



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
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Memorandum

To: The Honorable Helio Melo
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

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

Date: March 20, 2013

Subject: Amendments to FY 2014 Appropriations Act (13-H-5127)

The Governor requests that several amendments be made to the FY 2014 Appropriations Act, which was submitted to the General Assembly on January 16, 2013. The amendments include changes to appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2014, and Article 10, Relating to Making Revised Appropriations in Support of FY 2013. The Governor also requests that changes be made to Article 6, Relating to Division of Motor Vehicles; Article 11, Relating to Municipal Incentive Aid; Article 16, Relating to Restricted Receipt Accounts; and Article 23, Relating to Historic Structures - Tax Credits. Please replace the original Article 6 and Article 11 with the attached new versions. A description and explanation of the requested changes is provided below.

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

TAM:13-Amend01
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Eugene Gessow, Senate Fiscal Advisor
Kelly Mahoney, Director of Policy
Richard Licht, Director of Administration
Peter Marino, Director, Office of Management and Budget
Gregory Stack, Supervising Budget Analyst

**ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY
2014**

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2014

Department of Administration

Increase Federal Funds in the Planning Program, Page 4, Line 33 by \$2,000,000 from \$6,935,098 to \$8,935,098. The Planning Division recently received notification from the US Department of Housing and Urban Development of a new \$4.6 million Community Development Block Grant award. Of this amount, the Planning Division expects to spend \$2.0 million in FY 2013, \$2.0 million in FY 2014, and \$584,584 in FY 2015. Because the payments to cities and towns are on a reimbursement basis, actual expenditures may vary from the annual amounts budgeted. All of the funding is disbursed to cities and towns. The grant period is for three years, however, extensions are allowed.

Office of the Lieutenant Governor

Increase Federal Funds, Page 11, Line 14 by \$969,380 from \$139,108 to \$1,108,488. The Office of the Lieutenant Governor was recently awarded a \$1.6 million State Innovation Model grant focused on healthcare payment and delivery system reform from the Center for Medicare and Medicaid Innovation. The Office expects to spend \$661,666 of this amount in FY 2013 and \$969,380 in FY 2014. The performance period for the grant is six months and work on the grant is expected to begin April 1, 2013.

Office of the General Treasurer

Insert "Restricted Receipt - \$40,000", Page 12, after Line 7. This amendment is comprised of two parts. First, the Office of the General Treasurer was notified of a private foundation grant in the approximate amount of \$70,000 to hire an Economic Policy Analyst, after the Governor's recommendation was submitted. The \$40,000 in financing recommended for FY 2014 will provide part-year salary and benefits for one FTE in the Policy division, with the remaining \$30,000 recommended for FY 2013.

Department of Children, Youth & Families

No net change or Article 1 change in Restricted Receipts in the Central Management program. There is a natural account change in the Indirect Cost Restricted Receipt account. The change distributes expenditures amongst an array of operating costs in order to correspond with the general revenue natural accounts that were reduced and shifted to the restricted receipt account.

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase General Revenue – Services for the Developmentally Disabled, Page 19, Line 16 by \$739,579 from \$108,028,405 to \$108,767,984. This change consists of three components. There is an increase of \$375,993 to restore funding associated with the closing of a Special Care Facility. This reduction is shifted to the Hospital program to represent the closing of one of the Zambarano Group Homes. There is also a reduction of \$112,878 in the general revenue grants category in the RICLAS program. This adjustment accounts for the statewide benefits reduction taken from personnel funding in the corresponding restricted receipts 'net budget' account. The final component of this change includes an addition of \$476,464, which adjusts the ACA savings initiative within the Developmentally Disabled and Behavioral Healthcare programs that had been inaccurately distributed amongst the CNOM accounts in the Governor's recommendation. This adjustment also reduces the overall general revenue net reduction from \$2.2 million to \$2.1 million due to a partial restoration of savings that had been 'double counted' because it overlapped with the Housing First Initiative (Behavioral Healthcare program).

Increase Federal Funds – Services for the Developmentally Disabled, Page 19, Line 17 by \$755,126 from 110,323,704 to 111,078,830. This change consists of three components. There is an increase of \$439,338 to restore funding associated with the closing of a Special Care Facility. This reduction is shifted to the Hospital program to represent the closing of one of the Zambarano Group Homes. There is a reduction of \$114,699 in the federal grants category in the RICLAS program. This adjustment accounts for the statewide benefits reduction taken out of personnel in the corresponding restricted receipts 'net budget' account. The final component of this change includes an addition of \$430,487, which corrects the ACA savings initiative in the CNOM account for this program, as explained above.

Decrease General Revenue- Behavioral Healthcare Services, Page 19, Line 27 by \$354,561 from \$43,410,276 to \$43,055,715. This reduction corrects the ACA savings initiative in the CNOM accounts for this program, as explained above.

Decrease Federal Funds - Behavioral Healthcare Services, Page 19, Line 29 by \$714,604 from \$56,653,732 to \$55,939,128. This reduction corrects the ACA savings initiative in the CNOM accounts for this program, as explained above.

Decrease General Revenue – Hospital and Community Rehabilitative Services, Page 20, Line 8 by \$663,365 from \$52,067,961 to \$51,404,596. This change consists of two components. There is restoration of funding in the Developmentally Disabled program associated with the closing of a Special Care Facility. This error is corrected and the savings are shifted to the Hospital program to represent the closing of one of the Zambarano Group Homes, a reduction of \$375,993. There is a reduction of \$287,372 in the general revenue grants category in the RICLAS program. This adjustment accounts for the statewide benefits

reduction taken out of personnel in the corresponding restricted receipts 'net budget' account.

