350 Percent on FY 2011 Net Patient Revenues	141,256,638	141,256,638
DHS: Revise Hospital Licensing Fee to 5.246 Percent of FY 2012 Net Patient Revenues	- 944	944
DLT: Eliminitation of Hazardous Substances Right to Know Fee	(384,575)	(363,040)
DOR: Eliminate Redundant Division of Motor Vehicles Required Accident Report	- (287,000)	(287,000)
<i>Subtotal: Licenses and Fees</i>	\$ 146,442,687	\$ 140,607,542
<i>Fines and Penalties</i>		
DOR: Interest Collections from Special Investigation Tax Unit	\$ 40,000	\$ 40,000
DOR: Penalty Collections from Special Investigation Tax Unit	10,000	10,000
Judiciary: Mandate Use of Universal Summons for Photo Enforcement of Red Light Violations	- 300,000	300,000
<i>Subtotal: Fines and Penalties</i>	\$ 50,000	\$ 350,000
<i>Miscellaneous Receipts</i>		
Treasurer: Recognition of Gross Investment Earnings to Comply with Auditor General's Finding	\$ -	\$ 300,000
Attorney General: Indirect Cost Recovery on National Mortgage Settlement	- 850,000	850,000
<i>Subtotal: Miscellaneous</i>	\$ -	\$ 1,150,000
Subtotal: Departmental Revenues	\$ 146,492,687	\$ 142,107,542
Subtotal: Taxes and Departmental Revenues	\$ 142,554,480	\$ 142,063,418
<u>Other Sources</u>		
<i>Other Miscellaneous Revenues</i>		
Transfer of Bond Premiums from Rhode Island Capital Plan Fund (RICAP)	\$ -	\$ 3,000,000
<i>Subtotal: Other Miscellaneous Revenues</i>	\$ -	\$ 3,000,000
<u>Lottery Transfer</u>		
<i>Lottery</i>		
Division of Lottery's Administrative Costs for Table Games at Twin River ^d	\$ (4,300,000)	\$ -
Enhance NTI share for Newport Grand by 2.25 Percentage Points	- (1,000,000)	(1,000,000)
<i>Subtotal: Lottery Transfer</i>	\$ (4,300,000)	\$ (1,000,000)
Subtotal: Other Sources	\$ (4,300,000)	\$ 2,000,000
Total FY 2014 General Revenue Adjustments	\$ 138,254,480	\$ 144,063,418

^a Governor Recommend is based on estimates adopted at the November 2012 Revenue Estimating Conference.

^b Assembly Enacted is based on estimates adopted at the May 2013 Revenue Estimating Conference

^c These items were enacted by the General Assembly effective for tax years beginning after December 31, 2013. The fiscal impact of these items are estimated to be realized in FY 2015 and beyond. Article 1 of the appropriations act for the fiscal year ending June 30, 2014 requires that \$10.0 million be transferred from the State General Fund to the Accelerated Depreciation Fund by June 30, 2014.

^d This item, although effective upon passage, will not have a fiscal impact until FY 2015 if at all.

^e This revenue item was included in the revenue estimates adopted at the May 2013 Revenue Estimating Conference

^f These expenses were netted against the Lottery's share of gross table game revenues as part of the lottery transfer estimate adopted at the May 2013 Revenue Estimating Conference

Other Revenue Enhancements

	Governor Recommend ^a	Assembly Enacted ^b
FY 2013		
<u>Restricted Receipts</u>		
Judiciary: Expanded Access to Civil Justice Grant	\$ -	\$ 5,000
Treasurer: Research Fellowship Foundation Grant	-	30,000
Subtotal: Restricted Receipts	\$ -	\$ 35,000
Total FY 2013 Other Revenue Adjustments	\$ -	\$ 35,000
FY 2014		
<u>Restricted Receipts</u>		
CDHH: Emergency and Public Communication Access Program	\$ 80,000	\$ 80,000
Judiciary: Expanded Access to Civil Justice Grant	-	13,000
Sec of State: Revenues from Operation of State House Gift Shop	-	5,000
Treasurer: Research Fellowship Foundation Grant	-	40,000
Subtotal: Restricted Receipts	\$ 80,000	\$ 138,000
<u>Intermodal Surface Transportation Fund</u>		
Restructure \$30.00 Surcharge on Biennial Registration Fees to Reflect Actual Registration Data	\$ (435,856)	\$ (776,530)
Restructure \$15.00 Surcharge on Annual Registration Fees to Reflect Actual Registration Data	(289,771)	(296,092)
Subtotal: Intermodal Surface Transportation Fund	\$ (725,627)	\$ (1,072,622)
<u>Rhode Island Capital Plan Fund</u>		
Transfer of Bond Premium to General Revenues	\$ -	\$ (3,000,000)
Transfer of Bond Premium to Municipal Road and Bridge Revolving Fund	-	(6,992,890)
Subtotal: Rhode Island Capital Plan Fund	\$ -	\$ (9,992,890)
<u>Accelerated Depreciation Fund</u>		
Transfer from General Fund ^c	\$ -	\$ 10,000,000
Subtotal: Rhode Island Capital Plan Fund	\$ -	\$ 10,000,000
Total FY 2014 Other Revenue Adjustments	\$ (645,627)	\$ (927,512)

^a Governor Recommend is based on estimates adopted at the November 2011 Revenue Estimating Conference.

^b Assembly Enacted is based on estimates adopted at the May 2012 Revenue Estimating Conference

^c Article 1 of the appropriations act for the fiscal year ending June 30, 2014 requires that \$10.0 million be transferred from the State General Fund to the Accelerated Depreciation Fund by June 30, 2014.

Expenditures from All Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
General Government					
Administration (3 & 4)	\$466,350,825	\$390,215,975	\$389,897,691	\$412,981,480	\$428,701,337
Business Regulation	9,861,335	12,591,226	\$13,977,309	\$17,887,800	\$12,989,880
Labor and Training	912,521,587	801,847,663	\$661,604,139	\$723,610,771	\$592,481,112
Revenue	268,488,387	345,151,113	\$333,502,288	\$340,617,136	\$353,439,739
Legislature	34,703,108	35,327,139	\$38,844,218	\$41,913,816	\$37,791,548
Lieutenant Governor	890,413	1,068,715	\$1,092,692	\$1,738,416	\$2,095,378
Secretary of State	6,995,441	6,742,224	\$7,418,107	\$7,317,488	\$6,952,764
General Treasurer	28,031,616	39,706,807	\$37,571,560	\$45,718,506	\$35,407,461
Board of Elections	3,400,118	1,660,728	\$1,952,116	\$1,886,823	\$1,739,361
Rhode Island Ethics Commission	1,419,805	1,410,813	\$1,557,881	\$1,530,853	\$1,577,204
Governor's Office	4,701,867	4,648,355	\$26,581,535	\$4,325,010	\$4,443,513
Commission for Human Rights	1,355,743	1,408,199	\$1,463,760	\$1,439,817	\$1,459,423
Public Utilities Commission	6,088,904	6,335,868	\$8,246,708	\$8,489,940	\$8,420,293
Subtotal - General Government	\$1,744,809,149	\$1,648,114,825	\$1,523,710,004	\$1,609,457,856	\$1,487,499,013
Human Services					
Office of Health & Human Services (1)	6,284,050	17,098,684	\$1,752,372,084	\$1,680,440,795	\$1,867,935,132
Children, Youth, and Families	235,882,905	216,588,816	\$216,622,996	\$214,110,548	\$213,873,566
Health	119,439,071	104,085,326	\$119,522,083	\$126,742,680	\$120,980,759
Human Services (2)	2,198,054,450	2,206,209,397	\$650,256,012	\$662,291,578	\$662,090,161
Behavioral Healthcare, Developmental Disabilities and Hospitals	450,952,134	428,033,267	\$445,671,144	\$429,040,289	\$437,848,408
Governor's Commission on Disabilities	514,758	597,971	\$751,439	\$599,003	\$1,455,336
Commission On Deaf and Hard of Hearing	358,036	377,005	\$390,251	\$381,701	\$471,609
Office of the Child Advocate	597,596	558,884	\$657,572	\$636,732	\$648,648
Office of the Mental Health Advocate	399,837	387,894	\$447,119	\$323,307	\$486,144
Subtotal - Human Services	\$3,012,482,837	\$2,973,937,244	\$3,186,690,700	\$3,114,566,633	\$3,305,789,763
Education					
Elementary and Secondary	1,128,629,694	1,122,700,087	\$1,198,219,358	\$1,205,460,794	\$1,225,973,266
Higher Education - Board of Governors	953,160,729	1,009,942,858	\$1,031,676,319	\$1,036,013,963	\$1,057,498,950
RI Council on the Arts	3,454,128	2,760,123	\$3,408,107	\$3,907,496	\$2,765,495
RI Atomic Energy Commission	1,198,881	1,282,491	\$1,476,951	\$1,402,436	\$1,436,731
Higher Education Assistance Authority	23,672,445	24,036,466	\$27,722,149	\$28,223,979	\$26,763,735
Historical Preservation and Heritage Comm.	2,183,534	1,908,488	\$2,728,977	\$2,450,493	\$3,506,949
Public Telecommunications Authority	1,525,009	1,557,832	\$1,500,972	\$799,077	\$0
Subtotal - Education	\$2,113,824,420	\$2,164,188,345	\$2,266,732,833	\$2,278,258,238	\$2,317,945,126

Expenditures from All Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Public Safety					
Attorney General	23,618,629	24,597,318	\$30,009,938	\$29,151,427	\$30,400,101
Corrections	183,456,477	189,703,152	\$196,749,862	\$197,868,409	\$204,702,527
Judicial	97,166,263	100,907,796	\$104,248,298	\$106,251,433	\$107,624,121
Military Staff	36,424,255	36,046,730	\$42,450,127	\$66,012,642	\$43,157,514
Public Safety (3)	88,811,483	102,975,645	\$122,500,068	\$120,142,885	\$123,477,749
Office Of Public Defender	9,990,894	10,560,860	\$11,213,124	\$10,749,410	\$11,326,682
Subtotal - Public Safety	\$439,468,001	\$464,791,501	\$507,171,417	\$530,176,206	\$520,688,694
Natural Resources					
Environmental Management	66,346,606	74,010,170	\$98,837,511	\$97,596,949	\$116,179,523
Coastal Resources Management Council	5,724,792	6,100,775	\$5,092,818	\$5,694,945	\$4,709,906
Water Resources Board (4)	1,335,871	0	\$0	\$0	\$0
Subtotal - Natural Resources	\$73,407,269	\$80,110,945	\$103,930,329	\$103,291,894	\$120,889,429
Transportation					
Transportation	345,215,545	387,375,260	\$511,621,101	\$465,845,728	\$460,249,997
Subtotal - Transportation	\$345,215,545	\$387,375,260	\$511,621,101	\$465,845,728	\$460,249,997
Total	\$7,729,207,221	\$7,718,518,120	\$8,099,856,384	\$8,101,596,555	\$8,213,062,022

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In FY 2012, the Department of Elderly Affairs was merged into the Department of Human Services as its own program.

(3) In FY 2012, the Sheriffs program was moved from the Department of Administration to the Department of Public Safety.

(4) In FY 2012, the Water Resources Board was merged into the Statewide Planning program in the Department of Administration.

Expenditures from General Revenues

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
General Government					
Administration (3 & 4)	\$331,624,887	\$248,320,234	\$272,514,956	\$265,410,090	\$264,801,211
Business Regulation	8,128,770	8,394,345	\$9,362,048	\$8,925,512	\$9,245,878
Labor and Training	6,902,868	7,553,602	\$7,859,170	\$7,728,901	\$9,064,061
Revenue	35,111,465	95,686,157	\$95,342,244	\$96,482,436	\$102,007,495
Legislature	33,127,794	33,685,084	\$37,217,044	\$40,388,233	\$36,186,933
Lieutenant Governor	890,413	948,391	\$962,955	\$945,311	\$986,890
Secretary of State	6,564,248	6,262,148	\$6,913,038	\$6,833,325	\$6,497,833
General Treasurer	2,240,286	2,531,859	\$2,542,115	\$2,826,501	\$2,654,692
Board of Elections	3,290,424	1,610,728	\$1,952,116	\$1,886,823	\$1,739,361
Rhode Island Ethics Commission	1,419,805	1,410,813	\$1,557,881	\$1,530,853	\$1,577,204
Governor's Office	4,102,488	4,081,232	\$4,418,290	\$4,325,010	\$4,443,513
Commission for Human Rights	1,214,438	1,093,206	\$1,137,768	\$1,133,129	\$1,150,785
Public Utilities Commission	-	-	-	-	-
Subtotal - General Government	\$434,617,886	\$411,577,799	\$441,779,625	\$438,416,124	\$440,355,856
Human Services					
Office of Health & Human Services (1)	3,314,257	9,694,301	\$825,065,703	\$778,931,286	\$843,227,650
Children, Youth, and Families	156,123,293	154,375,838	\$152,586,452	\$151,871,086	\$152,976,991
Health	27,469,636	23,518,929	\$24,821,836	\$24,446,722	\$24,308,001
Human Services (2)	735,671,107	844,385,003	\$97,023,967	\$95,668,119	\$93,479,195
Behavioral Healthcare, Developmental Disabilities and Hospitals	172,743,967	190,883,740	\$193,137,995	\$193,234,700	\$202,091,382
Governor's Commission on Disabilities	352,190	381,164	\$371,096	\$324,421	\$357,711
Commission On Deaf and Hard of Hearing	358,036	377,005	\$390,251	\$381,701	\$391,609
Office of the Child Advocate	550,911	512,165	\$611,469	\$590,664	\$608,651
Office of the Mental Health Advocate	399,837	387,894	\$447,119	\$323,307	\$486,144
Subtotal - Human Services	\$1,096,983,234	\$1,224,516,039	\$1,294,455,888	\$1,245,772,006	\$1,317,927,334
Education					
Elementary and Secondary	846,144,631	860,936,950	\$935,364,061	\$928,916,698	\$964,706,909
Higher Education - Board of Governors	163,941,500	165,658,691	\$172,456,170	\$172,696,230	\$180,013,795
RI Council on the Arts	1,681,095	1,656,365	\$1,565,813	\$1,565,813	\$1,335,630
RI Atomic Energy Commission	858,629	875,412	\$876,213	\$841,750	\$861,710
Higher Education Assistance Authority	7,320,186	5,911,331	\$5,617,064	\$5,693,667	\$4,281,726
Historical Preservation and Heritage Comm.	1,294,878	1,253,696	\$1,361,801	\$1,265,417	\$1,357,510
Public Telecommunications Authority	929,325	928,421	\$799,077	\$799,077	\$0
Subtotal - Education	\$1,022,170,244	\$1,037,220,866	\$1,118,040,199	\$1,111,778,652	\$1,152,557,280

Expenditures from General Revenues

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Public Safety					
Attorney General	20,763,514	22,161,393	\$23,076,324	\$22,637,371	\$23,656,979
Corrections	177,719,606	184,655,159	\$183,293,277	\$185,542,143	\$185,379,198
Judicial	84,300,614	87,723,958	\$89,249,996	\$87,871,436	\$91,681,359
Military Staff	3,755,542	3,491,202	\$3,548,775	\$3,648,700	\$3,869,983
Public Safety (3)	69,087,143	90,786,762	\$94,790,039	\$91,240,794	\$96,361,799
Office Of Public Defender	9,493,812	10,166,398	\$10,791,226	\$10,457,414	\$11,034,686
Subtotal - Public Safety	\$365,120,231	\$398,984,872	\$404,749,637	\$401,397,858	\$411,984,004
Natural Resources					
Environmental Management	34,074,887	35,707,703	\$34,546,300	\$34,261,357	\$34,756,318
Coastal Resources Management Council	2,063,094	2,234,732	\$2,264,841	\$2,185,261	\$2,174,331
Water Resources Board (4)	1,123,928	0	\$0	\$0	\$0
Subtotal - Natural Resources	\$37,261,909	\$37,942,435	\$36,811,141	\$36,446,618	\$36,930,649
Transportation					
Transportation	-	-	-	-	-
Subtotal - Transportation	-	-	-	-	-
Total	\$2,956,153,504	\$3,110,242,011	\$3,295,836,490	\$3,233,811,258	\$3,359,755,123

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(3) In FY 2012, the Sheriffs program was moved from the Department of Administration to the Department of Public Safety.

(4) In FY 2012, the Water Resources Board was merged into the Statewide Planning program in the Department of Administration.

Expenditures from Federal Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
General Government					
Administration (3 & 4)	\$64,251,529	\$64,385,784	\$25,578,747	\$63,667,321	\$62,189,669
Business Regulation	465,176	2,726,596	\$2,719,081	\$7,002,215	\$1,747,589
Labor and Training	234,108,321	205,099,595	\$111,743,981	\$166,276,062	\$95,710,236
Revenue	1,139,852	1,472,179	\$2,450,709	\$2,897,330	\$3,048,651
Legislature	-	-	\$0	\$0	\$0
Lieutenant Governor	-	120,324	\$129,737	\$793,105	\$1,108,488
Secretary of State	33,659	52,872	\$0	\$2,566	\$0
General Treasurer	1,140,258	1,199,276	\$1,159,712	\$1,099,497	\$1,130,422
Board of Elections	109,694	50,000	\$0	\$0	\$0
Rhode Island Ethics Commission	-	-	\$0	\$0	\$0
Governor's Office	40,411	(1)	\$22,163,245	\$0	\$0
Commission for Human Rights	141,305	314,993	\$325,992	\$306,688	\$308,638
Public Utilities Commission	266,641	307,914	\$321,795	\$348,421	\$166,818
Subtotal - General Government	\$301,696,846	\$275,729,532	\$166,592,999	\$242,393,205	\$165,410,511
Human Services					
Office of Health & Human Services (1)	2,367,877	6,506,943	\$914,833,795	\$888,267,679	\$1,014,710,198
Children, Youth, and Families	76,711,604	59,251,759	\$58,440,291	\$57,005,897	\$56,692,405
Health	69,303,495	55,441,392	\$65,015,651	\$70,657,028	\$62,004,542
Human Services (2)	1,446,893,845	1,344,961,678	\$539,731,758	\$550,001,881	\$554,368,102
Behavioral Healthcare, Developmental Disabilities and Hospitals	267,384,605	225,892,158	\$234,125,964	\$223,826,063	\$217,759,723
Governor's Commission on Disabilities	124,377	70,987	\$120,649	\$215,368	\$129,989
Commission On Deaf and Hard of Hearing	-	-	\$0	\$0	\$0
Office of the Child Advocate	46,685	46,719	\$46,103	\$46,068	\$39,997
Office of the Mental Health Advocate	-	-	-	\$0	\$0
Subtotal - Human Services	\$1,862,832,488	\$1,692,171,636	\$1,812,314,211	\$1,790,019,984	\$1,905,704,956
Education					
Elementary and Secondary	259,873,651	234,690,933	\$230,760,206	\$238,106,081	\$225,746,654
Higher Education - Board of Governors	10,274,936	23,218,046	\$4,852,615	\$5,226,649	\$6,190,306
RI Council on the Arts	954,515	824,067	\$998,794	\$754,191	\$797,329
RI Atomic Energy Commission	76,635	79,057	\$267,616	\$267,044	\$267,044
Higher Education Assistance Authority	9,744,236	9,566,865	\$13,346,283	\$13,994,483	\$13,274,020
Historical Preservation and Heritage Comm.	831,658	537,821	\$836,139	\$589,279	\$609,949
Public Telecommunications Authority	-	-	-	\$0	\$0
Subtotal - Education	\$281,755,631	\$268,916,789	\$251,061,653	258,937,727	246,885,302

Expenditures from Federal Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Public Safety			\$0	\$0	\$0
Attorney General	1,788,468	1,475,840	\$1,483,604	\$2,674,447	\$1,619,532
Corrections	2,780,906	2,388,892	\$1,995,588	\$3,128,620	\$1,788,688
Judicial	2,555,921	2,377,916	\$2,682,107	\$2,760,203	\$2,624,248
Military Staff	32,256,773	31,350,783	\$33,842,074	\$55,878,959	\$34,878,752
Public Safety (3)	9,267,352	7,573,445	6,940,151	\$10,741,797	\$6,155,535
Office Of Public Defender	497,082	394,462	421,898	\$291,996	\$291,996
Subtotal - Public Safety	\$49,146,502	\$45,561,338	\$47,365,422	\$75,476,022	\$47,358,751
Natural Resources			\$0	\$0	\$0
Environmental Management	19,885,602	22,171,087	34,997,551	\$36,876,754	\$38,391,731
Coastal Resources Management Council	3,501,698	3,054,725	1,677,977	\$2,537,403	\$2,160,593
Water Resources Board (4)	-	-	-	\$0	\$0
Subtotal - Natural Resources	\$23,387,300	\$25,225,812	\$36,675,528	\$39,414,157	\$40,552,324
Transportation					
Transportation	229,999,857	291,517,766	362,340,586	\$316,969,784	\$311,761,586
Subtotal - Transportation	\$229,999,857	\$291,517,766	\$362,340,586	\$316,969,784	\$311,761,586
Total	\$2,748,818,624	\$2,599,122,873	\$2,676,350,399	\$2,723,210,879	\$2,717,673,430

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(3) In FY 2012, the Sheriffs program was moved from the Department of Administration to the Department of Public Safety.