Decrease Federal – Hospital and Community Rehabilitative Services, Page 20, Line 9 by \$424,205 from \$52,462,932 to \$52,038,727. This change consists of two components. There is restoration of funding in the Developmentally Disabled program associated with the closing of a Special Care Facility. This error is corrected and the savings are shifted to the Hospital program to represent the closing of one of the Zambarano Group Homes, a reduction of \$132,198. There is a reduction of \$292,007 in the federal grants category in the RICLAS program. This adjustment accounts for the statewide benefits reduction taken out of personnel in the corresponding restricted receipts 'net budget' account.

Department of Elementary and Secondary Education

Increase General Revenue – Davies Career and Technical School, Page 21, Line 32 by \$86,380 from \$12,716,908 to \$12,803,288. The Governor recommends restoring financing that was inadvertently removed due to statewide adjustments. The amount allocated to Davies each year is calculated pursuant to the education aid funding formula and thus savings in medical insurance expenses should not have been withdrawn.

Department of the Attorney General

Increase Federal Funds – Criminal, Page 27, Line 8 by \$11,000 from \$1,608,932 to \$1,619,532. The Governor recommends additional federal funds from the Victims of Crime Assistance federal grant award. The total grant award is \$41,000, of which \$30,000 will be spent in FY 2013 with the remaining \$11,000 being spent in FY 2014. The grant award must be expended by September 30, 2014.

Department of the Environmental Management

Increase Federal Funds – Natural Resources, Page 32, Line 22 by \$3,103,402 from \$23,854,063 to \$26,957,465. The Governor recommends additional federal funds based on new federal grant awards received after the Governor's budget submission. The Governor includes \$195,095 for Artificial Reef Research grant, which expires December 31, 2017. This increase also includes \$2,908,307 for RI Commercial Fishing Infrastructure Improvements, expiring June 30, 2015.

Coastal Resources Management Council

Decrease Federal Funds – Stimulus, Page 33, Line 22 by \$352,240 from \$757,914 to \$405,674. The Governor recommends a reduction in FY 2014 funds in the R.I. River Ecosystem Restoration Program and shifting this funding authorization to FY 2013 to match the agency's revised spending plan.

SECTION 5, INTERNAL SERVICE FUND APPROPRIATIONS

The Governor requests that several amendments be made to the appropriations for Internal Service Funds (ISF) in FY 2014. The amendments correct ISF appropriation amounts and delineate other post employment benefits (OPEB) expenditures by category of employees. OPEB expenditures that were originally included in the budget under the Health Insurance Fund appropriation will now be shown separately. The requested ISF amendments are listed below:

Decrease "Health Insurance Internal Service Fund", Page 36, Line 6 by \$56,004,287 from \$306,132,044 to \$250,127,757.

Delete "Other Post-Employment Benefits Fund - \$719,545", Page 36, Line 7.

Insert on Page 36 after Line 6 the following new line "OPEB – Retired State Employees - \$49,727,160".

Insert on Page 36 after Line 6 the following new line "OPEB – Retired Higher Education Employees - \$2,536,462".

Insert on Page 36 after Line 6 the following new line "OPEB – Retired Teachers - \$7,531,279".

Insert on Page 36 after Line 6 the following new line "OPEB – Retired State Police - \$3,073,102".

Insert on Page 36 after Line 6 the following new line "OPEB – Retired Legislators - \$772,532".

Insert on Page 36 after Line 6 the following new line "OPEB – Retired Judges - \$931,493".

Change the word "Capital" to "Capitol" on page 36, line 8.

SECTION 9, APPROPRIATION OF UNIVERSITY AND COLLEGE FUNDS

Delete Section 9 in its entirety, and renumber subsequent sections accordingly. The House Fiscal Analyst and the Budget Office Analyst concur that this language is not needed because other sections of Rhode Island General Law provide authority for the expenditure of University and College Funds in excess of those amounts appropriated in Section 1 of Article 1.

SECTION 12, RHODE ISLAND CAPITAL PLAN MULTI-YEAR APPROPRIATIONS

On Page 39, delete the language on lines 3 through 12, and replace with the new language shown below:

SECTION 12. The amounts reflected in this Article include the appropriation of Rhode Island Capital Plan funds for fiscal year 2014 and supersede appropriations provided for FY 2014 within Section 11 of Article 1 of Chapter 241 of the P.L. of 2012.

The following amounts are hereby appropriated out of any money in the State's Rhode Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017. These amounts supersede appropriations provided within Section 11 of Article 1 of Chapter 241 of the P.L. of 2012. For the purposes and functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw his or her orders upon the General Treasurer for the payment of such sums and such portions thereof as may be required by him or her upon receipt of properly authenticated vouchers.

This change is needed because the years of the multi-year appropriations were incorrect. The Budget Office inadvertently included language from the FY 2013 Appropriations Act in Section 12 of the FY 2014 Appropriations Act.

ARTICLE 6, RELATING TO DIVISION OF MOTOR VEHICLES

Replace Article 6 in its entirety with the attached version. This new version of Article 6 makes extensive changes to Section 2 of the article. The original version of Article 6 differentiated between biennial and annual registration periodicity regardless of vehicle type. The new version of Article 6 considers the timing of registration renewals as it pertains to vehicles but not trailers. Thus, a vehicle or truck that has a biennial registration will face a \$10.00 per year phase-in schedule until a full \$30.00 surcharge is attained, unless the registration plate type for the vehicle or truck is Antique, Farm or Motorcycle. For the Antique, Farm and Motorcycle registration plate types, the schedule outlined in the original version of Article 6 would be used. It should be noted that the registration plate type Veteran, which was included with the Antique, Farm and Motorcycle registration plate types in the original version of Article 6, has been removed. Veteran registration plate types will be subject to the same surcharge amount as any other vehicle or truck with the surcharge amount dependent on the vehicle or truck's registration periodicity. This change is consistent with current law where the owner of a Veteran registration plate type pays the same registration fees as the owner of a standard registration plate type.