(4) In FY 2012, the Water Resources Board was merged into the Statewide Planning program in the Department of Administration.

Expenditures from Restricted Receipts

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
General Government					
Administration (3 & 4)	\$14,219,372	\$15,107,473	\$16,286,426	\$13,968,691	\$15,912,808
Business Regulation	1,267,389	1,470,285	\$1,896,180	\$1,960,073	\$1,996,413
Labor and Training	20,821,559	23,685,420	\$36,292,695	\$60,844,618	\$43,125,719
Revenue	4,836,294	1,993,811	\$1,845,255	\$1,821,849	\$1,821,886
Legislature	1,575,314	1,642,055	\$1,627,174	\$1,525,583	\$1,604,615
Lieutenant Governor	-	-	\$0	\$0	\$0
Secretary of State	397,534	427,204	\$505,069	\$481,597	\$454,931
General Treasurer	24,442,547	35,767,114	\$33,618,221	\$41,575,920	\$31,393,424
Board of Elections	-	-	\$0	\$0	\$0
Rhode Island Ethics Commission	-	-	\$0	\$0	\$0
Governor's Office	558,968	567,124	\$0	\$0	\$0
Commission for Human Rights	-	-	\$0	\$0	\$0
Public Utilities Commission	5,822,263	6,027,954	\$7,924,913	\$8,141,519	\$8,253,475
Subtotal - General Government	\$73,941,240	\$86,688,440	\$99,995,933	\$130,319,850	\$104,563,271
Human Services					
Office of Health & Human Services (1)	601,916	897,440	\$0	\$0	\$0
Children, Youth, and Families	2,426,338	2,682,360	\$2,825,253	\$2,538,664	\$2,614,170
Health	22,658,203	25,113,233	\$29,512,596	\$31,512,619	\$34,632,906
Human Services (2)	10,590,911	12,585,836	\$9,111,103	\$12,057,553	\$9,762,500
Behavioral Healthcare, Developmental Disabilities and Hospitals	6,941,943	6,973,731	\$7,188,834	\$7,177,366	\$7,396,872
Governor's Commission on Disabilities	5,191	7,442	\$9,694	\$9,214	\$10,365
Commission On Deaf and Hard of Hearing	-	-	\$0	\$0	\$80,000
Office of the Child Advocate	-	-	\$0	\$0	\$0
Office of the Mental Health Advocate	-	-	-	\$0	\$0
Subtotal - Human Services	\$43,224,502	\$48,260,042	\$61,120,066	\$66,537,246	\$64,494,097
Education					
Elementary and Secondary	19,581,873	23,014,366	\$0	\$0	\$0
Higher Education - Board of Governors	660,509	739,741	\$702,583	\$702,583	\$702,583
RI Council on the Arts	-	-	\$0	\$0	\$0
RI Atomic Energy Commission	-	-	\$0	\$0	\$0
Higher Education Assistance Authority	-	-	\$0	\$0	\$0
Historical Preservation and Heritage Comm.	56,998	41,971	\$456,037	\$454,191	\$454,491
Public Telecommunications Authority	-	-	-	\$0	\$0
Subtotal - Education	\$20,299,380	\$23,796,078	\$26,802,488	\$27,790,795	\$28,815,590

Expenditures from Restricted Receipts

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Public Safety			\$0	\$0	\$0
Attorney General	791,992	837,372	\$5,162,510	\$3,239,609	\$5,073,590
Corrections	12,347	92,770	\$61,397	\$73,362	\$64,890
Judicial	9,480,024	9,731,044	\$10,641,195	\$11,245,237	\$11,803,514
Military Staff	189,042	205,899	\$481,278	\$736,890	\$1,000,779
Public Safety (3)	209,090	416,630	12,687,548	\$12,752,856	\$12,753,188
Office Of Public Defender	-	-	-	\$0	\$0
Subtotal - Public Safety	\$10,682,495	\$11,283,715	\$29,033,928	\$28,047,954	\$30,695,961
Natural Resources			\$0	\$0	\$0
Environmental Management	10,389,053	11,406,708	14,309,942	\$15,360,459	\$18,081,515
Coastal Resources Management Council	160,000	145,000	250,000	\$250,000	\$374,982
Water Resources Board (4)	-	-	-	-	\$0
Subtotal - Natural Resources	\$10,549,053	\$11,551,708	\$14,559,942	\$15,610,459	\$18,456,497
Transportation					
Transportation	187,949	2,518,104	998,758	\$1,010,255	\$8,010,496
Subtotal - Transportation	\$187,949	\$2,518,104	\$998,758	\$1,010,255	\$8,010,496
Total	\$158,884,619	\$184,098,087	\$232,511,115	\$269,316,559	\$255,035,912

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Expenditures from Other Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
General Government					
Administration (3 & 4)	\$56,255,037	\$62,402,484	\$75,517,562	\$69,935,378	\$85,797,649
Business Regulation	-	-	\$0	\$0	\$0
Labor and Training	650,688,839	565,509,046	\$505,708,293	\$488,761,190	\$444,581,096
Revenue	227,400,776	245,998,966	\$233,864,080	\$239,415,521	\$246,561,707
Legislature	-	-	\$0	\$0	\$0
Lieutenant Governor	-	-	\$0	\$0	\$0
Secretary of State	-	-	\$0	\$0	\$0
General Treasurer	208,525	208,558	\$251,512	\$216,588	\$228,923
Board of Elections	-	-	\$0	\$0	\$0
Rhode Island Ethics Commission	-	-	\$0	\$0	\$0
Governor's Office	-	-	\$0	\$0	\$0
Commission for Human Rights	-	-	\$0	\$0	\$0
Public Utilities Commission	-	-	\$0	\$0	\$0
Subtotal - General Government	\$934,553,177	\$874,119,054	\$815,341,447	\$798,328,677	\$777,169,375
Human Services					
Office of Health & Human Services (1)	-	-	\$0	\$0	\$0
Children, Youth, and Families	621,670	278,859	\$2,771,000	\$2,694,901	\$1,590,000
Health	7,737	11,772	\$172,000	\$126,311	\$35,310
Human Services (2)	4,898,587	4,276,880	\$4,389,184	\$4,564,025	\$4,480,364
Behavioral Healthcare, Developmental Disabilities and Hospitals	3,881,619	4,283,638	\$11,218,351	\$4,802,160	\$10,600,431
Governor's Commission on Disabilities	33,000	138,378	\$250,000	\$50,000	\$957,271
Commission On Deaf and Hard of Hearing	-	-	\$0	\$0	\$0
Office of the Child Advocate	-	-	\$0	\$0	\$0
Office of the Mental Health Advocate	-	-	-	\$0	\$0
Subtotal - Human Services	\$9,442,613	\$8,989,527	\$18,800,535	\$12,237,397	\$17,663,376
Education					
Elementary and Secondary	3,029,539	4,057,838	\$6,451,223	\$11,803,994	\$7,861,187
Higher Education - Board of Governors	778,283,784	820,326,380	\$853,664,951	\$857,388,501	\$870,592,266
RI Council on the Arts	818,518	279,691	\$843,500	\$1,587,492	\$632,536
RI Atomic Energy Commission	263,617	328,022	\$333,122	\$293,642	\$307,977
Higher Education Assistance Authority	6,608,023	8,558,270	\$8,758,802	\$8,535,829	\$9,207,989
Historical Preservation and Heritage Comm.	-	75,000	\$75,000	\$141,606	\$1,084,999
Public Telecommunications Authority	595,684	629,411	701,895	\$0	\$0
Subtotal - Education	\$789,599,165	\$834,254,612	\$870,828,493	\$879,751,064	\$889,686,954

Expenditures from Other Funds

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Public Safety					
Attorney General	274,655	122,713	\$287,500	\$600,000	\$50,000
Corrections	2,943,618	2,566,331	\$11,399,600	\$9,124,284	\$17,469,751
Judicial	829,704	1,074,878	\$1,675,000	\$4,374,557	\$1,515,000
Military Staff	222,898	998,846	\$4,578,000	\$5,748,093	\$3,408,000
Public Safety (3)	10,247,898	4,198,808	8,082,330	\$5,407,438	\$8,207,227
Office Of Public Defender	-	-	-	\$0	\$0
Subtotal - Public Safety	\$14,518,773	\$8,961,576	\$26,022,430	\$25,254,372	\$30,649,978
Natural Resources					
Environmental Management	1,997,064	4,724,672	\$14,983,718	\$11,098,379	\$24,949,959
Coastal Resources Management Council	0	666,318	900,000	\$722,281	\$0
Water Resources Board (4)	211,943	0	-	\$0	\$0
Subtotal - Natural Resources	\$2,209,007	\$5,390,990	\$15,883,718	\$11,820,660	\$24,949,959
Transportation					
Transportation	115,027,739	93,339,390	148,281,757	\$147,865,689	\$140,477,915
Subtotal - Transportation	\$115,027,739	\$93,339,390	\$148,281,757	\$147,865,689	\$140,477,915
Total	\$1,865,350,474	\$1,825,055,149	\$1,895,158,380	\$1,875,257,859	\$1,880,597,557

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In FY 2012, the Department of Elderly Affairs was merged into the Department of Human Services as its own program.

(3) In FY 2012, the Sheriffs program was moved from the Department of Administration to the Department of Public Safety.

(4) In FY 2012, the Water Resources Board was merged into the Statewide Planning program in the Department of Administration.

Table 2 - Full-Time Equivalent Positions

	FY 2011	FY 2012	FY 2013 Enacted	FY 2013 Revised	FY 2014
General Government					
Administration	871.6	694.2	687.2	712.1	720.7
Business Regulation	93.0	96.0	94.0	94.0	94.0
Labor & Training	512.2	470.1	462.5	423.0	392.0
Revenue	426.5	449.0	458.0	489.0	492.0
Legislature	298.5	298.5	298.5	298.5	298.5
Office of the Lieutenant Governor	8.0	8.0	8.0	8.0	8.0
Secretary of State	57.0	57.0	57.0	57.0	57.0
General Treasurer	82.0	82.0	82.0	82.0	83.0
Board Of Elections	11.0	11.0	11.0	11.0	11.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0	12.0
Office of the Governor	45.0	45.0	45.0	45.0	45.0
Commission for Human Rights	14.5	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	46.0	47.0	48.0	49.0
Subtotal - General Government	2,477.3	2,283.3	2,276.7	2,294.1	2,276.7
Human Services					
Office of Health and Human Services	77.6	158.0	168.0	169.0	184.0
Children, Youth, and Families	691.0	662.5	665.5	671.5	670.5
Elderly Affairs (1)	31.0	-	-	-	-
Health	424.7	422.3	497.3	498.0	494.1
Human Services	1,000.2	949.2	940.7	933.1	959.1
Behavioral Healthcare, Developmental Disabilities, and Hospitals (2)	1,372.2	1,383.2	1,383.2	1,424.4	1,423.4
Office of the Child Advocate	5.8	5.8	5.8	5.8	6.0
Commission On the Deaf & Hard of Hearing	3.0	3.0	3.0	3.0	3.0
Governor's Commission on Disabilities	4.0	4.0	4.0	4.0	4.0
Office of the Mental Health Advocate	3.7	3.7	3.7	3.7	3.7
Subtotal - Human Services	3,613.2	3,591.7	3,671.2	3,712.5	3,747.8
Education					
Elementary and Secondary Education	156.4	169.4	169.4	171.4	171.4
Davies	132.0	126.0	126.0	126.0	126.0
School for the Deaf	60.0	60.0	60.0	60.0	60.0
Elementary Secondary Education - Total	348.4	355.4	355.4	357.4	357.4
Office of Higher Education Non-Sponsored Research	18.4	13.8	15.8	15.8	12.8
URI Non-Sponsored Research	1,834.5	1,843.3	1,857.3	1,857.3	1,863.3
RIC Non-Sponsored Research	810.1	827.6	837.6	837.6	841.6
CCRI Non-Sponsored Research	754.1	754.1	754.1	754.1	754.1
Higher Education - Total Non-Sponsored	3,417.1	3,438.8	3,464.8	3,464.8	3,471.8
RI Council On The Arts	8.6	8.6	6.0	6.0	6.0
RI Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	41.6	41.6	38.6	36.0	23.0
Historical Preservation and Heritage Commission	16.6	16.6	16.6	16.6	16.6
Public Telecommunications Authority	16.0	15.0	14.0	14.0	-
Subtotal - Education	3,856.9	3,884.6	3,904.0	3,903.4	3,883.4

Table 2 - Full-Time Equivalent Positions

Public Safety	231.1	233.1	233.1	233.1	233.1
Attorney General	1,419.0	1,419.0	1,419.0	1,419.0	1,419.0
Corrections	723.3	723.3	723.3	723.3	726.3
Judicial	117.0	113.0	112.0	112.0	117.0
Military Staff	423.2	606.2	609.2	609.2	645.2
Public Safety	93.0	92.0	93.0	93.0	93.0
Office of the Public Defender	Subtotal - Public Safety	3,006.6	3,186.6	3,189.6	3,189.6
Natural Resources					
Environmental Management	410.0	410.0	407.0	399.0	399.0
Coastal Resources Management Council	30.0	30.0	29.0	29.0	29.0
Water Resources Board (3)	6.0	-	-	-	-
Subtotal - Natural Resources	446.0	440.0	436.0	428.0	428.0
Transportation					
Transportation	772.6	772.6	772.6	772.6	772.6
Subtotal - Transportation	772.6	772.6	772.6	772.6	772.6
Total Non Sponsored	14,172.6	14,158.8	14,250.1	14,300.2	14,342.1
Higher Education Sponsored Research *					
Office	1.0	1.0	1.0	1.0	1.0
CCRI	100.0	100.0	100.0	100.0	100.0
RIC	82.0	82.0	82.0	82.0	82.0
URI	602.0	593.2	593.2	593.2	593.2
Subtotal Sponsored Research	785.0	776.2	776.2	776.2	776.2
Total Higher Education	4,202.1	4,215.0	4,241.0	4,241.0	4,248.0
Total Personnel Authorizations	14,957.6	14,935.0	15,026.3	15,076.4	15,118.3

*A total of 776.2 FTE positions in Higher Education in FY 2013 and FY 2014 represent FTE's supported by sponsored research funds. Commencing in FY2005, these positions were included in the overall FTE Cap. In addition, there are separate caps for each program and for sponsored/non-sponsored research FTE's.

(1) Elderly Affairs has been merged with the Department of Human Services

(2) Formerly Mental Health, Retardation and Hospitals

(3) Water Resources Board has been merged with the Department of Administration

Total Statewide Expenditures

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Enacted	FY 2013 Final Revised	FY 2014 Enacted
Expenditure by Function					
General Government	1,744,809,149	1,648,114,825	1,523,710,004	1,609,457,856	1,487,499,013
Human Services	3,012,482,837	2,973,937,244	3,186,690,700	3,114,566,633	3,305,789,763
Education	2,113,824,420	2,164,188,345	2,266,732,833	2,278,258,238	2,317,945,126
Public Safety	439,468,001	464,791,501	507,171,417	530,176,206	520,688,694
Natural Resources	73,407,269	80,110,945	103,930,329	103,291,894	120,889,429
Transportation	345,215,545	387,375,260	511,621,101	465,845,728	460,249,997
Total Expenditures	\$7,729,207,221	\$7,718,518,120	\$8,099,856,384	\$8,101,596,555	\$8,213,062,022
Expenditure by Object					
Personnel	1,610,865,883	1,695,027,963	1,815,136,144	1,810,623,338	1,824,134,039
Operating Supplies and Expenses	635,144,212	637,798,015	700,146,511	719,816,056	711,109,016
Aid to Local Units of Government	1,093,673,959	1,080,134,299	1,129,850,763	1,127,136,289	1,169,756,434
Assistance, Grants, and Benefits	3,802,918,648	3,661,124,878	3,665,108,724	3,643,400,115	3,710,006,209
Subtotal: Operating Expenditures	\$7,142,602,702	\$7,074,085,155	\$7,310,242,142	\$7,300,975,798	\$7,415,005,698
Capital Purchases and Equipment	180,221,023	255,698,846	370,534,627	354,356,801	383,205,201
Debt Service	204,706,430	216,006,495	274,353,607	283,377,004	268,061,893
Operating Transfers	201,677,066	172,727,624	144,726,008	162,886,952	146,789,230
Total Expenditures	\$7,729,207,221	\$7,718,518,120	\$8,099,856,384	\$8,101,596,555	\$8,213,062,022
Expenditures by Funds					
General Revenue	2,956,153,504	3,110,242,011	3,295,836,490	3,233,811,258	3,359,755,123
Federal Funds	2,748,818,624	2,599,122,873	2,676,350,399	2,723,210,879	2,717,673,430
Restricted Receipts	158,884,619	184,098,087	232,511,115	269,316,559	255,035,912
Other Funds	1,865,350,474	1,825,055,149	1,895,158,380	1,875,257,859	1,880,597,557
Total Expenditures	\$ 7,729,207,221	\$ 7,718,518,120	\$ 8,099,856,384	\$ 8,101,596,555	\$ 8,213,062,022
Total FTE Complement	14,172.6	14,158.8	14,250.1	14,300.2	14,342.1
Higher Education Sponsored Research	785.0	776.2	776.2	776.2	776.2
Total Personnel	14,957.6	14,935.0	15,026.3	15,076.4	15,118.3

FY 2014 General Revenue Budget Surplus

	FY 2012 Audited ⁽¹⁾	FY 2013 Final Enacted ⁽²⁾	FY 2014 Recommended ⁽³⁾	FY 2014 Final Enacted ⁽⁴⁾	Change from Recommended
Surplus					
Opening Surplus	\$64,229,426	\$115,187,511	\$79,315,556	\$93,407,399	\$14,091,843
Audit Adjustments	-	-	-	-	-
Adjustment to Opening Surplus	-	-	-	-	-
Reappropriated Surplus	4,532,242	7,726,521	-	-	-
Subtotal	\$68,761,668	\$122,914,033	\$79,315,556	\$93,407,399	\$14,091,843
General Taxes	\$2,518,449,026	2,578,121,440	2,664,200,000	2,664,200,000	-
Revenue estimators' revision	-	(10,521,440)	-	(41,200,000)	(41,200,000)
Changes to Adopted	-	-	(3,938,206)	(44,124)	3,894,082
Subtotal	\$2,518,449,026	\$2,567,600,000	\$2,660,261,794	\$2,622,955,876	(\$37,305,918)
Departmental Revenues	339,895,284	342,873,883	206,800,000	206,800,000	-
Revenue estimators' revision	-	20,226,117	-	(200,000)	(200,000)
Changes to Adopted	-	-	146,492,687	142,107,542	(4,385,145)
Subtotal	\$339,895,284	\$363,100,000	\$353,292,687	\$348,707,542	(\$4,585,145)
Other Sources					
Other Miscellaneous	20,110,214	4,440,000	2,430,000	2,430,000	-
Revenue estimators' revision	-	1,225,000	-	115,000	115,000
Changes to Adopted	-	300,000	-	3,000,000	3,000,000
Lottery	377,706,394	387,553,420	405,100,000	405,100,000	-
Revenue estimators' revision	-	(7,393,420)	-	(10,000,000)	(10,000,000)
Changes to Adopted	-	-	(4,300,000)	(1,000,000)	3,300,000
Unclaimed Property	14,555,573	7,900,000	9,600,000	9,600,000	-
Revenue estimators' revision	-	(900,000)	-	100,000	100,000
Subtotal	\$412,372,181	\$393,125,000	\$412,830,000	\$409,345,000	(\$3,485,000)
Total Revenues	\$3,270,716,491	\$3,323,825,000	\$3,426,384,481	\$3,381,008,418	(\$45,376,063)
Transfer to Budget Reserve	(93,378,486)	(103,170,375)	(105,171,001)	(104,232,475)	\$938,527
Total Available	\$3,246,099,674	\$3,343,568,657	\$3,400,529,036	\$3,370,183,343	(\$30,345,693)
Actual/Enacted Expenditures	\$3,110,242,012	\$3,295,836,490	\$3,399,154,309	\$3,399,154,309	\$0
Reappropriations	-	7,726,521	-	-	-
Caseload Conference Changes	-	(\$44,222,399)	-	(7,718,265)	(7,718,265)
FMAP Makeup	-	-	-	-	-
Other Changes in Expenditures	-	(\$25,529,354)	-	(31,680,921)	(31,680,921)
Total Expenditures	\$3,110,242,012	\$3,233,811,258	\$3,399,154,309	\$3,359,755,123	(\$39,399,186)
Total Ending Balances	\$135,857,662	\$109,757,399	\$1,374,727	\$10,428,220	\$9,053,493
Transfer to Other Funds ⁽⁵⁾	(\$12,943,629)	(\$16,350,000)	\$0	(\$10,000,000)	(\$10,000,000)
Reappropriations	(7,726,521)	-	-	-	-
Free Surplus	\$115,187,511	\$93,407,399	\$1,374,727	\$428,220	(\$946,507)
Budget Reserve and Cash					
Stabilization Account	\$153,407,512	\$171,950,626	\$175,285,002	\$173,720,791	(\$1,564,211)

⁽¹⁾ Derived from the State Controller's final closing report for FY 2012, dated January 4, 2013.

⁽²⁾ Reflects the final FY 2013 revised budget enacted by the General Assembly and signed into law by the Governor on July 3, 2013.

⁽³⁾ Reflects the Governor's recommended budget for FY 2014 as submitted to the General Assembly on January 16, 2013.

⁽⁴⁾ Reflects the FY 2014 budget enacted by the General Assembly and signed into law by the Governor on July 3, 2013.

⁽⁵⁾ Reflects restricted General Fund balances transferred to the retirement fund and to the Information Technology Investment Fund and State Fleet Revolving Loan Fund in FY 2013 and to the Accelerated Depreciation Fund in FY 2014.

FY 2013 Budget

Changes to FY 2013 General Revenue Budget Surplus

	FY 2013 Enacted ⁽¹⁾	FY 2013 Governor's ⁽²⁾	FY 2013 Final Enacted ⁽³⁾	Change from Enacted
Surplus				
Opening Surplus	\$93,870,509	\$115,187,511	\$115,187,511	\$21,317,002
Audit Adjustments	-	-	-	\$0
Adjustment to Opening Surplus ⁽⁴⁾	-	12,943,629	-	\$0
Reappropriated Surplus	-	7,726,521	7,726,521	\$7,726,521
Subtotal	\$93,870,509	\$135,857,662	\$122,914,033	\$29,043,524
General Taxes	2,578,121,440	2,578,121,440	2,578,121,440	\$0
Revenue estimators' revision	-	5,178,560	(10,521,440)	(\$10,521,440)
Changes to Adopted Estimates	-	-	-	\$0
Subtotal	\$2,578,121,440	\$2,583,300,000	\$2,567,600,000	(\$10,521,440)
Departmental Revenues	342,873,883	342,873,883	342,873,883	\$0
Revenue estimators' revision	-	4,626,117	20,226,117	\$20,226,117
Changes to Adopted Estimates	-	4,435,000	-	\$0
Subtotal	\$342,873,883	\$351,935,000	\$363,100,000	\$20,226,117
Other Sources				
Other Miscellaneous	4,440,000	4,440,000	4,440,000	\$0
Revenue estimators' revision	-	175,000	1,225,000	\$1,225,000
Changes to Adopted Estimates	-	-	300,000	\$300,000
Lottery	387,553,420	387,553,420	387,553,420	\$0
Revenue estimators' revision	(853,420)	(7,393,420)	(7,393,420)	(\$7,393,420)
Changes to Adopted Estimates	(1,600,000)	(1,600,000)	-	\$0
Unclaimed Property	7,900,000	7,900,000	7,900,000	\$0
Revenue estimators' revision	-	(1,600,000)	(900,000)	(\$900,000)
Subtotal	\$399,893,420	\$396,015,000	\$393,125,000	(\$6,768,420)
Total Revenues	\$3,320,888,743	\$3,331,250,000	\$3,323,825,000	\$2,936,257
Transfer to Budget Reserve	(102,442,778)	(103,781,434)	(103,170,375)	(727,598)
Total Available	\$3,312,316,474	\$3,363,326,227	\$3,343,568,657	\$31,252,183
Actual/Enacted Expenditures	\$3,295,836,490	\$3,295,836,490	\$3,295,836,490	\$0
Reappropriations	-	7,726,521	7,726,521	\$7,726,521
Caseload Conference Changes	-	(24,267,632)	(44,222,399)	(\$44,222,399)
Other Changes in Expenditures	-	(11,634,708)	(25,529,354)	(\$25,529,354)
Total Expenditures	\$3,295,836,490	\$3,267,660,671	\$3,233,811,258	(\$62,025,232)
Total Ending Balances	\$16,479,984	\$95,665,556	\$109,757,399	\$79,185,572
Transfer to Other Funds⁽⁵⁾	(\$16,350,000)	(\$16,350,000)	(\$16,350,000)	\$0
Reappropriations	-	-	-	-
Free Surplus	\$129,984	\$79,315,556	\$93,407,399	\$79,185,572
Budget Reserve and Cash				
Stabilization Account	\$170,737,963	\$172,969,057	\$171,950,626	\$1,212,663

⁽¹⁾ Reflects the FY 2013 budget enacted by the General Assembly and signed into law by the Governor on June 15, 2012.

⁽²⁾ Reflects the enacted revenues and expenditures adjusted for revenue and caseload estimates adopted at the November 2012

 Revenue and Caseload Estimating Conferences and adjustments to revenues and expenditures recommended by the Governor.

⁽³⁾ Reflects the FY 2013 Supplemental Budget enacted by the General Assembly and signed into law by the Governor on July 3, 2013.

⁽⁴⁾ The General Assembly did not concur with the Governor's proposal to repeal legislation requiring the transfer of surplus revenues to the retirement fund; this reduces the opening surplus for FY 2013 by \$12.9 million.

⁽⁵⁾ Reflects restricted General Fund balance regarding transfers to the Information Technology Investment Fund and State Fleet Revolving Loan Fund in FY 2013.

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
<u>General Government</u>						
Administration						
Central Management	2,272,523					
Shift ODE Operating from General Program				50,000		
Shift ODE Personnel from General Program				250,000		
Personnel-Salary & Benefits (Turnover)			(6,984)	(66,557)		
Add Staff Office of Digital Excellence				99,182		
Operating (Out-of-state travel, Telecomm O/H)				0		
Personnel Reform Study Savings				(55,000)		
Other Contracted Services				7,225		
Capital Purchases & Equipment (Shift lease costs to operating)				(3,300)		
Subtotal	2,272,523	-	(6,984)	281,550	2,547,089	(274,566)
Accounts & Control	3,815,349					
Personnel-Salary & Benefits (Turnover)				(18,768)	(21,842)	
Capital Purchases & Equipment (Computers)				4,000		
Personnel-Salary & Benefits	3,815,349	-	(18,768)	(17,842)	3,778,739	36,610
Office of Management and Budget	3,004,055					
Office of Regulatory Reform (transfer staff from RIEDC)				37,743		
Shift Electronic Local Permitting System from CPAL				300,000		
Electronic Local Permitting - Delay to FY 2014				(280,000)		
All Other Capital				9,200		
Personnel-Salary & Benefits			(8,715)	-		
Operating (Printing and Publications)				20,109		
Subtotal	3,004,055	-	(8,715)	87,052	3,082,392	(78,337)
Purchasing	2,741,468					
Personnel-Salary & Benefits (Turnover)				(11,056)	(192,166)	
Capital Purchases & Equipment (Computers)				12,000		
Subtotal	2,741,468	-	(11,056)	(180,166)	2,550,246	191,222
Auditing	1,200,000					
Personnel-Salary & Benefits (Turnover)				(3,376)	(76,031)	
Capital Purchases & Equipment (Computers Replacement)				10,000		
Operating				6,135		
Subtotal	1,200,000	-	(3,376)	(59,896)	1,136,728	63,272
Human Resources	8,839,720					
Personnel-Salary & Benefits (Turnover)				(30,312)	(317,229)	
Personnel - State Police & DMV HR Coordinators					(229,687)	
Contract Services (Legal - Class Action Lawsuit Defense)				2,800		
Diversity Training				10,000		
Operating (Printing, Advertisements, etc)				24,202		
Capital				(3,932)		
Subtotal	8,839,720	-	(30,312)	(513,846)	8,295,562	544,158
Personnel Appeal Board	75,036					
Subtotal	75,036	-	-	0	75,036	0
Legal Services	2,006,995					
Personnel-Salary & Benefits (Turnover)				(\$5,741)	(100,520)	
Operating (Online Legal Research Subscription, etc)				2,000		
Capital Purchases & Equipment (Computers Replacement)				7,500		
Subtotal	2,006,995	-	(5,741)	(91,020)	1,910,234	96,761
Facilities Management	32,593,888					
Personnel-Salary & Benefits (Turnover)				(51,327)	(448,104)	
Contract Services				25,860		
Operating - Utilities (Natural Gas and Electric)				(1,165,675)		
Capital Purchase (MV Purchase Debt Service to ARLF)				9,988		
Transfer Facilities Expenses to Dept. of Corrections				(395,386)		
Subtotal	32,593,888	-	(51,327)	(1,973,317)	30,569,244	2,024,644
Capital Projects and Property Management	3,040,310					
Transfer CPAL Personnel from Capital Projects				(1,396,573)		
Transfer CPAL Operating from Capital Projects				(69,864)		

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Personnel - Unachieved Turnover for 5.6 FTE/Hire 3.0 FTE			(4,010)	(112,974)		
Contract Services (Systems Maintenance)			900			
Capital Purchases & Equip (Shift to newly created CPAL Program)			(280,500)			
Capital Purchases and Equipment			0			
Subtotal	3,040,310	-	(4,010)	(1,859,011)	1,177,289	1,863,021
Information Technology	20,215,153					
Contract Services (Software and Business Development)		67,013			-	
Capital Purchases & Equipment (Mail Agent Storage Server)		44,564				
Contract Services (Education Network)		19,855				
Personnel - Salary & Benefits (Turnover)			(52,984)	54,161		
Contract Services (Systems Maintenance)				(48,372)		
Operating (Hardware Maintenance, Professional Dues, etc)				199,582		
Capital Purchases and Equipment (\$75,000 Computer Refresh Eliminated)				150,000		
Transfer DoIT Expenses to Dept. of Corrections				(200,000)		
Subtotal	20,215,153	131,432	(52,984)	155,371	20,448,972	(233,819)
Library and Information Services	933,989					
Personal Services (Unachieved Turnover Cost Savings)			(1,938)	10,629		
Operating				13,619		
Subtotal	933,989	-	(1,938)	24,248	956,299	(22,310)
Planning	3,960,126					
Contract Services (Water Availability Estimating)		15,000				
Personnel-Salary & Benefits (Turnover)			(5,218)	(47,809)		
Operating				(64,554)		
Subtotal	3,960,126	15,000	(5,218)	(112,363)	3,857,545	102,581
General						
Economic Development Corp.	4,684,403			(78,350)		
EDC-RI Airport Corp. Impact Act	1,025,000			(16,914)		
EDC EPSScore (Research Alliance)	1,150,000			-		
Miscellaneous Grants	146,049			-		
Slater Centers for Excellence	1,500,000			-		
Torts	400,000			114,293		
Current Care - Health Information Exchange	450,000			-		
I-195 Commission	3,900,000			-		
RI Film and Television Office	305,409			(928)		
Office of Digital Excellence	300,000			(300,000)		
State/Teachers' Retiree Health Subsidy	2,321,057			-		
Resource Sharing and State Library Aid	8,773,398			-		
Personnel			(638)	638		
Library Construction Aid	2,471,714			-		
Subtotal	27,427,030	-	(638)	(281,261)	27,145,131	281,899
Personnel Reform/Supplemental Retirement Savings	629,747			-		
Subtotal	629,747	0	0	0	629,747	0
Salary/Benefits Adjustments	0	146,432				
Unachieved Program Reduction Cost Savings				(146,432)		
Subtotal	0	146,432	0	(146,432)	0	0
Construction, Permitting, Appeals & Licensure	0					
Transfer CPAL Personnel from Capital Projects				1,396,573		
Transfer CPAL Contract Services from Capital Projects				600		
Transfer CPAL Operating from Capital Projects				70,382		
Transfer CPAL Capital Purchases from Capital Projects				305,500		
Personnel-Salary & Benefits (Turnover)			(4,534)	(102,083)		
Contract Services -Transfers Electronic Local Permitting to OMB				(300,000)		
Operating				7,134		
Cap Purchases & Equip				2,500		
Subtotal	0	0	(4,534)	1,380,606	1,376,072	(1,376,072)
Debt Service	159,759,567			(3,885,802)		
Subtotal	159,759,567	0	0	(3,885,802)	155,873,765	3,885,802
Total	272,514,956	292,864	(205,601)	(7,192,129)	265,410,090	7,397,730
Business Regulation						
Central Management		1,145,060				

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Personnel Operating			(3,950)	(34,909) (1,400)		
	1,145,060	-	(3,950)	(36,309)	1,104,801	40,259
Insurance Regulation Personnel Operating	3,916,525		(13,307)	(45,478) (4,500)		
	3,916,525	-	(13,307)	(49,978)	3,853,240	63,285
Office of the Health Commissioner Personnel	542,929		(1,218)	(14,129)		
	542,929	-	(1,218)	(14,129)	527,582	15,347
Board of Accountancy Personnel	82,483		(231)	(2,788)		
	82,483	-	(231)	(2,788)	79,464	3,019
Banking Personnel Operating	1,637,766		(6,902)	(72,135) (1,200)		
	1,637,766	-	(6,902)	(73,335)	1,557,529	80,237
Securities Personnel Operating	1,068,375		(4,520)	(196,431) (2,200)		
	1,068,375	-	(4,520)	(198,631)	865,224	203,151
Commercial Licensing, Racing & Athletics Personnel Operating	719,111		(2,041)	(25,355) (2,300)		
	719,111	-	(2,041)	(27,655)	689,415	29,696
Board of Design Professionals Personnel-Salary & Benefits	249,799		(1,218)	(324)		
	249,799	-	(1,218)	(324)	248,257	1,542
Total	9,362,048	-	(33,387)	(403,149)	8,925,512	436,536
Labor and Training						
Central Management	107,310					
Personnel-Salary & Benefits			(465)	(3,355)		
Contracted Professional Services				12,657		
Operating Supplies and Expenses/Capital				(793)		
Grants and Benefits				(4)		
	107,310	-	(465)	8,505	115,350	(8,040)
Workforce Regulation and Safety	2,994,552					
Personnel-Salary & Benefits			(13,857)	34,680		
Contracted Professional Services				(19,984)		
Operating Supplies and Expenses/Capital				(32,032)		
Grants and Benefits				(767)		
Tardy and Interest Transfer					-	
	2,994,552	-	(13,857)	(18,103)	2,962,592	31,960
Income Support	4,370,518					
Personnel-Salary & Benefits			(324)	596		
Contracted Professional Services				(80)		
Operating Supplies and Expenses/Capital				(164)		
Police Relief Fund				60,369		
Firefighter Relief Fund				(162,790)		
	4,370,518	-	(324)	(102,069)	4,268,125	102,393
Labor Relations Board	386,790					
Personnel-Salary & Benefits			(808)	(283)		
Contracted Professional Services				172		
Operating Supplies and Expenses/Capital				(3,035)		
Grants and Assistance				(2)		
	386,790	-	(808)	(3,148)	382,834	3,956

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Total	7,859,170	-	(15,454)	(114,815)	7,728,901	130,269
Legislature						
Legislature	37,217,044	6,337,390	(161,240)	(3,004,961)	-	-
Personnel-Salary & Benefits						
Operating Supplies and Expenses						
Total	37,217,044	6,337,390	(161,240)	(3,004,961)	40,388,233	3,166,201
Office of the Lieutenant Governor						
Personnel-Salary & Benefits	962,955		(3,194)	(14,062)		
Operating Supplies and Expenses/Capital					(388)	
Total	962,955	-	(3,194)	(14,450)	945,311	17,644
Secretary of State						
Administration	1,907,105					
Personnel-Salary & Benefits			(4,747)	68,784		
Contracted Professional Services				(700)		
Operating Supplies and Expenses				21,200		
Capital Purchases and Equipment				4,735		
	1,907,105	-	(4,747)	94,019	1,996,377	(89,272)
Corporations	2,068,731					
Personnel-Salary & Benefits			(9,493)	(22,539)		
Contracted Professional Services				(1,225)		
Quick Start Master Application				30,000		
Operating Supplies and Expenses				10,347		
Capital Purchases and Equipment				11,500		
	2,068,731	-	(9,493)	28,083	2,087,321	(18,590)
State Archives	79,385					
Personnel-Salary & Benefits				(60,000)		
Operating Supplies and Expenses				11,451		
	79,385	-		(48,549)	30,836	48,549
Elections	1,900,552					
Personnel-Salary & Benefits			(2,005)	(70,468)		
Contracted Professional Services				(85,000)		
Operating Supplies and Expenses				2,426		
Capital Purchases and Equipment				3,600		
	1,900,552	-	(2,005)	(149,442)	1,749,105	151,447
State Library	598,381					
Personnel-Salary & Benefits			(2,014)	(866)		
Operating Supplies and Expenses				2,400		
Capital Purchases and Equipment				3,300		
	598,381	-	(2,014)	4,834	601,201	(2,820)
Office of Public Information	358,884					
Personnel-Salary & Benefits			(1,454)	(484)		
Contracted Professional Services				12,750		
Operating Supplies and Expenses				(1,764)		
Capital Purchases and Equipment				553		
	358,884	-	(1,454)	11,055	368,485	(9,601)
Total	6,913,038	-	(19,713)	(60,000)	6,833,325	79,713
Office of the General Treasurer						
Treasury	2,096,374	58,300				
Personnel-Salary & Benefits			(5,302)	(38,942)		
Operating				(20,517)		
Bank Fees				300,000		
Contracted Professional Services				6,251		
Capital				30,324		
	2,096,374	58,300	(5,302)	277,116	2,426,488	(271,814)
State Retirement System - Def. Comp Adminn	311,760					
Personnel-Salary & Benefits			(706)	(61,597)		
Contracted Professional Services				(20,000)		