The new version of Article 6 changes the treatment of trailers with respect to the surcharge amount per registration. The surcharge amount for the registration of a trailer will be one-half of the registration cost for a trailer. The surcharge amount, similar to the case of Antique, Farm and Motorcycle registration plates, will be payable in full at the time of the next registration rather than being phased-in over a three year period. Under the original version of Article 6, trailers were subject to the same registration surcharge amounts and payment schedule as a vehicle or

truck. Preservation of this treatment would have resulted in registrants of trailers paying more in registration surcharges than in actual registration fees.

The new version of Article 6 also increases the number of annual registration plate types that are subject to registration surcharge fees that are less than the registration surcharge fees specified for standard annual registration plate types. The registration plate types added are Boat Dealer, Cycle Dealer, Manufacturer, New Car Dealer, Used Car Dealer, and Racer Tow. These registration plate types currently pay registration fees below that of a standard annual registration plate type. The new version of Article 6 sets registration surcharge amounts commensurate with the current registration fee for these plate types.

Finally, the new version of Article 6 sets registration surcharge fees for school buses at \$6.25 per year with a two year phase-in period up to a maximum of \$12.50 per registration. The change in the treatment of school buses with regard to registration surcharge fees is done to make the surcharge consistent with the current registration fee for school buses, which are less than the registration fees for standard annual registration plate types.

The new version of Article 6 is expected to reduce registration surcharge revenue in FY 2014 by \$346,995, as compared to the original version of this article. The attached spreadsheets show the reduction in surcharge revenue by plate type.

ARTICLE 10, RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2013

SECTION 1, REVISED APPROPRIATIONS IN SUPPORT OF FY 2013

Department of Administration

Decrease Restricted Receipt Expenditures in the Information Technology Program, Page 70, Line 10, by \$1,318,356 from \$5,111,272 to \$3,792,916. This amendment reduces the expenditures budgeted in the Information Technology Investment Fund from \$4,318,356 to the enacted appropriation of \$3,000,000. When the Governor rejected the Department's proposal to shift \$1,318,356 of surplus general revenue to the Information Technology Investment Fund, the Budget Office inadvertently did not reduce expenditures in the Information Technology Investment Fund account.

Increase Federal Funds in the Planning Program, Page 70, Line 21 by \$2,000,000 from \$9,548,977 to \$11,548,977. The Planning Division recently received notification from the US Department of Housing and Urban Development of a new \$4.6 million Community Development Block Grant award. Of this amount, the Planning Division expects to spend \$2.0 million in FY 2013, \$2.0 million in FY 2014, and \$584,584 in FY 2015. Because the payments to cities and towns are on a reimbursement basis, actual expenditures may vary from the annual amounts

budgeted. All of the funding is disbursed to cities and towns. The grant period is for three years, however, extensions are allowed.

Insert on Page 70, line 34 after North Central Airport “Newport-Middletown Airport, Block Island Airport, Quonset Airport, TF Green Airport”. The appropriations act as submitted by the Governor inadvertently left out these airports under the section on the distribution of Airport Impact Aid.

On Page 71, line 26, change “Pastore Center Rehab DOA” to “Pastore Medical Center Rehab DOA”.

On Page 72, line 11, change “Pastore Center Water Utility Systems” to “Pastore Center Water Tanks”.

On Page 72, line 17, change “I-95 Commission” to “I-195 Commission”.

Department of Business Regulation

Increase Federal Funds – Office of Health Insurance Commissioner Program, Page 74, Line 7, by \$3,344,007 from \$3,433,208 to \$6,777,215. The Governor recommends adding \$3,344,007 for the Exchange Establishment One grant related to the implementation of the Health Benefits Exchange, pursuant to the Affordable Healthcare Act. This funding will allow all \$6.7 million of the federal grant to be expended within the appropriate deadline of ninety days after the close of FY 2013.

Department of Labor and Training

Increase Federal Funds – Workforce Development Services, Page 75, Line 1, by \$500,000 from \$26,509,641 to \$27,009,641. The Governor recommends adding \$500,000 to Workforce Development Services due to federal funds awarded to the agency via the National Emergency Grant, for the purposes of hiring temporary workers to aid in Hurricane Sandy clean up.

Increase Federal Funds – Income Support, Page 75, Line 10, by \$41,515 from \$21,910,573 to \$21,952,088. The Governor recommends adding \$41,515 to Income Support federal funds per the Disaster Unemployment Insurance Grant in order to provide Unemployment Insurance benefits to workers displaced from employment as a result of Hurricane Sandy.

Department of Revenue

Decrease General Revenue – Municipal Finance, Page 76, line 9, by \$300,000 from \$2,375,134 to \$2,075,134. The supplemental appropriations act mistakenly merges the funding for the Central Falls Receivership into the general revenue line item for this program.

Insert on Page 76, after line 9 the following new line "Central Falls Receivership - \$300,000. The supplemental appropriations act mistakenly merges the funding for the Central Falls Receivership into the general revenue line item for this program.