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
	311,760	0	(706)	(81,597)	229,457	82,303
Crime Victim Compensation Program	133,981		(606)	39,055 (1,874)		
Personnel-Salary & Benefits				37,181	170,556	(36,575)
Operating Supplies and Expenses	133,981	0	(606)			
Total	2,542,115	58,300	(6,614)	232,700	2,826,501	(226,086)
Board of Elections						
Board Of Elections	1,952,116		(4,901)	(12,227) (271,969)		
Personnel-Salary & Benefits				223,804		
Contracted Professional Services						
Operating Supplies and Expenses						
Total	1,952,116	-	(4,901)	(60,392)	1,886,823	65,293
R I Ethics Commissions						
RI Ethics Commission	1,557,881	4,234	(3,037)	(16,225) (10,000) (2,000)		
Personnel-Salary & Benefits						
Contracted Professional Services						
Operating Supplies and Expenses						
Total	1,557,881	4,234	(3,037)	(28,225)	1,530,853	31,262
Office of the Governor						
Personnel-Salary & Benefits	4,168,290	-	(14,136)	(74,625) 1,549 (6,068)		
Operating /Contracted Services						
Capital						
Contingency Fund	250,000					
Total	4,418,290	0	(14,136)	(79,144)	4,325,010	93,280
Commission for Human Rights						
Personal Salary and Benefits	1,137,768		(4,639)	(30,650) 3,000 27,650		
Contract Services						
Operating						
Total	1,137,768	0	(4,639)	0	1,133,129	4,639
Department of Revenue						
Director of Revenue	783,388		(2,925)	104,450 3,650 2,554		
Personnel-Salary & Benefits						
Contracted Professional Services						
Operating Supplies and Expenses	783,388	0	(2,925)	110,654	891,117	(107,729)
Office of Revenue Analysis	538,285		(1,544)	(59,276)		
Turnover Savings	538,285	0	(1,544)	(59,276)	477,465	60,820
Office of Municipal Finance	2,564,780		(6,963)	(159,107) 67,641		
Personnel-Salary & Benefits						
Woonsocket Municipal Oversight				(160,000)		
Contract Services				110,502 (28,576) (5,000)		
Central Falls Receivership Legal Expenses						
Operating	2,564,780	0	(6,963)	(174,540)	2,383,277	181,503
Taxation	17,904,225		(66,768)	(182,338) 30,479 21,000 34,727 1,273 (32,200)		
Turnover Savings						
Contracted Professional Services						
Taxation Hospital Bankruptcy Legal Costs						
Operating Supplies and Expenses						
Assistance and Grants	17,904,225	0	(66,768)	(127,059)	17,710,398	193,827
Registry	18,475,667	35,000				

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Personnel-Salary & Benefits			(68,675)	(529,716)		
Contracted Professional Services			(127,357)			
Operating Supplies and Expenses			178,969			
Grants			217			
Operating Transfer to CCRI			16,036			
Capital Purchases and Equipment	18,475,667	35,000	(68,675)	(516,228)	17,925,764	549,903
State Aid						
Municipal Reimb-50% Actuarial Pension Studies		60,424		(42,901)		
Distressed Communities Relief Fund	10,384,458					
Payment in Lieu of Tax Exempt Properties	33,080,409			2,000,000		
Motor Vehicle Excise Tax Payments	10,000,000					
Property Revaluation Program	1,611,032					
House Finance Committee Adjustment			993			
	55,075,899	60,424		1,958,092	57,094,415	(2,018,516)
Total	95,342,244	95,424	(146,875)	1,191,643	96,482,436	(1,044,768)
Sub-Total General Government	441,779,625	6,788,212	(618,791)	(9,532,922)	438,416,124	10,151,713
<u>Human Services</u>						
Office of Health and Human Services						
Central Management	25,434,668	379,593	(40,185)			
Personnel- Other Salary & Benefits				(376,841)		
Unified Health Infrastructure Project				1,356,747		
Legal Services				14,508		
Other Contracted Professional Services				(1,000,974)		
Operating Supplies/Equipment				125,266		
Nurses Aide Training Program				(150,000)		
Other Grants and Benefits				(2,535,276)		
	25,434,668	379,593	(40,185)	(2,566,570)	23,207,506	2,606,755
Medical Assistance						
Managed Care- CEC	283,387,147			(22,669,265)		
Hospitals- CEC	107,337,545			(3,233,736)		
Nursing Facilities- CEC	173,959,640			(3,897,040)		
Home & Community Based Services- CEC	35,953,320			3,250,840		
Other Services- CEC	43,765,745			(3,281,790)		
Pharmacy - CEC	52,354,074			(1,794,888)		
Rhody Health- CEC	102,873,564			(12,281,376)		
	799,631,035	-	-	(43,907,255)	755,723,780	43,907,255
	825,065,703	379,593	(40,185)	(46,473,825)	778,931,286	46,514,010
Children, Youth, and Families						
Central Management	4,674,549		(11,208)			
Personnel-Salary & Benefits				400,100		
Contracted Professional Services				102,489		
National Accreditation				(450,000)		
Operating/Capital Purchases				202,652		
Litigation Costs				102,812		
	4,674,549	-	(11,208)	358,053	5,021,394	(346,845)
Children's Behavioral Health						
Personnel-Salary & Benefits	10,077,912		(5,242)			
Contracted Professional Services				(300,947)		
Operating Supplies and Expenses				51,282		
Grants and Benefits				1,225		
	10,077,912	-	(5,242)	(4,956,966)		
Juvenile Corrections						
Personnel-Salary & Benefits	30,203,577					
Overtime				(89,292)		
Contracted Professional Services				(1,308,460)		
	30,203,577	-	(89,292)	479,019		
				61,008		

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Operating Supplies and Expenses/Capital Purchases				72,798		
Grants and Benefits				(2,632,744)		
Corrections Reentry Grant				24,300		
	30,203,577	0	(89,292)	(3,304,079)	26,810,206	3,393,371
Child Welfare	96,800,187					
18 to 21 Year Olds	10630227					
Personnel-Salary & Benefits				(85,566)	(1,912,144)	
Overtime				668,533		
Contracted Professional Services				75,285		
Operating Supplies and Expenses				(236,396)		
Grants and Benefits				9,032,096		
Time Study/Base Structure						
Capital Purchases and Equipment						
	107,430,414	0	(85,566)	7,627,374	114,972,222	(7,541,808)
Higher Education Incentive Grants	200,000					
Higher Education Incentive Grants	200,000	0	0	0	200,000	
Total	152,586,452	0	(191,308)	(524,058)	151,871,086	715,366
Health						
Central Management	1,173,946			(882)		
Personnel-Salary & Benefits					(263,303)	
Contracted Professional Services					(1,000)	
Capital Purchases and Equipment					-	
Operating Supplies and Expenses	1,173,946	-	(882)		(15,038)	
					(279,341)	893,723
						280,223
State Medical Examiner	2,259,943			(5,213)		
Personnel-Salary & Benefits					(19,416)	
Contracted Professional Services					58,024	
Operating Supplies and Expenses	2,259,943	-	(5,213)		507	
					39,115	2,293,845
						(33,902)
Environmental & Health Services Regulations	9,145,421			(39,188)		
Personnel-Salary & Benefits					(57,004)	
Contract Professional Services					134,132	
Operating Supplies and Expenses					(12,740)	
Capital Purchases and Equipment					(3,640)	
Assistance and Grants	9,145,421	-	(39,188)		-	
					60,748	9,166,981
						(21,560)
Health Laboratories	6,300,363			(20,105)		
Personnel-Salary & Benefits					(104,569)	
Contracted Professional Services					(178,649)	
Operating Expenditures					265,876	
Capital Purchases and Equipment	6,300,363	-	(20,105)		(9,150)	
					(26,492)	6,253,766
						46,597
Public Health Information	1,741,431			(7,924)		
Personnel-Salary & Benefits					98,226	
Contracted Professional Services					145,104	
Operating Supplies and Expenses					(87,000)	
Capital Purchases and Equipment	1,741,431				8,040	
					164,370	1,897,877
						(156,446)
Community & Family Health and Equity	2,418,974			(5,558)		
Personnel-Salary & Benefits					(136,532)	
Contracted Professional Services					4,373	
Operating Expenditures					(11,602)	
						2,269,655
						149,319
Infectious Disease and Epidemiology	1,781,758			(4,224)		
Personnel-Salary & Benefits					(23,109)	
Contracted Professional Services					(3,714)	
Operating Expenditures					(29,836)	

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Assistance and Grants				(50,000)		
	1,781,758	-	(4,224)	(106,659)	1,670,875	110,883
Total	24,821,836	-	(83,094)	(292,020)	24,446,722	375,114
Human Services						
Central Management	5,052,482		(4,697)			
Personnel- Salary & Benefits				(13,572)		
Operating Supplies and Expenses				36,732		
Community Service Grants	5,052,482	-	(4,697)	116,389		
					139,549	5,187,334
Child Support Enforcement	2,305,759		(7,608)			
Personnel- Salary & Benefits				13,161		
Constable Services				29,240		
Other Contracted Professional Services				75,256		
Operating Supplies and Expenses	2,305,759	-	(7,608)	12,671		
					130,328	2,428,479
Individual and Family Support	20,616,357		(60,801)			
Personnel- Salary & Benefits				(478,067)		
Contracted Professional Services				5,131		
Operating Supplies and Expenses				(85,628)		
Assistance and Grants				121,041		
Urban Institute- Work Support Strategies Grant (Phase II)	20,616,357	-	(60,801)	83,540		
					(353,983)	20,201,573
						414,784
Veterans' Affairs	19,568,977		(74,457)			
Personnel- Salary & Benefits				240,311		
Contracted Professional Services				(18,677)		
Operating Supplies and Expenses	19,568,977	-	(74,457)	(70,236)		
					151,398	19,645,918
						(76,941)
Health Care Eligibility	8,314,370		(27,570)			
Personnel- Salary & Benefits				(890,632)		
Contracted Professional Services				(25,178)		
Operating Supplies and Expense	8,314,370	-	(27,570)	6,340		
					(909,470)	7,377,330
						937,040
S.S.I. Program	18,240,600					
S.S.I. Program- CEC	18,240,600	-	-	(38,920)		
					(38,920)	18,201,680
						38,920
Rhode Island Works						
Child Care	9,668,635					
	9,668,635	-	-	-		
					9,668,635	-
State Funded Programs	2,572,658					
General Public Assistance- CEC	2,572,658			(527,558)		
					(527,558)	2,045,100
						527,558
Elderly Affairs	10,682,842		(3,568)			
General Revenues				(9,006)		
Personnel-Salary & Benefits				2,800		
Contracted Professional Services				(70,817)		
Operating Supplies and Expenses				308,532		
Assistance and Grants						
RIPAE	-					
Care and Safety of the Elderly	1,287					
	10,684,129	-	(3,568)	231,509	10,912,070	(227,941)
Total	97,023,967	-	(178,701)	(1,177,147)	95,668,119	1,355,848
Behavioral Health, Developmental Disabilities & Hospitals						
Central Management	797,214					
Personnel-Salary & Benefits				(2,284)		
Contracted Professional Services					(1,982)	
					447	

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Operating Supplies and Expenses				(20,669)		
Grants and Benefits				(550)		
Capital Purchases and Equipment				16,266		
	797,214	-	(2,284)	(6,488)	788,442	8,772
Hosp. & Community System Support	2,527,114					
Personnel-Salary & Benefits				(7,856)	(146,148)	
Contracted Professional Services					(24,380)	
Operating Supplies and Expenses					(56,776)	
Grants and Benefits					(147)	
	Total	2,527,114	-	(7,856)	(227,451)	2,291,807
Services. for the Developmentally Disabled	105,259,461					
Personnel-Salary & Benefits				(82,067)	(941,710)	
Overtime					1,491,600	
Contracted Professional Services					232,689	
Operating Supplies and Expenses					(6,807)	
Grants - Provider Payments					(95,209)	
Capital Purchases and Equipment					628	
	105,259,461			(82,067)	681,191	105,858,585
						(599,124)
Behavioral Healthcare Services	34,859,214					
Personnel-Salary & Benefits				(7,449)	(430,227)	
Operating Supplies and Expenses					19,924	
Assistance and Grant					(1,886,465)	
	34,859,214	0	(7,449)	(2,296,768)	32,554,997	2,304,217
Hosp. & Community Rehab. Services	49,694,992					
Personnel-Salary & Benefits				(187,359)	(1,713,889)	
Overtime					3,506,924	
Contracted Professional Services					6,421	
Operating Supplies and Expenses					885,569	
Grants and Assistance - Medical Services					(113,668)	
Capital Purchases and Equipment					(338,121)	
	49,694,992		-	(187,359)	2,233,236	51,740,869
	Total	193,137,995	-	(287,015)	383,720	193,234,700
						(96,705)
Office of the Child Advocate	611,469					
Personnel-Salary & Benefits				(2,315)	(20,640)	
Contracted Professional Services					500	
Operating Supplies and Expenses					650	
Capital Purchases and Equipment					1,000	
	Total	611,469	-	(2,315)	(18,490)	590,664
						20,805
Commission on Deaf and Hard of Hearing	390,251					
Personnel- Salary & Benefits				(1,866)	(7,574)	
Other Operating Supplies and Expenses					890	
	Total	390,251	-	(1,866)	(6,684)	381,701
						8,550
Governor's Commission on Disabilities	371,096			-		
Personnel-Salary & Benefits				(404)	(56,039)	
Contracted Professional Services					4,318	
Grants					3,450	
Capital Purchases and Equipment					2,000	
	Total	371,096	0	(404)	(46,271)	324,421
						46,675
Office of the Mental Health Advocate	447,119					
Personnel-Salary & Benefits				(1,672)	(145,759)	
Contracted Professional Services					24,203	
Operating Supplies and Expenses					(584)	

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Total	447,119	-	(1,672)	(122,140)	323,307	123,812
Sub-Total Human Services	1,294,455,888	379,593	(786,560)	(48,276,915)	1,245,772,006	48,683,882
<u>Education</u>						
Elementary and Secondary Education						
State Education Aid	691,078,185	-	-	-	-	-
Funding Formula Year 3			6,367			
Group Home Aid			60,000			
E-Rate Program		-	-	-	66,367	691,144,552
	691,078,185	-	-	66,367	691,144,552	(66,367)
School Housing Aid	74,568,906	-	(2,534,528)	(2,534,528)	72,034,378	2,534,528
	74,568,906	-	(2,534,528)	(2,534,528)	72,034,378	2,534,528
Teachers' Retirement	79,768,447	-	(3,693,151)	(3,693,151)	76,075,296	3,693,151
	79,768,447	-	(3,693,151)	(3,693,151)	76,075,296	3,693,151
RI School for the Deaf	6,244,881	-	(22,187)	(22,187)	-	-
Personnel			270,033	270,033	-	-
Contracted Professional Services			(394,320)	(394,320)	-	-
Operating Supplies and Expenses			62,543	62,543	-	-
Capital Purchases and Equipment		-	2,000	2,000	-	-
	6,244,881	-	(22,187)	(22,187)	(59,744)	6,162,950
Central Falls School District	39,705,879	-	-	-	39,705,879	0
	39,705,879	-	-	-	39,705,879	0
Davies Career & Technical School	13,381,539	-	(53,246)	(53,246)	53,246	-
Funding Formula			-	-	53,246	13,381,539
	13,381,539	-	(53,246)	(53,246)	53,246	0
Met. Career & Tech. School	11,648,256	-	-	-	11,648,256	0
	11,648,256	-	-	-	11,648,256	0
Administration of the Comp. Education Strategy	18,967,968	-	(36,826)	(36,826)	-	-
Personnel-Salary & Benefits			(31,150)	(31,150)	-	-
Contracted Professional Services			(102,131)	(102,131)	-	-
Operating Supplies and Expenses			(81,367)	(81,367)	-	-
Grants			181,984	181,984	-	-
Capital		-	-	-	-	-
Aid to Locals		-	(134,630)	(134,630)	-	-
	18,967,968	-	(36,826)	(36,826)	(167,294)	18,763,848
Total	935,364,061	-	(112,259)	(6,335,104)	928,916,698	6,447,363
Higher Education						
Board of Governors/Office of Higher Education	5,860,952	-	-	-	-	-
Personnel-Salary & Benefits			(9,043)	(9,043)	-	-
	5,860,952	-	(9,043)	(9,043)	-	5,851,909
University of Rhode Island	58,133,747	-	(130,030)	(130,030)	-	-
General Revenues			-	-	-	-
Personnel-Salary & Benefits			(130,030)	(130,030)	-	-
State Crime Lab	858,820	-	-	-	-	-
Personnel-Salary & Benefits-State Crime Lab			(3,161)	(3,161)	-	-
Debt Service	19,160,529	-	-	-	-	-
	78,153,096	0	(133,191)	(133,191)	560,474	78,580,379
Rhode Island College	38,609,975	-	(127,549)	(127,549)	560,474	(427,283)
General Revenues			-	-	560,474	-
Personnel-Salary & Benefits			(127,549)	(127,549)	122,237	122,237
Debt Service	3,049,029	0	(127,549)	(127,549)	41,653,692	5,312
	41,659,004	0	(127,549)	(127,549)	41,653,692	5,312
Community College of Rhode Island	44,318,962	-	-	-	-	-
General Revenues			-	-	-	-

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Personnel-Salary & Benefits			(148,982)			
Debt Service	2,464,156		(23,886)			
	46,783,118	0	(148,982)	(23,886)	46,610,250	172,868
Total	172,456,170	0	(418,765)	658,825	172,696,230	(240,060)
RI Council On The Arts	1,565,813					
Personnel-Salary & Benefits			(1,800)			
Operating Supplies and Expenses				(5,454)		
				7,254		
Total	1,565,813	0	(1,800)	1,800	1,565,813	0
RI Atomic Energy Commission	876,213					
Personnel-Salary & Benefits			(2,097)			
Contracted Professional Services				(32,784)		
Operating Supplies and Expenses				(2,873)		
				3,291		
Total	876,213	-	(2,097)	(32,366)	841,750	34,463
RI Higher Education Assistance Authority	5,617,064	0	(993)	77,596	5,693,667	(76,603)
Authority Operations and other Grants	456,061			(15,500)		
Personnel-Salary & Benefits			(993)	(48,904)		
Needs Based Grants and Work Opport.	5,161,003			142,000		
Total	5,617,064	0	(993)	77,596	5,693,667	(76,603)
RI Historical Preservation & Heritage Commission	1,361,801					
Personnel-Salary & Benefits			(5,735)			
Contracted Professional Services				(102,259)		
Operating Supplies and Expenses				375		
Capital				10,735		
				500.00		
Total	1,361,801	-	(5,735)	(90,649)	1,265,417	96,384
RI Public Telecommunications Authority	799,077					
Personnel-Salary & Benefits			(3,591)			
Contracted Professional Services				3,591		
Operating Supplies and Expenses				-		
				-		
Total	799,077	-	(3,591)	3,591	799,077	0
Sub-Total Education	1,118,040,199	-	(545,240)	(5,716,307)	1,111,778,652	6,261,547
<u>Public Safety</u>						
Attorney General						
Criminal	14,269,909					
Personnel-Salary & Benefits			(56,022)			
Contracted Professional Services				(352,566)		
Operating Supplies and Expenses				167,862		
Capital Purchases and Equipment				(100,461)		
	14,269,909	-	(56,022)	3,956		
				(281,209)	13,932,678	337,231
Civil	4,888,477	40,401				
Personnel-Salary & Benefits			(17,162)			
Contracted Professional Services				(53,951)		
Operating Supplies and Expenses				40,241		
Capital Purchases and Equipment				(95,507)		
	4,888,477	40,401	(17,162)	14,946		
				(94,271)	4,817,445	111,433
Bureau of Criminal Identification	1,209,375					
Personnel-Salary & Benefits			(4,465)			
Contracted Professional Services				97,378		
Operating Supplies and Expenses				2,205		
Capital Purchases and Equipment				(15,911)		
	1,209,375	-	(4,465)	3,440		
				87,112	1,292,022	(82,647)
General	2,708,563					
Personnel-Salary & Benefits			(6,845)			
				(46,755)		

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Contracted Professional Services				3,018		
Operating Supplies and Expenses				(69,925)		
Capital Purchases and Equipment				7,170		
	2,708,563	-	(6,845)	(106,492)	2,595,226	113,337
Total	23,076,324	40,401	(84,494)	(394,860)	22,637,371	479,354
Corrections						
Central Management	9,261,703	448,475		(24,987)	(681,169)	
Personnel-Salary & Benefits Other				(6,500)		
Stipend Payment Revisions				100,700		
Contracted Professional Services Other				(350,000)		
Time Tracker Delay Implementation				(55,940)		
CO Training Class				(29,473)		
Operating Supplies and Expenses Other				(90,000)		
Weapons Requalification Ammunition Reduction				1,747		
CO Training Class				(10,000)		
Grants	9,261,703	448,475	(24,987)	(1,120,635)	8,564,556	697,147
Parole Board	1,331,469			(4,574)	17,508	
Personnel-Salary & Benefits				(50,000)		
Contract Services Reduction	1,331,469	-	(4,574)	(32,492)	1,294,403	37,066
Custody and Security	115,077,455					
Personnel-Salary & Benefits			(485,261)	(600,872)		
Hurricane Sandy Overtime				730,000		
Storm Nemo Overtime				400,000		
Reopened Modules				4,033,401		
Stipend Payment Revisions				(568,638)		
Contracted Professional Services other				50		
Contract-Clerical Services				(22,860)		
Delay Puncture Proof Vest Purchases				(50,000)		
Other Operating/Grants/Capital				13,439		
per capita inmate expenditures				21,898		
Grants-Inmate Payroll	115,077,455	-	(485,261)	3,884,925	118,477,119	(3,399,664)
Institutional Support	15,735,909	75,005				
Personnel-Salary & Benefits			(27,710)	(412,244)		
per capita inmate expenditures				86,252		
Other Operating/Grants/Capital	15,735,909	75,005	(27,710)	(283,802)	15,499,402	236,507
Institutional Based Rehab/Pop Management	8,878,408					
Personnel-Salary & Benefits Other			(18,917)	21,825		
Contracted Professional Services Other				111,701		
per capita inmate expenditures				(13,511)		
Operating Supplies and Expenses Other	8,878,408	-	(18,917)	(15,520)		
				104,495	8,963,986	(85,578)
Healthcare Services	18,476,246					
Personnel-Salary & Benefits			(33,839)	451,936		
Stipend Payment Revisions				(30,658)		
In-Patient Hospitalization Contract Savings				(550,000)		
Nursing Pool Savings				(100,000)		
Contracted Professional Services Other				(214,993)		
per capita inmate expenditures				371,427		
Other Operating/Grants/Capital				16,342		
per capita inmate expenditures	18,476,246	0	(33,839)	(196,134)		
				(252,080)	18,190,327	285,919
Community Corrections	14,532,087					
Personnel-Salary & Benefits Other			(53,023)	49,842		
Stipend Payment Revisions				(4,982)		
Operating Supplies and Expenses Other	14,532,087	-	(53,023)	28,426		
				73,286	14,552,350	(20,263)
Total	183,293,277	523,480	(648,311)	2,373,697	185,542,143	(1,725,386)

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Judiciary						
Supreme Court	25,969,098	135,941	-	(62,467)	(135,941)	
General Revenues					(6,301)	
Personnel-Salary & Benefits					(290,863)	
Contract Services					(133,008)	
Operating/Capital					(29,547)	
Judges Pensions						
Defense of Indigents	3,562,240	135,941	(62,467)	-	(595,660)	29,009,152
	29,531,338					658,127
Superior Court	21,932,328		-	(58,413)	(740,409)	
Personnel-Salary & Benefits					7,821	
Contract Services					97,293	
Operating					248,700	
Judges Pensions		21,932,328	-	(58,413)	(386,595)	21,487,320
						445,008
Family Court	18,044,955		-	(64,350)	(28,278)	
Personnel-Salary & Benefits					95,560	
Contract Services					68,955	
Operating					(86,138)	
Judges Pensions	18,044,955	-	(64,350)	50,099	18,030,704	14,251
District Court	11,435,878		-	(39,398)	(82,508)	
Personnel-Salary & Benefits					9,199	
Contract Services					75	
Operating					(25,961)	
Judges Pensions	11,435,878	-	(39,398)	(99,195)	11,297,285	138,593
Traffic Tribunal	8,191,888		-	(30,271)	(135,778)	
Personnel-Salary & Benefits					807	
Contract Services					9,740	
Operating					(102,803)	
Judges Pensions	8,191,888	-	(30,271)	(228,034)	7,933,583	258,305
Judicial Tenure and Discipline	113,609		(\$217)			
	113,609		(217)	-	113,392	217
Total	89,249,996	135,941	(255,116)	(1,259,385)	87,871,436	1,514,501
Military Staff						
National Guard	1,516,835					
Personnel-Salary & Benefits			(3,625)	(41,196)		
Contract-Buildings & Grounds Maintenance				26,835		
Insurance				(18,853)		
Electricity-Quonset Point Tower				10,500		
Fuel Oil				7,783		
Sewer/Water/Electricity				7,460		
Other Operating				6,026		
Armory Maintenance				175		
Hurricane Sandy - Agency Reimbursement				82,625		
Funeral Honors				18,400		
	1,516,835	-	(3,625)	99,755	1,612,965	(96,130)
Emergency Management	2,031,940					
Personnel-Salary & Benefits			(4,075)	(34,430)		
Travel				8,400		
Telecommunications				6,524		
Hurricane Sandy - Agency Reimbursement				25,000		
Other Operating				2,376		
	2,031,940	-	(4,075)	7,870	2,035,735	(3,795)
Total	3,548,775	-	(7,700)	107,625	3,648,700	(99,925)

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Public Safety						
Central Management	1,172,630					
Personnel-Salary & Benefits			(4,691)	5,045		
Operating Supplies and Expenses				1,000		
E-911 Emergency Telephone System	5,262,243					
Personnel-Salary & Benefits			(21,313)	(201,591)		
Contracted Professional Services				1,650		
Operating Supplies and Expenses				165,869		
Capital Purchases and Equipment	5,262,243			5,500		
State Fire Marshal	2,684,019					
Personnel-Salary & Benefits			(8,405)	(17,978)		
Contracted Professional Services				(800)		
Operating Supplies and Expenses				52,420		
Capital Purchases and Equipment	2,684,019			(10,000)		
Security Services	21,485,773					
Personnel-Salary & Benefits			(81,493)	(327,601)		
Contracted Professional Services				(25,300)		
Operating Supplies and Expenses				166,538		
Municipal Police Training Academy	356,811					
Personnel-Salary & Benefits			(1,358)	(93,129)		
Contracted Professional Services				-		
Operating Supplies and Expenses				1,112		
State Police	63,828,563					
Personnel-Salary & Benefits			(126,299)	(3,459,883)		
Contracted Professional Services				-		
Operating Supplies and Expenses				526,156		
State Trooper Pensions				(148,557)		
Capital Purchases and Equipment	63,828,563			53,863		
Total	94,790,039			(243,559)	(3,305,686)	91,240,794
Office Of Public Defender	10,791,226	5,326				
Personnel-Salary & Benefits			(33,812)	(328,690)		
Contract Services-Eligibility Techs				20,412		
Operating Supplies and Expenses				5,852		
Insurance				(2,900)		
Total	10,791,226	5,326		(33,812)	(305,326)	10,457,414
Sub-Total Public Safety	404,749,637	705,148		(1,272,992)	(2,783,935)	401,397,858
Natural Resources						
Environmental Management						
Office of the Director	4,767,266					
Personnel-Salary & Benefits			(9,370)	(135,059)		
Contracted Professional Services				(55,000)		
Operating Supplies & Expenses: Headquarters				125,235		
Assistance & Grants	4,767,266			9,757		
Natural Resources	18,222,547					
Personnel-Salary & Benefits			(53,784)	62,228		
Contracted Professional Services				(253,900)		
Operating Supplies and Expenses				160,663		
Other Assistance & Grants				(5,326)		
Assistance & Grants: Payments to Host Communities				37,365		
Capital Purchases and Equipment	18,222,547			-		
				(53,784)	1,030	18,169,793
						52,754

Changes to FY 2013 Enacted Agency General Revenue Expenditures

	FY2013 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Medical Holiday Savings	Final Enacted Changes	FY 2013 Final Appropriation	Projected Surplus/ (Deficit)
Environmental Protection	11,556,487					
Personnel-Salary & Benefits			(43,625)	(76,090)		
Operating Supplies and Expenses			(3,037)			
Assistance & Grants			(60,000)			
Capital Purchases and Equipment			15,000			
	11,556,487	-	(43,625)	(124,127)	11,388,735	167,752
Total	34,546,300	-	(106,779)	(178,164)	34,261,357	284,943
Coastal Resources Management Council	2,264,841					
Personnel-Salary & Benefits			(9,000)	(50,580)		
Shift Legal Services to Federal Funds			(30,000)			
ATV Purchase-Hurricane Sandy			10,000			
Total	2,264,841	-	(9,000)	(70,580)	2,185,261	79,580
Sub-Total Environment	36,811,141	-	(115,779)	(248,744)	36,446,618	364,523
Statewide General Revenue Total	3,295,836,490	7,872,953	(3,339,362)	(66,558,823)	3,233,811,258	69,518,592

Changes to FY 2013 Enacted Transportation Expenditures

	FY 2013 Enacted Appropriation	Change to Carryforward from FY2012	Distribution of Medical Holiday Savings	Supplemental Changes	Projected Expenditures
Total ISTF Fund Revenue Collections	136,932,900	1,742,455		(1,985,100)	136,690,255
Transportation ISTEA Fund Changes - Deficit		(475,672)			
Total Revenues Available	136,457,228				136,690,255
Central Management	1,353,338				
Salaries & Benefits			(761)	93,268	
Medical Benefits Holiday					
Uncompensated Leave Days(1)					
Purchased Services				40,900	
Operating				14,329	
Grants & Benefits				(800)	
Capital Improvements				1,000	
	1,353,338	-	(761)	148,697	1,501,274
Management & Budget	1,937,648				
Salaries & Benefits			(2,109)	(515,357)	
Medical Benefits Holiday					
Purchased Services				15,000	
Operating				7,887	
Capital Improvements				(4,000)	
	1,937,648	-	(2,109)	(496,470)	1,439,069
Infrastructure-Engineering	4,692,372				
Salaries & Benefits			(13,810)	(803,264)	
Medical Benefits Holiday					
Gas Tax Allocation from Payroll Clearing Account					
Federal Indirect Cost Allocation Department Wide				(5,800)	
Purchased Services				34,923	
Operating				0	
Grants & Benefits					
Capital Improvements				31,400	
Other Operating Transfers					
	4,692,372	-	(13,810)	(742,741)	3,935,821
Infrastructure-Maintenance	39,566,987				
Salaries & Benefits			(108,061)	(222,132)	
Medical Benefits Holiday					
Overtime				(184,000)	
Purchased Services				(54,000)	
Operating				118,238	
Grants & Benefits				(525)	
Capital Improvements				113,000	
Operating Transfers				(1,000)	
Winter Maintenance - Overtime				322,950	
Winter Maintenance - Materials & Contractors				297,050	
Highway Lighting Electricity				455,357	
Vehicle Repairs/Fuel				50,000	
Contingency Fund - Flood Expenses					
Target Adjustment to Reduce Expenses					
	39,566,987	-	(108,061)	894,938	40,353,864
Total Department of Transportation Operations	47,550,345	-	(124,741)	(195,576)	47,230,028
Operating Transfers to Motor Fuel Bonds - debt serv	8,427,040			(122,560)	8,304,480
Operating Transfers to RIPTA	39,400,976			1,083,364	40,484,340
RIPTA Debt Service	1,680,844			(1,680,844)	-
Total Transfers	49,508,860	-	-	(720,040)	48,788,820

Total Transportation	97,059,205	-	(124,741)	(915,616)	96,018,848
Gas tax budgeted outside DOT					
DOT Debt service(est DOT refunding allocation)	34,317,954			105,435	34,423,389
Gas tax budgeted in DOA-planning	34,317,954	-	-	105,435	34,423,389
Consolidations Transfer	2,208,990			(100,237)	2,108,753
Total Transfers	2,208,990			(100,237)	2,108,753
Gas Tax Budgeted outside of DOT	36,526,944	-	-	5,198	36,532,142
DHS - Elderly Transportation	4,213,320			(61,080)	4,152,240
General Fund Transfer	-				-
Total ISTE Fund	137,799,469	-	(124,741)	(971,498)	136,703,230
Change in Fund Balance					
¹ Beginning Balance	(866,569)	1,742,455	124,741	(1,013,602)	(12,975)
Ending Balance	(475,672)		1,742,455	124,741	(1,013,602)
	(1,342,241)				(12,975)

¹ Planned balance from FY 12 programmed into enacted budget

Aid to Cities and Towns/Schools

Formula Aid to Cities and Towns

The **Payment-in-Lieu-of-Taxes (PILOT)** program reimburses communities for 27.0 percent of what they would have collected in property taxes from certain designated tax exempt property (subject to appropriation). The final FY 2013 revised budget and the FY 2014 enacted budget is funded at \$35.1 million, which represents a reimbursement rate of 22.04 percent in FY 2014. Data used to determine distribution amounts is updated annually to reflect the most recent data.

The **Distressed Communities Relief Fund** provides state assistance to municipalities with the highest property tax burdens relative to the wealth of taxpayers. Municipalities are eligible that meet the statutorily determined distressed test in three of four categories. The program is level funded at \$10.4 million in FY 2013 and FY 2014.

Beginning in FY 2014 and continuing through FY 2016, **Municipal Incentive Aid** will provide a new category of state assistance with the purpose of encouraging municipalities to improve the sustainability of their retirement plans and to reduce unfunded liabilities. Municipalities would be eligible to receive aid in FY 2014 if: (1) the municipality has no locally-administered pension plan(s); or (2) the municipality notified plan participants, beneficiaries and others pursuant to RIGL 45-65, and submitted to the Department of Revenue a Funding Improvement Plan ("FIP") approved by the plan sponsor and the governing body no later than June 1, 2013 for every locally-administered pension plan in the municipality; or (3) there exists a locally-administered pension plan(s) in the municipality, but either no FIP was required per RIGL 45-65 or a FIP is required, but the due date for submission of the FIP is after the March payment of state aid. To be eligible for Municipal Incentive Aid in FY 2015 and FY 2016, other provisions would apply. The aid is provided at \$5.0 million for FY 2014.

The FY 2014 budget continues to provide funding for the **Property Valuation Statistical Update Program**, which reimburses cities and towns for legislatively mandated property valuation statistical updates on a per parcel basis. Funding for FY 2013 is estimated at \$1 million. The projected FY 2014 funding is \$516,615.

Funding for **Aid to Local Libraries** is level funded at \$8.8 million in FY 2013 and FY 2014. In addition, funding for library construction aid is provided at \$2.5 million in FY 2013 and FY 2014 to finance anticipated debt service or construction reimbursement obligations under this program.

The 1998 General Assembly enacted the **Motor Vehicle Excise Tax Phase-Out** legislation to phase out the excise tax on motor vehicles and trailers over an original seven year period. There have been various legislative changes to the legislation since its inception. For FY 2011 and thereafter, the General Assembly enacted legislation that mandates a \$500 exemption for which the State will reimburse municipalities an amount subject to appropriation. The legislation further allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement. The Assembly removed the provision that restricted municipalities from taxing the difference in the event that the value of a vehicle is higher than the prior fiscal year. It also allowed for rates and ratios of assessment to be lowered from the current frozen levels. Total funding enacted in FY 2013 and FY 2014 to support this program is \$10.0 million. Data used to determine distribution amounts for FY 2014 is an estimate and is subject to change once finalized December 31, 2012 motor vehicle tax rolls are received.

The **Public Service Corporation Tax** is for tangible personal property of telegraph, cable and telecommunications corporations and express corporations that is exempt from local taxation, and instead is subject to taxation by the State. The revenue from this tax flows through the State (it is not appropriated by the State). The revenues (apart from some administrative expenses) are apportioned to the cities and towns based on the ratio of each municipality's population relative to the total population of the State. The actual

Formula Aid to Cities and Towns

disbursements for FY 2013 total \$12.7 million and the disbursements for FY 2014 total \$13.2 million. Data used to determine distribution amounts is updated annually to reflect the most recent data.

The 1986 General Assembly enacted the **Hotel Local Tax**, a five percent hotel tax upon the total consideration charged for occupancy of any space furnished by any hotel of the state. Twenty-five percent of the revenues generated from the 5.0 percent state hotel tax are distributed to the municipalities where the individual hotels are located. For FY 2013, the 25.0 percent share of the 5.0 percent state hotel tax is provided at \$3.6 million and FY 2014 is provided at \$3.6 million.

The 2004 General Assembly enacted a one percent gross receipts tax on the total consideration charged for occupancy of any space furnished by a hotel of the state. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the hotel was located. For FY 2013, the local one percent hotel tax is provided at \$2.8 million and FY 2014 is provided at \$2.9 million.

The 2003 General Assembly enacted the **Local Meals and Beverage Tax**, a one percent additional tax on gross receipts from the sale of food and beverages sold in or on eating and drinking establishments. The tax is collected by the Division of Taxation and then distributed back to the city or town in which the meals and beverages were delivered. Distributions under this tax are projected to total \$21.4 million in FY 2013 and \$21.8 million in FY 2014.