Office of the Lieutenant Governor

Increase Federal Funds, Page 77, Line 16 by \$661,666 from \$131,439 to \$793,105. The Office of the Lieutenant Governor was recently awarded a \$1.6 million State Innovation Model grant focused on healthcare payment and delivery system reform from the Center for Medicare and Medicaid Innovation. The Office expects to spend \$661,666 of this amount in FY 2013 and \$969,380 in FY 2014. The performance period for the grant is six months and work on the grant is expected to begin April 1, 2013.

General Treasurer

Insert Restricted Receipt, Page 78, above Line 14 in the amount of \$30,000. The Office of the General Treasury was notified of a private foundation grant in the approximate amount of \$70,000 to hire an Economic Policy Analyst, after the Governor's recommendation was submitted. The financing will provide part-year salary and benefits for one FTE in the Policy division, with the remaining \$40,000 recommended for FY 2014.

Department of Health

Increase Federal Funds – State Medical Examiner, Page 82, Line 19, by \$10,000 from \$162,004 to \$172,004. The Governor recommends additional federal funds for the Coverdell Forensic Science Improvement Program of \$10,000 due to a carry forward being approved. These federal funds must be expended by the conclusion of FY 2013.

Increase Federal Funds – Public Health Information, Page 83, Line 3, by \$90,834 from \$2,441,031 to \$2,531,865. The Governor recommends additional federal funds from the Health Information Systems & Newborn Screening grant of \$80,000 and \$10,834 from the National Association for Public Health Statistics and Information Systems – Electronic Verification of Vital Events grant due to the inadvertent omission of these pre-existing grant awards from the agency's budget submission. There is no expiration date for the National Association for Public Health Statistics and Information Systems – Electronic Verification of Vital Event grant, though the intent is to expend the funds immediately, while the Health Information Systems & Newborn Screening grant must be expended by August 31, 2013.

Department of Children, Youth & Families

No net change or Article 10 change in Restricted Receipts in the Central Management program. There is a natural account change in the Indirect Cost Restricted Receipt account. The change distributes expenditures amongst an array of operating costs in order to correspond with the general revenue natural accounts that were reduced and shifted to the restricted receipt account.

On page 81, Line 18, change the name from "Generators" to "Generators – Thomas C. Slater Training School".

Department of Behavioral Health, Developmental Disabilities, and Hospitals

Increase Federal Funds – Hospital and Community Rehabilitative Services, Page 86, Line 33 by \$950,000 from \$47,469,496 to \$48,419,496. This increase is the federal match to a general revenue increase of \$___ in the Governor's recommendation for overtime expenditures in the hospital program that was inadvertently left out of the Governor's budget submission. Of this increase, \$400,000 is related to Hurricane Sandy.

Department of Human Services

On page 84, Line 23, change the name from "Health Care Eligibility" to "Health Care Quality, Financing and Purchasing". This program name is recommended to change in FY 2014, but should have remained the same as shown in the FY 2013 Enacted budget in the supplemental appropriations act.

Office of the Mental Health Advocate

No Net Change in General Revenue – Reduction in Personnel costs and Additional Legal Services, Page 88, Line 1. Turnover savings due to the extended vacancy of two positions will be used for the additional costs of increased outside legal services. Additional contract legal services will be required since the Office has been operating with 2.0 out of 3.7 FTE. The recent confirmation of the Mental Health Advocate (1.0 FTE) by the Senate and the anticipated hiring of a Staff Attorney (0.7 FTE) will alleviate the need for further contracted legal services. The total shift in financing between categories is \$22,000.

Department of Elementary and Secondary Education

Decrease Federal Funds – Administration of the Comprehensive Education Strategy, Page 88, Line 8 by \$82,000 from \$195,448,174 to \$195,366,174. The Governor recommends a net decrease of \$82,000 in federal funds to reflect additional financing of \$98,000 for the Head Start grant's carry balance forward from the previous fiscal year; an additional \$1.0 million above the Governor's original recommendation of \$2.2 million for the newly awarded WaytoGo grant;

and a transfer of \$1.18 million of the WaytoGo grant to the Higher Education Assistance Authority (RIHEAA), to be used as explained below.

Increase General Revenue – Davies Career and Technical School, Page 88, Line 29 by \$53,246 from \$13,328,293 to \$13,381,539. The Governor recommends restoring financing that was inadvertently removed due to statewide medical benefits savings. The amount allocated to Davies each year is calculated pursuant to the education aid funding formula and thus savings in medical insurance expenses should not have been withdrawn.

Increase Federal Funds – Rhode Island School for the Deaf, Page 89, Line 11 by \$13,660 from \$310,729 to \$324,289. The Governor recommends additional financing for the Title I School Improvement grant for a one-time personnel expenditure of one substitute teacher.

Public Higher Education

On Page 91, Line 6, change the name from “Fine Arts Center Advance” to “Fine Arts Center Renovation”. Restore the line item name to that contained in the FY 2013 Enacted Appropriations Act.

On page 92, Line 10, change the name from “Fire Code and & HVAC” to “Fire Code and HVAC”. Restore the line item name to that contained in the FY 2013 Enacted Appropriations Act.