Fiscal Year 2013 Revised State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2013 Total Appropriated State Aid
Barrington	41,175		334,107	231,794	607,075
Bristol	713,527		118,895	114,541	946,962
Burrillville	115,536		125,987	203,823	445,346
Central Falls	24,375	289,708	47,079	88,012	449,173
Charlestown			47,128	39,047	86,175
Coventry			207,369	215,587	422,956
Cranston	4,829,728	1,201,480	524,404	884,157	7,439,770
Cumberland	102		264,240	205,803	470,145
East Greenwich	174,517		114,121	119,341	407,979
East Providence	173,026		416,425	443,114	1,032,565
Exeter			40,082	81,833	121,915
Foster	461		29,625	66,251	96,337
Glocester			69,879	91,181	161,060
Hopkinton			29,999	60,808	90,807
Jamestown			79,139	35,227	114,366
Johnston			111,963	369,557	481,520
Lincoln			189,340	230,071	419,411
Little Compton			28,078	23,382	51,460
Middletown			128,935	82,452	211,387
Narragansett			121,555	94,780	216,335
Newport	960,103		374,002	130,825	1,464,929
New Shoreham			73,011	7,459	80,470
North Kingstown	1,971		257,842	220,705	480,519
North Providence	560,611	1,025,738	164,384	343,802	2,094,535
North Smithfield			62,569	166,413	228,982
Pawtucket	422,765	1,416,751	369,002	674,119	2,882,637
Portsmouth			102,367	102,817	205,184
Providence	24,873,496	4,804,334	1,217,604	1,773,136	32,668,569
Richmond			24,829	56,009	80,838
Scituate			94,008	120,922	214,930
Smithfield	527,100		265,315	271,301	1,063,716
South Kingstown	160,381		196,594	165,446	522,422
Tiverton			91,928	104,746	196,674
Warren			51,832	79,440	131,272
Warwick	1,219,884		662,952	1,276,473	3,159,309
Westerly	125,538		270,491	208,522	604,550
West Greenwich			26,290	48,709	74,999
West Warwick		817,916	171,858	213,265	1,203,040
Woonsocket	156,113	828,531	193,184	355,130	1,532,958
Subtotal	\$35,080,409	\$10,384,458	\$7,698,412	\$10,000,000	\$63,163,279
Statewide Reference Library Resource Grant (Providence)			1,012,378		1,012,378
Grant-In-Aid to Institutional Libraries			62,609		62,609
Library Construction Reimbursement			2,471,714		2,471,714
Motor Vehicle Excise Tax Reimbursement - Fire Districts			-		-
Total	\$35,080,409	\$10,384,458	11,245,113	\$10,000,000	\$66,709,980

Fiscal Year 2013 Revised Pass Through Aid-Cities & Towns

City or Town	Public Service Corporation Tax	Hotel Tax*	Meals and Beverage Tax	FY 2013 Total Shared Taxes State Aid	FY 2013 Total Shared & Appropriated Aid
Barrington	196,291	-	138,454	334,745	941,820
Bristol	276,252	29,776	347,384	653,412	1,600,375
Burrillville	192,019	-	173,580	365,599	810,945
Central Falls	233,190	-	102,444	335,634	784,807
Charlestown	94,198	19,966	108,638	222,801	308,977
Coventry	421,394	69,449	366,500	857,344	1,280,300
Cranston	967,459	9,036	1,493,970	2,470,466	9,910,235
Cumberland	403,245	-	384,987	788,232	1,258,377
East Greenwich	158,212	361	476,936	635,509	1,043,487
East Providence	566,091	35,027	805,136	1,406,254	2,438,819
Exeter	77,325	-	75,051	152,376	274,290
Foster	55,433	129	14,368	69,930	166,268
Glocester	117,293	1,779	71,566	190,638	351,698
Hopkinton	98,543	-	48,443	146,986	237,793
Jamestown	65,049	10,043	82,692	157,784	272,149
Johnston	346,235	6,433	473,593	826,261	1,307,781
Lincoln	253,999	88,333	694,452	1,036,784	1,456,196
Little Compton	42,026	8,602	33,125	83,753	135,213
Middletown	194,366	601,281	621,542	1,417,189	1,628,575
Narragansett	190,972	78,698	545,111	814,782	1,031,117
Newport	296,928	1,696,362	1,871,251	3,864,541	5,329,470
New Shoreham	12,649	227,415	261,399	501,463	581,933
North Kingstown	318,759	63,937	472,541	855,237	1,335,755
North Providence	386,059	-	340,576	726,635	2,821,170
North Smithfield	144,023	2,524	185,390	331,936	560,919
Pawtucket	856,267	42,468	684,518	1,583,252	4,465,890
Portsmouth	209,277	8,260	176,241	393,778	598,962
Providence	2,142,738	1,715,451	4,534,406	8,392,595	41,061,164
Richmond	92,766	3,415	118,958	215,139	295,977
Scituate	124,310	3,912	61,492	189,713	404,643
Smithfield	257,910	128,154	569,507	955,571	2,019,287
South Kingstown	368,741	122,858	635,917	1,127,516	1,649,938
Tiverton	189,913	-	193,016	382,929	579,603
Warren	127,704	-	246,894	374,598	505,870
Warwick	994,959	880,113	2,366,982	4,242,054	7,401,363
Westerly	274,242	326,165	718,374	1,318,781	1,923,331
West Greenwich	73,835	83,091	99,849	256,775	331,774
West Warwick	351,314	87,579	318,190	757,083	1,960,123
Woonsocket	495,674	53,051	510,216	1,058,941	2,591,899
Subtotal	\$12,667,660	\$6,403,667	\$21,423,686	\$40,495,013	\$103,658,292
Statewide Reference Library Resource Grant					1,012,378
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,471,714
Motor Vehicle Excise Tax Reimbursement - Fire Districts					-
Total	\$12,667,660	\$6,403,667	\$21,423,686	\$40,495,013	\$107,204,993

*Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax.

Fiscal Year 2014 State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Municipal Incentive Aid*	State Library Aid	Motor Vehicle Excise Tax Reimbursement	FY 2014 Total Appropriated State Aid
					Value of Exemption**	
Barrington	13,387		77,873	341,149	253,456	685,864
Bristol	692,849		109,663	129,784	101,579	1,033,874
Burrillville	112,265		75,644	129,564	192,748	510,220
Central Falls	24,638	170,622	91,844	14,022	87,356	388,482
Charlestown			37,260	47,837	42,696	127,793
Coventry			166,126	215,315	235,735	617,176
Cranston	5,236,467	2,320,642	381,766	541,181	966,785	9,446,841
Cumberland	101		158,223	268,332	235,961	662,616
East Greenwich	204,947		62,403	121,963	90,440	479,752
East Providence	176,390		224,226	403,334	484,524	1,288,475
Exeter			30,874	41,703	89,481	162,058
Foster	372		21,699	31,569	55,664	109,304
Glocester			46,378	71,674	99,703	217,754
Hopkinton			38,721	34,084	66,491	139,295
Jamestown			25,703	80,467	23,683	129,853
Johnston			136,438	120,380	404,093	660,911
Lincoln			100,146	191,841	209,370	501,357
Little Compton			16,614	29,670	14,660	60,943
Middletown			76,967	135,566	73,198	285,731
Narragansett			75,677	123,055	65,718	264,449
Newport	1,101,495		116,689	378,526	84,173	1,680,882
New Shoreham			4,521	78,316	4,089	86,926
North Kingstown	1,941		125,831	263,710	197,458	588,939
North Providence	544,065	846,788	152,463	171,750	375,931	2,090,997
North Smithfield			56,226	63,341	181,965	301,532
Pawtucket	472,601	1,252,008	338,638	315,245	720,887	3,099,379
Portsmouth			82,157	103,446	84,872	270,475
Providence	24,227,138	4,429,560	845,052	1,182,779	1,737,590	32,422,119
Richmond			36,482	26,139	61,243	123,864
Scituate			48,940	95,169	74,943	219,051
Smithfield	537,747		101,774	269,659	275,736	1,184,915
South Kingstown	154,721		144,389	203,946	146,786	649,842
Tiverton			74,510	94,109	63,673	232,292
Warren			50,918	53,561	86,863	191,342
Warwick	1,226,062		394,570	688,368	1,270,121	3,579,121
Westerly	121,833		108,439	265,543	201,730	697,544
West Greenwich			28,597	27,126	53,261	108,984
West Warwick		675,775	138,805	147,770	197,021	1,159,371
Woonsocket	231,391	689,062	196,763	197,423	388,319	1,702,958
Subtotal	\$35,080,409	\$10,384,458	\$5,000,000	\$7,698,416	\$10,000,000	\$68,163,283
Statewide Reference Library Resource Grant				1,012,378		1,012,378
Grant-In-Aid to Institutional Libraries				62,609		62,609
Library Construction Reimbursement				2,500,667		2,500,667
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-		-
Total	\$35,080,409	\$10,384,458		\$11,274,070	\$10,000,000	\$71,738,937

*To be eligible to receive incentive aid, municipalities must meet eligibility criteria.

** Estimate as of 7/9/13. Subject to change in the spring of 2014 once finalized motor vehicle tax rolls are received from cities and towns.

Fiscal Year 2014 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Hotel Tax*	Meals and Beverage Tax	FY 2014 Total Shared Taxes State Aid	FY 2014 Total Shared & Appropriated Aid
Barrington	205,617	-	140,738	346,356	1,032,220
Bristol	289,555	30,309	353,116	672,981	1,706,855
Burrillville	199,730	-	176,444	376,174	886,394
Central Falls	242,507	-	104,134	346,641	735,123
Charlestown	98,381	20,323	110,430	229,134	356,927
Coventry	438,642	70,692	372,548	881,882	1,499,058
Cranston	1,008,020	9,198	1,518,621	2,535,839	11,982,680
Cumberland	417,774	-	391,340	809,113	1,471,730
East Greenwich	164,770	367	484,805	649,942	1,129,694
East Providence	592,051	35,654	818,421	1,446,125	2,734,600
Exeter	81,520	-	76,289	157,809	319,867
Foster	57,295	132	14,605	72,032	181,336
Glocester	122,456	1,811	72,747	197,014	414,768
Hopkinton	102,239	-	49,242	151,481	290,776
Jamestown	67,867	10,222	84,057	162,146	291,998
Johnston	360,253	6,548	481,407	848,209	1,509,120
Lincoln	264,428	89,914	705,910	1,060,253	1,561,609
Little Compton	43,867	8,756	33,671	86,294	147,237
Middletown	203,225	612,044	631,797	1,447,066	1,732,796
Narragansett	199,818	80,107	554,106	834,031	1,098,480
Newport	308,107	1,726,727	1,902,127	3,936,960	5,617,843
New Shoreham	11,937	231,486	265,712	509,135	596,061
North Kingstown	332,245	65,082	480,338	877,664	1,466,603
North Providence	402,567	-	346,195	748,762	2,839,759
North Smithfield	148,460	2,569	188,449	339,478	641,010
Pawtucket	894,145	43,228	695,812	1,633,185	4,732,564
Portsmouth	216,929	8,408	179,149	404,485	674,960
Providence	2,231,291	1,746,158	4,609,224	8,586,672	41,008,791
Richmond	96,326	3,476	120,921	220,724	344,588
Scituate	129,220	3,982	62,506	195,708	414,759
Smithfield	268,724	130,448	578,904	978,076	2,162,991
South Kingstown	381,247	125,057	646,410	1,152,714	1,802,556
Tiverton	196,736	-	196,200	392,937	625,229
Warren	134,444	-	250,968	385,412	576,753
Warwick	1,041,829	895,867	2,406,037	4,343,732	7,922,853
Westerly	286,324	332,003	730,227	1,348,554	2,046,098
West Greenwich	75,508	84,578	101,497	261,583	370,566
West Warwick	366,504	89,146	323,440	779,091	1,938,462
Woonsocket	519,536	54,000	518,635	1,092,171	2,795,130
Subtotal	\$13,202,094	\$6,518,292	\$21,777,177	\$41,497,564	\$109,660,847
Statewide Reference Library Resource Grant (Providence)					1,012,378
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,500,667
Motor Vehicle Excise Tax Reimbursement - Fire Districts					-
Total	\$13,202,094	\$6,518,292	\$21,777,177	\$41,497,564	\$113,236,501

*Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax.

Changes in Formula Aid - FY 2014 vs. FY 2013 Revised

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Municipal Incentive Aid (New FY14)	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	Total Appropriated Difference
Barrington	(27,788)	-	77,873	7,042	21,662	78,789
Bristol	(20,678)	-	109,663	10,889	(12,962)	86,912
Burrillville	(3,271)	-	75,644	3,577	(11,075)	64,875
Central Falls	263	(119,086)	91,844	(33,057)	(655)	(60,691)
Charlestown	-	-	37,260	709	3,649	41,618
Coventry	-	-	166,126	7,946	20,147	194,219
Cranston	406,739	1,119,162	381,766	16,777	82,628	2,007,071
Cumberland	(1)	-	158,223	4,092	30,158	192,472
East Greenwich	30,430	-	62,403	7,842	(28,902)	71,773
East Providence	3,364	-	224,226	(13,091)	41,411	255,910
Exeter	-	-	30,874	1,621	7,648	40,143
Foster	(89)	-	21,699	1,944	(10,587)	12,967
Glocester	-	-	46,378	1,795	8,521	56,694
Hopkinton	-	-	38,721	4,085	5,683	48,488
Jamestown	-	-	25,703	1,328	(11,544)	15,487
Johnston	-	-	136,438	8,417	34,536	179,391
Lincoln	-	-	100,146	2,501	(20,702)	81,945
Little Compton	-	-	16,614	1,592	(8,722)	9,483
Middletown	-	-	76,967	6,631	(9,254)	74,344
Narragansett	-	-	75,677	1,500	(29,062)	48,114
Newport	141,392	-	116,689	4,524	(46,652)	215,953
New Shoreham	-	-	4,521	5,305	(3,370)	6,456
North Kingstown	(30)	-	125,831	5,868	(23,247)	108,421
North Providence	(16,546)	(178,951)	152,463	7,366	32,129	(3,538)
North Smithfield	-	-	56,226	772	15,552	72,550
Pawtucket	49,837	(164,743)	338,638	(53,757)	46,768	216,742
Portsmouth	-	-	82,157	1,079	(17,946)	65,290
Providence	(646,358)	(374,774)	845,052	(34,825)	(35,546)	(246,451)
Richmond	-	-	36,482	1,310	5,234	43,026
Scituate	-	-	48,940	1,161	(45,979)	4,121
Smithfield	10,647	-	101,774	4,344	4,436	121,200
South Kingstown	(5,660)	-	144,389	7,352	(18,661)	127,420
Tiverton	-	-	74,510	2,181	(41,072)	35,618
Warren	-	-	50,918	1,729	7,424	60,070
Warwick	6,178	-	394,570	25,416	(6,352)	419,812
Westerly	(3,705)	-	108,439	(4,948)	(6,792)	92,994
West Greenwich	-	-	28,597	836	4,552	33,985
West Warwick	-	(142,141)	138,805	(24,088)	(16,244)	(43,668)
Woonsocket	75,278	(139,469)	196,763	4,239	33,188	170,000
Subtotal	(\$0)	(\$0)	5,000,000	\$4	\$0	\$5,000,004
Statewide Reference Library Resource Grant (Providence)						
Grant-In-Aid to Institutional Libraries						
Library Construction Reimbursement						
Motor Vehicle Excise Tax Reimbursement - Fire Districts						
Total	(\$0)	(\$0)	5,000,000	28,957	\$0	\$5,028,957

Changes in Pass Through and All Aid - FY 2014 vs. FY 2013 Revised

City or Town	Public Service Corporation Tax	Hotel Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	9,326	-	2,284	11,611	90,400
Bristol	13,303	533	5,732	19,035	105,947
Burrillville	7,711	-	2,864	10,575	75,450
Central Falls	9,317	-	1,690	11,007	(49,684)
Charlestown	4,183	357	1,793	5,975	47,593
Coventry	17,248	1,243	6,047	23,295	217,515
Cranston	40,561	162	24,651	65,212	2,072,283
Cumberland	14,529	-	6,352	20,881	213,353
East Greenwich	6,558	6	7,869	14,427	86,200
East Providence	25,960	627	13,285	39,244	295,154
Exeter	4,195	-	1,238	5,434	45,576
Foster	1,862	2	237	2,099	15,066
Glocester	5,163	32	1,181	6,344	63,038
Hopkinton	3,696	-	799	4,495	52,983
Jamestown	2,818	180	1,364	4,182	19,669
Johnston	14,018	115	7,814	21,833	201,224
Lincoln	10,429	1,581	11,458	21,887	103,833
Little Compton	1,841	154	547	2,387	11,871
Middletown	8,859	10,763	10,255	19,114	93,458
Narragansett	8,846	1,409	8,994	17,840	65,954
Newport	11,179	30,365	30,876	42,054	258,007
New Shoreham	(712)	4,071	4,313	3,602	10,057
North Kingstown	13,486	1,144	7,797	21,283	129,703
North Providence	16,508	-	5,620	22,127	18,589
North Smithfield	4,437	45	3,059	7,496	80,046
Pawtucket	37,878	760	11,295	49,172	265,914
Portsmouth	7,652	148	2,908	10,560	75,850
Providence	88,553	30,707	74,818	163,370	(83,080)
Richmond	3,560	61	1,963	5,523	48,549
Scituate	4,910	70	1,015	5,925	10,046
Smithfield	10,814	2,294	9,397	20,211	141,411
South Kingstown	12,506	2,199	10,493	22,999	150,419
Tiverton	6,823	-	3,185	10,008	45,626
Warren	6,740	-	4,074	10,813	70,884
Warwick	46,870	15,754	39,055	85,925	505,737
Westerly	12,082	5,838	11,853	23,935	116,929
West Greenwich	1,673	1,487	1,648	3,320	37,305
West Warwick	15,190	1,568	5,250	20,440	(23,228)
Woonsocket	23,862	950	8,419	32,281	202,281
Subtotal	534,434	114,626	353,491	887,925	\$5,887,929
Statewide Reference Library Resource Grant					-
Grant-In-Aid to Institutional Libraries					-
Library Construction Reimbursement					28,953
Motor Vehicle Excise Tax Reimbursement - Fire Districts					-
Total	\$534,434	114,626	\$353,491	\$887,925	\$5,916,882

Education Aid to Local Units of Government

Education Aid to Local Units of Governments totals \$944.8 million in FY 2014. This includes aid to the local education agencies (LEAs), state schools (Metropolitan Career and Technical School, Davies Career and Technical School, and the School for the Deaf), as well as state contributions for Teacher Retirement and Housing (school construction) Aid. Total education aid enacted in FY 2014 reflects an increase of \$34.7 million from the revised FY 2013 budget. FY 2014 represents year three of the education aid funding formula. Distributed aid reflects funding formula calculations and group home aid to both districts and charter schools. Distributed education aid to districts increased by \$21.4 million while aid to charter schools and the Urban Collaborative Accelerated Program increased by \$8.7 million. The majority of the increase results from fully funding year three of the funding formula and reducing the overall total amount of funding remaining to be transitioned for underfunded districts by increasing those district's FY 2014 base.

Non-Distributed Aid

Non-distributed aid increased by \$2.3 million from revised FY 2013 levels. The overall change is driven by an increase in the Transportation categorical fund of \$1.1 million; \$500,000 for the Early Childhood Demonstration program; \$500,000 for the High Cost Special Education categorical fund; \$400,000 to offset the loss of revenue from the surcharge placed on all residence and business landlines to fund the Rhode Island Telecommunications Education Access Fund; and an initial investment of \$250,000 to implement the Full-Day Kindergarten Pilot Program. This is partially offset by the three-year phase-out of the regionalization bonus for current regionalized districts, and no new districts have merged since the implementation of the funding formula. Remaining non-distributed aid consists of \$240,000 for non-public textbook reimbursement and \$270,000 for school breakfast administrative fees, which is consistent with FY 2013 levels.

State Schools

State financing of operations at the three state schools- the Davies Career and Technical School, the Rhode Island School for the Deaf, and the Met School- decreased in the FY 2014 budget by a combined total of \$1.2 million as compared to the FY 2013 revised total. Davies and the Met fall under year three of the education aid funding formula, but School for the Deaf does not.

Other Aid

The FY 2014 budget also includes increases in other aid of \$3.5 million. Specifically, an increase of \$5.6 million in state contribution for teacher retirement is offset by a decrease of \$2.1 million in school housing aid.

Explanation of Tables- by Category and LEA

The following two tables display education aid first by category, and then by apportionment among the state's local and regional education authorities. FY 2014 is year three of the education aid funding formula passed into law by the 2010 session of the General Assembly.

“Distributed LEA Aid” consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, such as Formula Aid and Group Home Funding. For completeness, financing of the Central Falls School District is also displayed in this section. “Non-Distributed Aid” includes several categories of aid that are either utilized at the departmental level or are not distributed regularly to school districts. “State Schools” include the Metropolitan School, Davies, and the School for the Deaf. On each table, “Other Aid” includes allocations for School Construction Aid and state contributions to the Teachers’ Retirement Fund.

Education Aid by Category of Aid

Category of Education Aid	FY 2013 Revised	FY 2014 Enacted	Increase (Decrease)
Distributed LEA Aid			
Formula Aid	\$674,854,921	\$707,388,047	\$32,533,126
Group Home Funding	8,241,000	7,131,000	(1,110,000)
Central Falls School District	39,705,879	38,399,591	(1,306,288)
Subtotal	\$722,801,800	\$752,918,638	\$30,116,838
Non-Distributed Aid			
Textbook Expansion	\$240,000	\$240,000	-
School Breakfast	270,000	270,000	-
Telecommunications Access	-	400,000	400,000
Early Childhood Demonstration	1,450,000	1,950,000	500,000
Transportation Categorical	2,175,680	3,263,520	1,087,840
High Cost Special Ed Categorical	500,000	1,000,000	500,000
Career and Tech Categorical	3,000,000	3,000,000	-
Regionalization Bonus	412,951	-	(412,951)
Full-Day Kindergarten	-	250,000	250,000
Subtotal	\$8,048,631	\$10,373,520	\$2,324,889
State Schools			
Metropolitan School	\$11,648,256	\$11,085,049	(\$563,207)
School for the Deaf	6,090,005	5,997,510	(92,495)
Davies School	13,381,539	12,792,048	(589,491)
Subtotal	\$31,119,800	\$29,874,607	(\$1,245,193)
Other Aid			
Teachers' Retirement	\$76,075,296	\$81,691,253	\$5,615,957
School Housing Aid	72,034,378	69,949,504	(2,084,874)
Subtotal	\$148,109,674	\$151,640,757	\$3,531,083
Total Aid	\$910,079,905	\$944,807,522	\$34,727,617

Education Aid to Local Units of Government

Distributed LEA Aid	FY 2013 Revised	FY 2014 Enacted	Increase/ (Decrease)
Barrington	\$ 3,321,232	\$ 3,918,965	\$ 597,733
Burrillville	12,957,679	13,042,387	84,708
Charlestown	1,677,912	1,706,995	29,083
Coventry	19,681,513	20,300,158	618,645
Cranston	39,357,220	42,982,101	3,624,881
Cumberland	13,786,524	14,621,350	834,826
East Greenwich	1,933,139	2,266,168	333,029
East Providence	26,920,637	28,039,793	1,119,156
Foster	1,209,152	1,189,070	(20,082)
Glocester	2,785,722	2,683,922	(101,800)
Hopkinton	5,560,369	5,515,535	(44,834)
Jamestown	358,137	359,449	1,312
Johnston	10,916,882	11,756,085	839,203
Lincoln	8,138,012	8,957,047	819,035
Little Compton	338,666	365,270	26,604
Middletown	9,282,092	9,098,862	(183,230)
Narragansett	1,661,461	1,799,609	138,148
Newport	10,657,837	10,641,310	(16,527)
New Shoreham	69,634	75,366	5,732
North Kingstown	10,755,311	10,791,146	35,835
North Providence	14,025,693	14,984,604	958,911
North Smithfield	5,116,230	5,364,804	248,574
Pawtucket	68,241,462	71,454,232	3,212,770
Portsmouth	5,379,137	5,125,144	(253,993)
Providence	197,728,205	205,733,050	8,004,845
Richmond	5,420,353	5,335,436	(84,917)
Scituate	3,500,030	3,685,657	185,627
Smithfield	4,953,864	4,924,041	(29,823)
South Kingstown	8,474,120	8,100,495	(373,625)
Tiverton	5,671,905	5,769,004	97,099
Warwick	34,407,725	35,092,103	684,378
Westerly	6,560,341	7,122,961	562,620
West Warwick	19,739,060	20,265,989	526,929
Woonsocket	46,715,235	48,092,469	1,377,234
Bristol/Warren	17,331,724	16,575,588	(756,136)
Exeter/W Greenwich	6,328,850	6,068,269	(260,581)
Chariho District	306,562	268,242	(38,320)
Foster/Glocester	5,091,550	5,001,610	(89,940)
Central Falls	39,705,880	38,399,592	(1,306,288)
Subtotal	\$ 676,067,057	\$ 697,473,874	\$ 21,406,821

Education Aid to Local Units of Government

	FY 2013 Revised	FY 2014 Recommend	Increase/ (Decrease)
Distributed LEA Aid			
Achievement First	\$ -	\$ 1,745,202	\$ 1,745,202
Beacon Charter School	1,694,107	1,682,079	(12,028)
Blackstone Academy	1,588,944	1,619,062	30,118
Compass School	579,647	561,195	(18,452)
Greene School	898,333	892,101	(6,232)
Highlander	2,733,717	3,331,257	597,540
International Charter School	2,876,846	2,867,619	(9,227)
Kingston Hill Academy	689,636	653,830	(35,806)
Learning Community	6,095,627	6,122,147	26,520
New England Laborers	1,255,888	1,230,541	(25,347)
Nowell Academy	-	1,573,568	1,573,568
Nurses Institute	1,633,673	2,478,686	845,013
Paul Cuffee Charter School	7,588,913	7,962,677	373,764
RIMA Blackstone Valley	6,076,368	7,818,591	1,742,223
Segue Institute for Learning	2,572,083	2,596,191	24,108
Textron	2,323,013	2,342,238	19,225
Times 2 Academy	7,054,405	7,013,322	(41,083)
Trinity Academy	1,073,542	1,448,044	374,502
Village Green	-	1,209,709	1,209,709
Subtotal	\$ 46,734,743	\$ 55,148,061	\$ 8,413,318
Urban Collaborative	\$ -	\$ 296,703	\$ 296,703
Distributed LEA Subtotal	\$ 722,801,800	\$ 752,918,638	\$ 30,116,842
 Non-Distributed Aid			
	FY 2013 Revised	FY 2014 Recommend	Difference
Textbook Expansion	\$ 240,000	\$ 240,000	\$ -
School Breakfast	270,000	270,000	-
Telecommunications Access	-	400,000	400,000
Early Childhood Demonstration	1,450,000	1,950,000	500,000
Transportation Categorical	2,175,680	3,263,520	1,087,840
High Cost Special Ed Categorical	500,000	1,000,000	500,000
Career and Tech Categorical	3,000,000	3,000,000	-
Regionalization Bonus	412,951	-	(412,951)
Full-Day Kindergarten	-	250,000	250,000
Subtotal	\$ 8,048,631	\$ 10,373,520	\$ 2,324,889

Education Aid to Local Units of Government

State Schools

Metropolitan School	\$ 11,648,256	\$ 11,085,049	\$ (563,207)
School for the Deaf	6,090,005	5,997,510	(92,495)
Davies School	13,381,539	12,792,048	(589,491)
Subtotal	\$ 31,119,800	\$ 29,874,607	\$ (1,245,193)

Other Aid

Teachers' Retirement	\$ 76,075,296	\$ 81,691,253	\$ 5,615,957
School Housing Aid	72,034,378	69,949,504	(2,084,874)
Subtotal	\$ 148,109,674	\$ 151,640,757	\$ 3,531,083
Total	\$ 910,079,905	\$ 944,807,522	\$ 34,727,617

RI Capital Plan Fund

Rhode Island Capital Plan Fund

The enacted FY 2014 budget for the Rhode Island Capital Plan Fund is \$167.5 million or \$51.7 million more than the FY 2013 final authorized budget. The enacted five-year RI Capital Plan Fund budget from FY 2014 through FY 2018 totals \$577.1 million, reflecting a \$133.5 million increase above the FY 2013 original enacted RI Capital Plan Fund budget for the same period. The FY 2013 final revised RI Capital Plan Fund budget totals \$115.8 million, a \$34.5 million reduction from the FY 2013 enacted budget, inclusive of reappropriations of unspent FY 2012 funds. The FY 2014 enacted five-year RI Capital Plan Fund budget is broken out by year below, including the FY 2013 final revised appropriation.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
FY 2013 Enacted	\$150,236,531*	\$143,996,897	\$99,253,091	\$86,235,150	\$95,514,510	\$16,617,000
FY 2014 Enacted	\$115,773,718	\$167,523,611	\$128,931,437	\$110,609,222	\$88,634,982	\$81,428,884
Variance	(\$34,462,813)	\$23,526,714	\$29,678,346	\$24,374,072	(\$6,879,528)	\$64,811,884

* Includes \$27.9 million in FY 2012 reappropriations

In the FY 2014 five-year plan for the RI Capital Plan Fund, the largest portion of funds is allocated to Education programs, with a budget totaling \$142.7 million, or 24.7 percent of funds in the five-year plan. The revised FY 2013 RI Capital Plan Fund budget increases \$2.7 million from the FY 2013 enacted budget, however, financing for Education in the FY 2014 five-year plan decreases by \$5.0 million. Higher Education projects comprise 90.4 percent of funds with a five-year plan totaling \$128.9 million, and consist primarily of asset protection and campus enhancement projects. The most substantial projects are University of Rhode Island asset protection (\$36.2 million), Community College of Rhode Island Knight Campus renewal (\$20.1 million), and Rhode Island College infrastructure modernization (\$17.5 million).

Transportation projects comprise 23.8 percent of the FY 2014 RI Capital Plan Fund five-year plan with a total budget of \$137.2 million. The five-year plan reflects a \$30.5 million increase from the FY 2013 plan for the same time period. The revised FY 2013 RI Capital Plan Fund budget for Transportation is \$24.8 million, a \$1.6 million decrease from the FY 2013 enacted authorization. Transportation has one new capital project; a capital equipment replacement plan financed entirely by the RI Capital Plan Fund with an annual \$1.0 million budget in FY 2013 through FY 2018. The majority of the five-year RI Capital Plan fund budget is attributable to the Highway Improvement Plan, totaling \$112.4 million in FY 2014 through FY 2018. Financing from the Fund is only a small portion of the financing for the Highway Improvement Plan, which receives financing from federal highway funds, gas tax proceeds, land sale revenue, general obligation bonds and vehicle registration fees.

The five-year RI Capital Plan Fund budget for the General Government program consists of \$110.1 million, or 19.1 percent of the statewide five-year plan, reflecting a \$37.1 million increase above the FY 2013 plan for the same period. The revised FY 2013 RI Capital Plan Fund budget decreases by \$14.5 million from the enacted FY 2013 budget, resulting in a total appropriation of \$23.9 million. The decrease is primarily attributable to projects being shifted to subsequent fiscal years as a result of revised timelines. The Department of Administration comprises the vast majority of the General Government appropriation, with a five-year RI Capital Plan Fund budget totaling \$108.1 million, or 98.2 percent of the General Government's allocation. The Department's capital budget includes capital and facilities management projects across a myriad of state properties and agencies, including numerous projects at the Pastore Center Campus, State House and the Capitol Hill complex. The Department's five-year plan encompasses a number of new projects, including repairs and infrastructure maintenance at the Dunkin Donuts Center (\$6.5 million), Convention Center (\$5.0 million), Harrington Hall (\$1.5 million), and the Virks building (\$1.0 million), as well as the purchase of land across from the Veteran's Memorial Auditorium, totaling \$4.2 million. Other notable projects in the five-year plan include renovations at the State House (\$14.3 million) and the Department of Transportation's State Office Building (\$10.5 million), demolition of unsound structures at

RI Capital Plan Fund - Five Year Capital Plan As Enacted

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Government					
Administration	\$42,532,174	\$24,412,500	\$17,357,500	\$15,027,500	\$8,817,500
Labor and Training	702,000	962,500	152,000	-	-
Revenue	150,000	-	-	-	-
Subtotal - General Government	\$43,384,174	\$25,375,000	\$17,509,500	\$15,027,500	\$8,817,500
Human Services					
Children, Youth, and Families	\$1,590,000	\$775,000	\$492,000	-	-
Human Services	165,000	165,000	165,000	165,000	165,000
Behavioral Healthcare, Developmental Disabilities, and Hospitals	10,600,431	18,306,406	20,705,161	8,625,000	4,450,000
Governor's Commission on Disabilities	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Subtotal - Human Services	\$13,355,431	\$20,246,406	\$23,362,161	\$10,790,000	\$6,615,000
Education					
Elementary and Secondary	\$7,561,187	\$4,576,384	\$1,002,996	\$371,500	\$250,000
Higher Education - Board of Governors	30,019,250	22,346,853	20,747,400	23,445,800	30,561,384
RI Atomic Energy Commission	50,000	50,000	50,000	50,000	50,000
Historical Preservation and Heritage Commission	1,000,000	575,000	-	-	-
Subtotal - Education	\$38,630,437	\$27,548,237	\$21,800,396	\$23,867,300	\$30,861,384
Public Safety					
Attorney General	\$50,000	\$150,000	\$150,000	\$150,000	\$150,000
Corrections	17,469,751	12,440,794	10,913,415	5,926,432	3,160,000
Judicial	1,515,000	1,200,000	3,450,000	2,125,000	2,200,000
Military Staff	3,408,000	1,005,000	1,013,750	1,053,750	975,000
Public Safety	3,144,743	4,237,000	725,000	225,000	-
Subtotal - Public Safety	\$25,587,494	\$19,032,794	\$16,252,165	\$9,480,182	\$6,485,000
Natural Resources					
Environmental Management	\$19,515,865	\$5,775,000	\$4,315,000	\$3,000,000	\$2,250,000
Coastal Resources Management Council	-	1,000,000	-	-	-
Subtotal - Natural Resources	\$19,515,865	\$6,775,000	\$4,315,000	\$3,000,000	\$2,250,000
Transportation					
Transportation	\$27,050,210	\$29,954,000	\$27,370,000	\$26,470,000	\$26,400,000
Subtotal - Transportation	\$27,050,210	\$29,954,000	\$27,370,000	\$26,470,000	\$26,400,000
Total Statewide	\$167,523,611	\$128,931,437	\$110,609,222	\$88,634,982	\$81,428,884

Five-Year Forecast

FY 2014 – FY 2018 Overview

Summary

The Five-Year Financial Projection is prepared at the time of the Governor's recommended budget submission pursuant to Section 35-3-1 of the Rhode Island General Laws, which requires that, the Budget Officer:

- (6) Prepare a five-year financial projection of anticipated general revenue receipts and expenditures, including detail of principal revenue sources and expenditures by major program areas, which projection shall be included in the budget submitted to the general assembly pursuant to subsection 35-3-7.

The five-year financial projection presented in the following pages has been updated from the one prepared in January 2013 based on the final enacted budget for FY 2014. The projection includes tables that present anticipated revenues and expenditures for the five fiscal years ending in June 2018. Also included are tables that provide detail on the planning values used in these projections. The planning values reflect policy assumptions, as well as economic and demographic forecasts.

The purpose of the five-year forecast is to provide a baseline fiscal outlook for the State of Rhode Island. Although the forecast may be used as a benchmark in assessing the affordability and desirability of alternative policy options, caution should be exercised in the interpretation of the forecast. Forward-looking estimates, such as those made in this forecast, are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from those projected. Many of these risks, such as national economic and business conditions, political or legal impediments, are beyond the control of the State. The estimates and forecasts made here are as of the date they were prepared and will change as factors used in the forecasts change.

From the FY 2014 budget base, expenditures will exceed revenues in each of the out-years projected through FY 2018. The projected operating deficits by fiscal year are as follows: \$149.2 million in FY 2015, \$215.3 million in FY 2016, \$325.0 million in FY 2017, and \$410.4 million in FY 2018. In percentage terms, the deficits are projected to range from 4.3 percent of spending in FY 2015 to 10.4 percent of spending in FY 2018. The expenditure-side of the budget is estimated to increase at an average annual rate 4.0 percent from the FY 2014 base to FY 2018. Inflation, however, as measured by the United States consumer price index for all urban consumers (CPI-U), is expected to grow at an average annual rate of 2.3 percent over this same period.

The Governor is constitutionally obligated to submit and the General Assembly to enact a balanced budget. As such, the deficits projected in any given fiscal year in this five year projection are not carried over to an ensuing year under the expectation that such deficits will be resolved in the respective fiscal year.

Projected out year revenues are significantly impacted by the expected opening of gaming facilities in Massachusetts in the coming years. Lottery transfers to the State general fund are projected to diminish by a total of \$293.2 million over the five year forecast period, due to the increased competition to Rhode Island's gaming facilities in Lincoln and Newport. Without this impact on Rhode Island's revenues, the five year forecast would show deficits of \$149.2 million in FY 2015, \$165.9 million in FY 2016, \$220.6 million in FY 2017, and \$278.9 million in FY 2018.

The five year projection anticipates average annual general revenue growth of approximately 1.8 percent beyond the budget year, based upon the adopted May 2013 Revenue Estimating Conference forecast for the Rhode Island economy and the enacted revenues. The forecast underlying the five year projection assumes

FY 2014 – FY 2018 Overview

that the recovery in the Rhode Island economy which started in FY 2011 will regain momentum in FY 2014 and FY 2015. The underlying forecasts in FY 2014 anticipate significant growth for wage and salaries and personal income, while the FY 2015 forecasts assumes acceleration in non-farm employment growth and a decrease in the unemployment rate.

On the expenditure side, average annual growth is projected to be 4.0 percent over the forecast period. This is comprised of average annual growth of 2.6 percent for personnel and operating, 5.3 percent for grants and benefits, 3.3 percent for local aid and 7.7 percent for debt service.

The wage projections contained in the personnel estimates assume no cost of living adjustment (COLA) in FY 2015, as none has been negotiated with the state employee unions. As a proxy for any negotiated COLAs, CPI has been used in FY 2016 and thereafter and an additional 0.75 percent increase has been used for step and educational incentive increases that occur annually.