Rhode Island Higher Education Assistance Authority

Increase Federal Funds – Page 93, Line 10 by \$1,180,000 from \$12,814,483 to \$13,994,483. The Governor recommends additional funds from the federal Longitudinal Data Systems grant awarded to the Rhode Island Department of Education (RIDE) for the WaytogoRI web portal enhancements at the Higher Education Assistance Authority (RIHEAA). RIHEAA is using the funds to complete a database portal grading system and other statewide data applications to help fulfill the federal college access grant’s and other federal education grants’ college preparatory achievement milestones. Specific fund expenditures will include an electronic upgrade, or e-transcript system, and other stakeholder enhancements tailored to educational focus groups. Most of the funding will be spent by June 30, 2013, and there is a small contingency budget through September 30, 2013, or 90 days from the end of FY 2013, as required by the federal grant award as a payment cutoff date. RIHEAA is undertaking the work since it has an established web portal in place with full student participation, and RIDE has entered into a cooperative agreement with RIHEAA to upgrade that web portal rather than start a completely new effort with redundant start-up costs. A corresponding \$1.18 million decrease in federal funds at RIDE is included since RIHEAA will be the actual state purchaser of the web portal enhancements.

On page 93, Lines 12 – 14, change the name from “Tuition Savings Pgm – Needs Based Grants & Work” to “Tuition Savings Program – Need Based Grants and Work Opportunities”. Restore the line item name to that contained in the FY 2013 Enacted Appropriations Act.

Rhode Island Public Telecommunications Authority

Increase General Revenue – RI Public Telecommunications Authority, Page 93, Line 29 by \$3,591 from \$795,486 to \$799,077. The Governor recommends restoring financing that was inadvertently removed due to statewide adjustments. 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. Restoring this statewide adjustment brings the Authority’s budget back to the enacted level of \$799,077 in FY 2013.

Department of the Attorney General

Increase Federal Funds – Criminal, Page 94, Line 5 by \$30,000 from \$2,450,897 to \$2,480,897. The Governor recommends additional federal funds from the Victims of Crime Assistance federal grant award. The total grant award is \$41,000, with \$11,000 included in FY 2014. This grant must be expended by September 31, 2014.

Department of Corrections

Increase Federal Funds – Central Management, Page 94, Line 31 by \$13,000 from \$826,270 to \$839,270. The Governor recommends the inclusion of a new grant from the Department of Justice for the SEARCH program. The grant, to be spent in FY 2013, would allow the purchasing of software licenses to enable information sharing between the Department of Corrections and the Department Children, Youth and Families.

Increase Federal Funds – Custody and Security, Page 95, Line 7 by \$26,300 from \$759,187 to \$785,487. The Governor recommends the inclusion of a new grant for the INL CERT Training program. Under a year to year agreement with the U.S. State Department, the grant funds training for corrections personnel from countries in the Caribbean basin.

Department of Public Safety

Increase Federal Funds - Stimulus – Central Management, Page 98, Line 17 by \$4,844 from \$251,214 to \$256,058. The Governor recommends \$4,844 due to additional federal funds being made available for the Stimulus – Edward Byrne Memorial Justice Grant, expiring June 30, 2013.

Increase Federal Funds – Fire Marshal, Page 98, Line 26 by \$72,971 from \$796,717 to \$869,688. The Governor recommends a total of \$72,971 for new grants. The amendment includes \$30,000 for the FY 2012 Hazardous Materials Emergency grant, \$23,971 for FY 2012 State Fire Training Systems and \$19,000 for the FY 2011 State Fire Training Systems. The above mentioned grants expire throughout FY 2013.

Increase Restricted Receipts – Municipal Police Training Academy, Page 99, Insert above line 9 by \$38,000 from \$0 to \$38,000. The Governor recommends \$38,000 in additional restricted receipts based on funding for the Edward Byrne Memorial Justice Grant Interest.

Increase Federal Funds – State Police, Page 99, Line 13 by \$189,200 from \$4,138,121 to \$4,327,321. The Governor recommends a total of \$189,200 for additional federal grants becoming available after the Governor's budget submission. The recommendation includes: \$100,000 for FY 2013 Highway Safety Grant, \$35,000 for FY 2012 State Homeland Security – Bomb Squad, \$28,000 for Victim's Assistance, \$15,000 for FY 2012 Sex Offender Registry Grant, \$10,000 for FY 2012 Paul Coverdell Forensic Science Grant and \$1,200 in additional funding for the FY 2011 NCIP grant. The above mentioned grants expire throughout FY 2013.

Increase Restricted Receipts – State Police, Page 99, Line 16 by \$40,000 from \$12,400,000 to \$12,440,000. The Governor recommends \$40,000 in additional restricted receipt financing from Forfeited Property – Retained. When municipal departments aid the State Police with cases, the Department will share some of the finances. This has not been done since 2009, and as a result was not included in the budget.

Department of the Environmental Management

Increase Federal Funds - Stimulus – Office of the Director, Page 100, Line 11 by \$5,000 from \$305,000 to \$310,000. The Governor recommends \$5,000 in additional federal funds based on a federal grant award for Stimulus – DEM Renewable Energy Projects, expiring July 20, 2013.

Increase Federal Funds – Natural Resources, Page 100, Line 17 by \$53,126 from \$22,518,237 to \$22,571,363. The Governor recommends additional federal funds based on a new federal grant award for Artificial Reef Research received after the Governor's budget submission. This award must be used by December 31, 2017.

Increase DOT Recreational Projects – Natural Resources, Page 100, Line 20 by \$331,360 from \$925,428 to \$1,256,788. The Governor recommends additional funds based on a grant agreement with the Department of Transportation allowing additional draw downs for recreational trails.

Increase Federal Funds – Environmental Protection, Page 101, Line 3 by \$50,000 from \$13,300,391 to \$13,350,391. The Governor recommends additional federal funds based on new federal grant awards received after the Governor's budget submission. The Governor includes \$50,000 for EPA Brownsfield Assessment.

Coastal Resources Management Council

Increase Federal Funds - Stimulus, Page 101, Line 16 by \$352,240 from \$150,000 to \$502,240. The Governor recommends additional funding in the R.I. River Ecosystem Restoration Program to finance revised expenditures in the current fiscal year. The funds will come from an adjustment of the FY 2014 Governor's recommended budget. The grant period ends December 31, 2013.

Department of Transportation

Increase Federal Funds – Stimulus – Infrastructure Engineering, Page 102, Line 8 by \$508,667 from \$7,013,169 to \$7,521,836. The Governor recommends additional federal stimulus funds of \$455,402 to allow the Department of Transportation to process an invoice payable to the MBTA. This invoice will be the final one against the commuter rail stimulus account, at which time all stimulus funding for this project will be exhausted. In addition, the Governor recommends federal stimulus funds of \$53,265 for "On the Job" Training (OJT) carry forward ARRA funds to process payments and purchase orders in FY 2013. This represents the total amount remaining in the Federal Highway Administration (FHWA) Grant. For both projects, each was budgeted in prior years with the intention of completing the work by the end of FY 2012. For a variety of reasons, both projects extended into FY 2013 and based on timing, were not first initially budgeted. The financing for each project come from the original pot of stimulus funds received by RIDOT from the federal government under ARRA.

On Page 102, Line 17, change the name from "Pawtucket – CF Train Station" to "Pawtucket – CF Train Station Study". Restore the line item name to that contained in the FY 2013 Enacted Appropriations Act.

On page 102, Line 18, change the name from "Highway Improvement Program" to "Highway Project Match Plan". Restore the line item name to that contained in the FY 2013 Enacted Appropriations Act.

SECTION 3, REVISED INTERNAL SERVICE FUND APPROPRIATIONS

The Governor requests that several amendments be made to the appropriations for Internal Service Funds (ISF) in FY 2013. The amendments correct ISF appropriation amounts and delineate the other post employment benefits (OPEB) expenditures by category of employees. OPEB expenditures that were originally included in the budget under the Health Insurance Fund appropriation will now be shown separately. The requested ISF amendments are listed below:

On page 103, Line 34, change the name from “Capital Police Internal Service Fund” to “Capitol Police Internal Service Fund”. Correct spelling of program name.

Decrease “Health Insurance Internal Service Fund”, Page 104, Line 2 by \$53,880,792 from \$304,008,549 to \$250,127,757.

Delete “Health Insurance – State Police Internal Service Fund - \$2,123,495”, Page 104, Line 3.

Delete “Other Post-Employment Benefits Fund - \$213,678”, Page 104, Line 4.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired State Employees - \$47,694,106”.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired Higher Education Employees - \$2,462,582”.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired Teachers - \$7,311,922”.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired State Police - \$2,983,594”.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired Legislators - \$750,031”.

Insert on Page 104 after Line 2 the following new line “OPEB – Retired Judges - \$904,362”.

ARTICLE 11, RELATING TO MUNICIPAL INCENTIVE AID

The Governor requests that Article 11 be replaced in its entirety with the attached version. The purpose of the revisions to Article 11 is to clarify certain language in the Article. The revised article clarifies that municipalities with pension plans in the state-administered municipal pension system (MERS) would receive municipal incentive aid under this Article in fiscal years 2014, 2015, and 2016.

It also clarifies that in order for those municipalities with local plans in a critical status (less than 60 percent funded) to be eligible to receive municipal incentive aid, they would be required to:

- notify plan participants and others pursuant to chapter 45-65, and

- submit to the Department of Revenue a Funding Improvement Plan (FIP) approved by the plan sponsor and the local governing body.

For those municipalities with local plans in critical status to be eligible to receive municipal incentive aid in FY 2014, the FIP would be required to be approved by the plan sponsor and the local governing body no later than June 1, 2013. The original Article 11 required the approval by May 1, 2013.

Furthermore, it clarifies that for FY 2015 and FY 2016, a municipality would receive aid if the municipality has implemented the original recommended FIP, or an amended FIP pursuant to chapter 45-65, within 18 months after an actuary certifies that a locally-administered plan is in critical status for a plan year, rather than by June 1, 2014 as provided in the original Article.

Lastly, the revised Article clarifies that municipalities would receive aid if a FIP is required pursuant to chapter 45-65, however, the due date for the FIP submission or implementation is after the March payment of this municipal incentive aid.

ARTICLE 16, RELATING TO RESTRICTED RECEIPT ACCOUNTS

Section 1, Indirect Cost Recoveries on Restricted Receipt Accounts: Add Forfeited Property - Gambling on page 118, after line 22. The amendment would add the "Forfeited Property - Gambling" restricted receipt account to the exemption list under § 35-4-27 to ensure that the Department of Attorney General keeps all revenues generated from gambling forfeitures, as is the case with other forfeited property and for gambling forfeitures under the Department of Public Safety.

Section 1, Indirect Cost Recoveries on Restricted Receipt Accounts: Add Department of Transportation and add RI Highway Maintenance Account – DMV Fees on page 119, after line 32. The amendment would add the "RI Highway Maintenance Account – DMV Fees" restricted receipt account to the exemption list under § 35-4-27 to ensure that the Rhode Island Department Of Transportation (RIDOT) keeps all revenues generated from the new registration fees. Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011" created the Rhode Island highway maintenance trust fund. Article 6 of the Governor's FY 2014 Budget submission changes the name from "highway maintenance trust fund" to "highway maintenance account". The chapter currently creates a special account in the general fund which will consist of funds that the state generates through new registration fees that will be implemented beginning July 1, 2013 to be used by RIDOT in place of general obligation bonds. Article 6 amends this language and strikes out "general fund" and adds the "intermodal surface transportation fund (IST)" which is RIDOT's own funding source. By doing so, a restricted receipt account entitled "RI Highway Maintenance Account – DMV Fees" has been created within the IST fund.