Grants and Benefits are projected to increase by an average of 5.3 percent annually from FY 2014 to FY 2018. This growth rate results in an increase of \$267.5 million in this category of spending over the five year horizon. The growth rates used in the five year forecast were derived from state-specific Medicaid expenditure projections released by the Centers for Medicaid and Medicare Services (CMS) in June 2012. As these are national projections, they may or may not be valid for Rhode Island, but lacking more regionally applicable data, the State Budget Office selected these growth rates for use in this year's five year projections. Several projections under this section also use the CPI-U, particularly with respect to programs of (non-Medicaid) cash assistance.

The forecast takes into consideration changes made to the Medicaid programs in the enacted budget, including expansions authorized under the Affordable Care Act, which are fully funded with federal dollars until January 2017, at which time some state participation will be required.

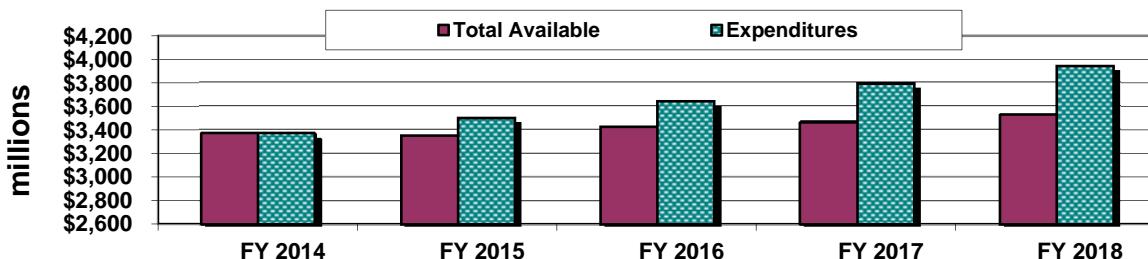
Local aid increases are primarily driven by continued phase-in of the education funding formula, which results in increased expenditures of \$147.8 million over the five year period. Other aid programs, such as PILOT, Distressed Communities Relief and Motor Vehicle Tax Reimbursements are assumed to remain level at the FY 2014 enacted appropriations. The new Municipal Incentive Aid program is assumed to remain in effect at \$5.0 million through FY 2016 and then sunset.

Finally, general revenue funded debt service is projected to increase by \$63.2 million over the forecast period. General revenue funded debt service on all tax supported obligations are projected to rise from \$190.0 million in FY 2014 to \$253.2 million in FY 2018, an increase of \$63.2 million. The increase is attributable to the issuance of debt for the Historic Tax Credit stabilization program, which increases by \$18.9 million, and the inclusion of funding for debt service on the \$75.0 million issuance under the EDC Job Creation Guaranty program, which adds approximately \$12.5 million annually beginning in FY 2015. Also included in the five year projection is continuation of the Governor's proposal to shift financing of transportation debt service from the Intermodal Surface Transportation Fund to general revenue over a five year period which began with the FY 2013 Budget as enacted shifting \$8.0 million to general revenue funding. The enacted FY 2014 budget increased this shift to \$9.25 million and the five year projections assume this increases by \$10 million annually until all such debt service is moved. This adds over \$40.0 million in general revenue expenditures by FY 2018.

General Revenue Outyear Estimates FY 2014 - FY 2018

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Opening Surplus⁽¹⁾	\$93.4	\$0.0	\$0.0	\$0.0	\$0.0
Plus:					
Taxes and Departmentals	2,971.7	3,037.5	3,157.7	3,248.3	3,327.6
Other Sources	409.3	418.2	375.0	325.6	308.5
Budget Stabilization Fund	(104.2)	(103.7)	(106.0)	(107.2)	(109.1)
Total Available	3,370.2	3,352.1	3,426.7	3,466.7	3,527.1
Minus Expenditures⁽²⁾	3,369.8	3,501.2	3,642.1	3,791.7	3,937.5
Equals Ending Balance	\$0.4	(\$149.2)	(\$215.3)	(\$325.0)	(\$410.4)
<i>Operating Surplus or Deficit</i>	<i>(\$93.0)</i>	<i>(\$149.2)</i>	<i>(\$215.3)</i>	<i>(\$325.0)</i>	<i>(\$410.4)</i>
Budget & Cash Stabilization Balance	\$173.7	\$172.8	\$176.6	\$178.7	\$181.8
RI Capital Fund Balance	\$29.3	\$5.0	(\$3.5)	\$16.5	\$41.1
Rhode Island Capital Fund					
<i>Capital Projects Disbursements</i>	<i>\$167.5</i>	<i>\$128.9</i>	<i>\$110.6</i>	<i>\$88.6</i>	<i>\$81.4</i>

Outyear Expenditures vs. Available Funds



⁽¹⁾ Under the Rhode Island Constitution, the budget must be balanced each year, thus deficits in any given fiscal year cannot be carried forward to the ensuing fiscal year.

⁽²⁾ FY 2014 expenditures include a transfer of \$10.0 million to an Accelerated Depreciation Fund.

General Revenue Outyear Estimates

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Personal Income Tax	\$ 1,109,154,500	\$ 1,157,250,494	\$ 1,216,395,759	\$ 1,267,814,368	\$ 1,305,034,180
General Business Taxes:					
Business Corporations	141,300,000	137,401,081	154,958,490	166,201,161	174,321,897
Public Utilities	94,900,000	95,219,717	95,272,911	95,280,542	95,399,833
Financial Institutions	4,300,000	4,853,986	4,952,159	4,760,532	4,412,141
Insurance Companies	98,815,832	104,604,901	110,923,032	114,056,533	116,915,429
Bank Deposits	2,500,000	2,604,858	2,709,714	2,814,572	2,919,431
Health Care Provider	42,610,544	43,579,866	45,115,047	46,644,096	48,167,039
General Business Taxes	\$ 384,426,376	\$ 388,264,409	\$ 413,931,352	\$ 429,757,436	\$ 442,135,771
Sales and Use Taxes:					
Sales and Use	887,201,672	904,019,665	938,761,009	965,350,170	991,344,758
Motor Vehicle	51,800,000	52,734,184	55,069,343	54,197,494	54,885,487
Motor Fuel	1,000,000	965,862	984,871	974,300	1,023,892
Cigarettes	130,700,000	126,600,761	122,666,133	118,687,643	114,797,298
Alcohol	18,173,328	17,151,117	12,915,535	13,272,469	13,568,632
Controlled Substances	-	-	-	-	-
Sales and Use Taxes	\$ 1,088,875,000	\$ 1,101,471,590	\$ 1,130,396,891	\$ 1,152,482,077	\$ 1,175,620,068
Other Taxes:					
Inheritance and Gift	31,800,000	32,315,195	33,221,535	34,125,649	35,031,009
Racing and Athletics	1,200,000	1,189,928	1,181,211	1,172,493	1,163,775
Realty Transfer Tax	7,500,000	7,724,121	7,567,926	7,998,169	8,356,951
Other Taxes	\$ 40,500,000	\$ 41,229,244	\$ 41,970,672	\$ 43,296,311	\$ 44,551,735
Total Taxes	\$ 2,622,955,876	\$ 2,688,215,736	\$ 2,802,694,674	\$ 2,893,350,191	\$ 2,967,341,754
Total Departmental Receipts	348,707,542	349,315,039	355,048,837	354,993,899	360,288,633
Taxes and Departmentals	\$ 2,971,663,418	\$ 3,037,530,775	\$ 3,157,743,510	\$ 3,248,344,091	\$ 3,327,630,386
Other Sources					
Other Miscellaneous	5,545,000	5,340,000	5,340,000	5,340,000	5,340,000
Lottery Commission Receipts	394,100,000	402,956,813	359,488,172	309,871,168	292,602,514
Unclaimed Property	9,700,000	9,899,743	10,124,397	10,364,523	10,599,603
Other Sources	\$ 409,345,000	\$ 418,196,556	\$ 374,952,570	\$ 325,575,690	\$ 308,542,117
Total General Revenues	\$ 3,381,008,418	\$ 3,455,727,331	\$ 3,532,696,080	\$ 3,573,919,781	\$ 3,636,172,503

General Revenue Outyear Estimates - Percentage Changes

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Personal Income Tax	3.1%	4.3%	5.1%	4.2%	2.9%
General Business Taxes:					
Business Corporations	3.1%	-2.8%	12.8%	7.3%	4.9%
Public Utilities	-3.5%	0.3%	0.1%	0.0%	0.1%
Financial Institutions	-66.4%	12.9%	2.0%	-3.9%	-7.3%
Insurance Companies	5.6%	5.9%	6.0%	2.8%	2.5%
Bank Deposits	0.0%	4.2%	4.0%	3.9%	3.7%
Health Care Provider	2.9%	2.3%	3.5%	3.4%	3.3%
General Business Taxes	-0.3%	1.0%	6.6%	3.8%	2.9%
Sales and Use Taxes:					
Sales and Use	1.7%	1.9%	3.8%	2.8%	2.7%
Motor Vehicle	1.4%	1.8%	4.4%	-1.6%	1.3%
Motor Fuel	25.0%	-3.4%	2.0%	-1.1%	5.1%
Cigarettes	-0.8%	-3.1%	-3.1%	-3.2%	-3.3%
Alcohol	51.4%	-5.6%	-24.7%	2.8%	2.2%
Controlled Substances					
Sales and Use Taxes	1.9%	1.2%	2.6%	2.0%	2.0%
Other Taxes:					
Inheritance and Gift	5.3%	1.6%	2.8%	2.7%	2.7%
Racing and Athletics	0.0%	-0.8%	-0.7%	-0.7%	-0.7%
Realty Transfer Tax	5.6%	3.0%	-2.0%	5.7%	4.5%
Other Taxes	5.2%	1.8%	1.8%	3.2%	2.9%
Total Taxes	2.2%	2.5%	4.3%	3.2%	2.6%
Total Departmental Receipts	-4.0%	0.2%	1.6%	0.0%	1.5%
Taxes and Departmentals	1.4%	2.2%	4.0%	2.9%	2.4%
Other Sources					
Gas Tax Transfers	n/a	n/a	n/a	n/a	n/a
Other Miscellaneous	-2.1%	-3.7%	0.0%	0.0%	0.0%
Lottery Commission Receipts	3.7%	2.2%	-10.8%	-13.8%	-5.6%
Unclaimed Property	38.6%	2.1%	2.3%	2.4%	2.3%
Other Sources	4.2%	2.2%	-10.3%	-13.2%	-5.2%
Total General Revenues	1.7%	2.2%	2.2%	1.2%	1.7%

General Revenue Outyear Expenditure Estimates

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
State Operations					
Personnel	\$866,100,000	\$877,000,000	\$910,600,000	\$943,000,000	\$975,300,000
Other State Operations	135,200,000	135,200,000	138,500,000	141,900,000	145,200,000
Impact of Initiatives/Other Changes	-	(8,102,000)	(6,784,266)	(11,660,000)	(11,660,000)
Subtotal	\$1,001,300,000	\$1,004,098,000	\$1,042,315,734	\$1,073,240,000	\$1,108,840,000
	0.3%	3.8%	3.0%	3.3%	
Grants and Benefits					
Executive Office of Health and Human Services & Department of Human Services					
Hospitals	44,190,000	46,860,000	49,600,000	52,860,000	55,790,000
Managed Care	382,380,000	408,860,000	435,210,000	461,150,000	485,400,000
Nursing Care	179,260,000	188,310,000	196,960,000	207,090,000	219,180,000
Home Care (HCBS)	48,650,000	52,710,000	56,990,000	62,130,000	67,810,000
Other Medicaid	46,320,000	44,570,000	48,200,000	53,190,000	57,940,000
Pharmacy	1,610,000	1,740,000	1,850,000	2,030,000	2,190,000
DEA CNOM	3,260,000	3,530,000	3,820,000	4,160,000	4,540,000
Cash Assistance- RIW/CCAP/GPA	11,270,000	11,270,000	11,540,000	11,830,000	12,110,000
Cash Assistance - SSI	18,230,000	18,230,000	18,680,000	19,140,000	19,590,000
Clawback	50,110,000	50,110,000	51,320,000	52,600,000	53,840,000
DSH	63,310,000	63,310,000	63,310,000	63,310,000	63,310,000
HIV Care Program/ADAP	470,000	1,610,000	1,740,000	1,920,000	2,090,000
ACA- MA Population Expansion	-	-	-	5,510,000	13,200,000
ACA- Primary Care Rate Increase	-	4,650,000	9,900,000	10,490,000	11,040,000
Department of Children Youth & Families					
Children & Family Services	94,050,000	97,990,000	101,970,000	107,260,000	112,050,000
Department of Behavioral Healthcare, Developmental Disabilities & Hospitals					
Developmental Disabilities-Private	90,050,000	94,360,000	98,200,000	103,290,000	107,900,000
Integrated Mental Health	29,880,000	29,730,000	30,940,000	32,540,000	34,000,000
Substance Abuse	7,730,000	7,640,000	7,950,000	8,370,000	8,740,000
Other Grants and Benefits	101,280,000	101,280,000	103,730,000	106,310,000	108,820,000
Subtotal	\$1,172,050,000	\$1,226,760,000	\$1,291,910,000	\$1,365,180,000	\$1,439,540,000
	4.7%	5.3%	5.7%	5.4%	
Local Aid					
Education Aid	924,550,000	972,310,000	999,640,000	1,031,210,000	1,068,330,000
Municipal Incentive Aid	5,000,000	5,000,000	5,000,000	-	-
Motor Vehicle Tax Reimbursements	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
PILOT	35,080,000	35,080,000	35,080,000	35,080,000	35,080,000
Distressed Communities	10,380,000	10,380,000	10,380,000	10,380,000	10,380,000
Library Aid	11,270,000	11,100,000	11,650,000	11,700,000	11,050,000
Property Revaluation Prgm	520,000	520,000	1,980,000	620,000	1,040,000
Subtotal	\$996,800,000	\$1,044,390,000	\$1,073,730,000	\$1,098,990,000	\$1,135,880,000
	4.8%	2.8%	2.4%	3.4%	
Capital					
<i>Debt Service</i>					
General Obligation	88,080,000	92,020,000	85,920,000	90,170,000	80,750,000
Transportation Debt to General Revenue	9,250,000	19,250,000	29,250,000	39,250,000	49,250,000
Historic Tax Credit Program	23,330,000	31,670,000	33,640,000	42,130,000	42,250,000
EDC Job Creation Guaranty	2,430,000	12,680,000	12,500,000	12,450,000	12,380,000
COPS/Other Leases	30,698,000	34,150,000	36,590,000	34,130,000	32,370,000
Convention Center	23,140,000	23,080,000	23,080,000	23,070,000	23,070,000
Performance Based	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
TANS	-	-	-	-	-
<i>Capital Improvements</i>					
Other Projects	6,100,000	6,120,000	6,120,000	6,120,000	6,120,000
Subtotal	\$190,028,000	\$225,970,000	\$234,100,000	\$254,320,000	\$253,190,000
	18.9%	3.6%	8.6%	-0.4%	
Total	\$3,360,178,000	\$3,501,218,000	\$3,642,055,734	\$3,791,730,000	\$3,937,450,000
Difference		\$141,040,000	\$140,837,734	\$149,674,266	\$145,720,000
		4.20%	4.02%	4.11%	3.84%

General Revenue Outyear Planning Values

Estimates and Growth	FY2014	FY2015	FY2016	FY2017	FY2018
Personal Income (billions) [1]	\$49.5	\$52.8	\$56.4	\$59.7	\$62.2
Change	4.1%	6.5%	6.8%	5.9%	4.3%
Nonfarm Employment (thousands) [1]	471.0	480.4	492.8	501.8	505.3
Change	1.0%	2.0%	2.6%	1.8%	0.7%
Personal Income Tax					
Wages and Salaries [1]	4.9%	6.5%	7.4%	6.7%	4.8%
Business Corporation Tax [2]	2.4%	12.8%	9.3%	4.7%	2.6%
Provider Tax [3]	2.9%	2.3%	3.5%	3.4%	3.3%
Sales Tax					
Wages and Salaries [1]	4.9%	6.5%	7.4%	6.7%	4.8%
Gasoline Tax					
Real Consumption [4]	3.2%	3.0%	2.0%	1.3%	0.9%
Other Taxes and Departmentals [14]	-1.7%	0.5%	0.9%	0.0%	0.8%
CPI-U (U.S.) [1]	1.9%	2.2%	2.4%	2.5%	2.4%
Salaries and Fringe Benefits					
Salary COLA - [10], CPI-U [1]	1.9%	0.0%	2.4%	2.5%	2.4%
Steps and Longevity Increases [15]	0.0%	0.75%	0.75%	0.75%	0.75%
Medical Benefits Cost Growth [8]	6.0%	7.0%	6.4%	6.0%	5.3%
Retiree Health Rates [11]	7.07%	6.75%	6.75%	6.75%	6.75%
State Employees Retirement Rates [12]	23.05%	23.33%	24.03%	24.13%	24.33%
Home Health Care					
Expenditure Growth [5]	7.4%	7.6%	8.1%	9.0%	9.2%
Nursing Home Care					
Expenditure Growth [6]	4.0%	4.3%	4.6%	5.1%	5.8%
Managed Care/State Employee Plan					
Expenditure Growth [8]	6.0%	7.0%	6.4%	6.0%	5.3%
Other Medicaid					
Expenditure Growth [7]	7.8%	8.4%	8.1%	10.4%	8.9%
BHDDH- Mental Health					
Expenditure Growth [16]	3.9%	4.2%	4.1%	5.2%	4.5%
DCYF Services					
Expenditure Growth [16]	3.9%	4.2%	4.1%	5.2%	4.5%
BHDDH- MR/DD					
Expenditure Growth [16]	3.9%	4.2%	4.1%	5.2%	4.5%
Pharmacy					
Expenditure Growth [9]	10.6%	7.4%	6.1%	9.6%	8.3%
Hospital Care					
Expenditure Growth [13]	5.3%	5.3%	5.8%	6.6%	5.5%

[1] May 2013 Revenue Estimating Conference Consensus Economic Forecast., FY 2014 - FY 2018.

[2] Moody's Economy.com Quarterly U.S. Economic Forecast May 2013, Nominal Corporate Profits Before Tax.

[3] State of Rhode Island Budget Office Estimate

[4] Moody's Economy.com Quarterly U.S. Economic Forecast May 2013, Real Gasoline and Oil Consumption.

[5] CMS National Health Expenditures Historical and Projections June 2012, Home Health Care: State and Local Government

[6] CMS National Health Expenditures Historical and Projections June 2012, Nursing Home Care: State and Local Government

[7] CMS National Health Expenditures Historical and Projections June 2012, Physician as Proxy: State and Local Government

[8] CMS National Health Expenditures Historical and Projections January 2012, 1970-2021, Total Health Expenditures: Private Insurance as proxy

[9] CMS National Health Expenditures Historical and Projections June 2012, Prescription Drugs: State and Local Government

[10] Based on CPI.

[11] State of Rhode Island Budget Office Estimate consistent with actuarial rate.

[12] Estimate of actuarially required contribution based upon a % of payroll (GRS analysis of RI Retirement Security Act, Nov. 2011)

[13] CMS National Health Expenditures Historical and Projections June 2012, Hospital Care: State and Local Government

[14] State of Rhode Island Budget Office Estimate, Consisting of all Other Taxes plus Departmentals minus Personal Income, Business Corporation, Health Care Provider Assessment, Sales and Use Taxes and Other Sources

[15] Step increases only; longevity increases no longer apply.

[16] CMS National Health Expenditures Historical and Projections June 2012, One half of Physician as Proxy: State and Local Government

[17] No extraordinary decrease in expenditures unique to RI is forecasted in this five year forecast.