Section 1, Indirect Cost Recoveries on Restricted Receipt Accounts: Add Treasury Research Fellowship on page 119, after line 14. The amendment would add a new restricted receipt account, entitled Treasury Research Fellowship, to the list of accounts exempted from the 10.0 percent cost recovery. The Treasury has been awarded a fellowship grant from a non-profit organization, which is *defacto* exempt under current provisions of 35-4-27, however, the Treasury believes they may receive additional grants in the future that may be from for-profit entities.

ARTICLE 23, RELATING TO HISTORIC STRUCTURES – TAX CREDIT

Page 145, Lines 10 and 11. Underline the sentence that reads “Qualified rehabilitation expenditures shall be limited on replacement projects to qualified expenditures incurred and actually paid.” This is new language being added to Rhode Island General Law and, therefore, it should have been underlined in the original version of this article submitted by the Governor to indicate that it is new language.

Summary of Governor's Article 1, Section 1 March Amendments to FY 2014 Act (13-H-5127)

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
FY 2014 Recommend (Gov's Original Recommendation)	3,399,154,309	2,645,054,272	252,758,622	1,875,507,740	8,172,474,943
March Amendments					
Department of Administration Community Dev. Block Grant- FFY 2012 Award	-	2,000,000	-	-	2,000,000
Office of the Lieutenant Governor CMMI State Innovation Model Grant	-	969,380	-	-	969,380
General Treasury Treasury Research Fellowships	-	-	40,000	-	40,000
Department of Children, Youth & Families Indirect Costs	-	-	Net Zero	-	Net Zero
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals ACA/CNOM correction	121,903	(284,117)	-	-	(162,214)
Shift Group Home Closure Savings from DD to Hospitals	No Net change	307,140	No Net change	-	307,140
Statewide Benefit Adjustment/RICLAS/Hospitals	(400,250)	(406,706)	-	-	(806,956)
Department of Elementary and Secondary Education Davies Career and Technical Center	86,380	-	-	-	86,380
Attorney General Victims of Crime Assistance Grant	-	11,000	-	-	11,000
Department of Environmental Management Artificial Reef Research	-	195,095	-	-	195,095
RI Commercial Fishing Infrastructure Improvements	-	2,908,307	-	-	2,908,307
Coastal Resources Management Council R.I. River Ecosystem Restoration	-	(352,240)	-	-	(352,240)
Total - Governor's March Amendments to FY 2014	(191,967)	5,347,859	40,000	-	5,195,892
Total Recommended Expenditures	3,398,962,342	2,650,402,131	252,798,622	1,875,507,740	8,177,670,835
Internal Service Funds	-	-	-	7,848,196	7,848,196

Governor's Article 1, Section 1 March Amendments to FY 2014 Appropriations Act (13-H-5127)

	Page No./ Line No.	FY 2014 Original Submittal	Governor's March Amendments	FY 2014 Revised Recommend
Department of Administration				
Planning				
Federal Funds	Page 4, Line 33	6,935,098	2,000,000	8,935,098
Total - Planning	Page 5, Line 3	16,375,504	2,000,000	18,375,504
Grand Total - Administration	Page 7, Line 29	425,792,843	2,000,000	427,792,843
Office of the Lieutenant Governor				
Federal Funds	Page 11, Line 14	139,108	969,380	1,108,488
Grand Total - Office of the Lieutenant Governor	Page 11, Line 15	1,125,998	969,380	2,095,378
General Treasurer				
Treasury				
Restricted Receipts	Page 12, Insert after Line 7	0	40,000	40,000
Total - Treasury	Page 12, Line 11	2,693,216	40,000	2,733,216
Grand Total - General Treasurer	Page 12, Line 28	35,060,485	40,000	35,100,485
Department of Behavioral Health, Developmental Disabilities, and Hospitals				
Services for the Developmentally Disabled				
General Revenues	Page 19, Line 16	108,028,405	739,579	108,767,984
Federal Funds	Page 19, Line 17	110,323,704	755,126	111,078,830
Total- Services for the Developmentally Disabled	Page 19, Line 25	221,130,290	1,494,705	222,624,995
Behavioral Healthcare Services				
General Revenues	Page 19, Line 27	43,410,276	(354,561)	43,055,715
Federal Funds	Page 19, Line 29	56,653,732	(714,604)	55,939,128
Federal Funds Total	Page 19, Line 31	56,893,732	(714,604)	56,179,128
Total- Behavioral Healthcare Services	Page 20, Line 6	101,619,008	(1,069,165)	100,549,843
Hospital and Community Rehabilitative Services				
General Revenues	Page 20, Line 8	52,067,961	(663,365)	51,404,596
Federal Funds	Page 20, Line 9	52,462,932	(424,205)	52,038,727
Total- Hospital and Community Rehabilitative Services	Page 20, Line 18	116,490,863	(1,087,570)	115,403,293
Grand Total- General Revenue	Page 20, Line 19	206,649,055	(278,347)	206,370,708
Grand Total- Behavioral Health, Dev. Disabilities, and Hospitals	Page 20, Line 21	444,536,354	(662,030)	443,874,324
Department of Elementary and Secondary Education				
Davies Career and Technical School				
General Revenues	Page 21, Line 32	12,716,908	86,380	12,803,288
Total - Davies Career and Technical School	Page 22, Line 9	17,515,043	86,380	17,601,423
Grand Total - General Revenue	Page 23, Line 9	964,639,970	86,380	964,726,350
Grand Total - Elementary and Secondary Education	Page 23, Line 10	1,225,960,539	86,380	1,226,046,919
Attorney General				
Criminal				
Federal Funds	Page 27, Line 8	1,608,532	11,000	1,619,532
Total - Criminal	Page 27, Line 10	20,496,020	11,000	20,507,020
Grand Total - Attorney General	Page 27, Line 26	30,389,101	11,000	30,400,101
Department of Environmental Management				
Bureau of Natural Resources				
Federal Funds	Page 32, Line 22	23,854,063	3,103,402	26,957,465
Total - Natural Resources	Page 33, Line 6	64,830,345	3,103,402	67,933,747
Grand Total - Environmental Management	Page 33, Line 17	106,554,385	3,103,402	109,657,787

Governor's Article 1, Section 1 March Amendments to FY 2014 Appropriations Act (13-H-5127)

	Page No./ Line No.	FY 2014 Original Submittal	Governor's March Amendments	FY 2014 Revised Recommend
Coastal Resources Management Council				
Federal Funds - Stimulus	Page 33, Line 22	757,914	(352,240)	405,674
Total Federal Funds	Page 33, Line 23	2,637,815	(352,240)	2,285,575
Grant Total - Coastal Resources	Page 33, Line 25	5,187,128	(352,240)	4,834,888
Statewide Totals				
General Revenues	Page 35, Line 5	3,399,154,309	(191,967)	3,398,962,342
Federal Funds	Page 35, Line 6	2,645,054,272	5,347,859	2,650,402,131
Restricted Receipts	Page 35, Line 7	252,758,622	40,000	252,798,622
Other Funds	Page 35, Line 8	1,875,507,740	0	1,875,507,740
Statewide Grand Total	Page 35, Line 9	8,172,474,943	5,195,892	8,177,670,835

Summary of Governor's Article 10, March Amendments to FY 2013 Supplemental (13-H-5127)

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
Supplemental FY 2013 Recommend (Gov's Original Recommendation)	3,267,660,671	2,659,092,247	270,169,766	1,882,772,515	8,079,695,199
March Amendments					
Department of Administration					
Information Technology Investment Fund Overstated Expenditures	-		(1,318,356)		(1,318,356)
Community Development Block Grant- FFY 2012 Award	-	2,000,000			2,000,000
Department of Business Regulation					
Health Exchange Establishment One Grant	-	3,344,007			3,344,007
Department of Labor and Training					
National Emergency Grant - Hurricane Sandy	-	500,000			500,000
Disaster Unemployment Insurance Grant - Hurricane Sandy	-	41,515			41,515
Department of Revenue					
Restore separate line for Central Falls Receivership	no net change				
Office of the Lieutenant Governor					
CIMMI State Innovation Model Grant	-	661,666			661,666
General Treasurer					
Treasury Research Fellowships	-		30,000		30,000
Department of Health					
State Medical Examiner - Coverdell Forensic Science Imp Prgm	-	10,000			10,000
PHI - Health Information Systems and Newborn Screening Gnt	-	80,000			80,000
PHI - National Assoc for Public Health Statistics Grant	-	10,834			10,834
Department of Children, Youth & Families					
Indirect Costs	-		no net change		Net Zero
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals					
Hospital and Community Rehab Services Overtime	-	950,000			950,000
Office of the Mental Health Advocate					
Legal Services - FY 2013 Turnover	22,000 (22,000)				22,000 (22,000)
Department of Elementary and Secondary Education					
ACES - Additional WaytoGoRI Grant funding	-	1,000,000			1,000,000
ACES - Shift a portion of WaytoGoRI Grant funding to HEAA	-	(1,180,000)			(1,180,000)
ACES - Head Start Balance Forward funding	-	98,000			98,000

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
<i>Davies Career and Technical School</i>	53,246	-	-	-	53,246
<i>School for the Deaf-Additional Title I Improvement Grant funding</i>	-	13,660	-	-	13,660
Rhode Island Higher Education Assistance Authority					
<i>Longitudinal Data Systems Grant for WaytoGoRI Portal</i>	-	1,180,000	-	-	1,180,000
Rhode Island Public Telecommunications Authority					
<i>Statewide adjustment addback</i>	3,591	-	-	-	3,591
Attorney General					
<i>Victims of Crime Assistance Grant</i>	-	30,000	-	-	30,000
Department of Corrections					
<i>SEARCH</i>	-	13,000	-	-	13,000
<i>INL CERT Training</i>	-	26,300	-	-	26,300
Department of Public Safety					
<i>Stimulus - Edward Byrne Memorial Justice Grant</i>	-	4,844	-	-	4,844
<i>Edward Byrne Memorial Justice Grant Interest</i>	-	-	38,000	-	38,000
<i>FY 2011 State Fire Training Systems Grant Program</i>	-	19,000	-	-	19,000
<i>FY 2012 State Fire Training Systems Grant Program</i>	-	23,971	-	-	23,971
<i>FY 2012 Hazardous Materials Emergency</i>	-	30,000	-	-	30,000
<i>FY 2011 NCIP Grant</i>	-	1,200	-	-	1,200
<i>FY 2012 State Homeland Security - Bomb Squad</i>	-	35,000	-	-	35,000
<i>Forfeited Property - Retained</i>	-	-	40,000	-	40,000
<i>Victim's Assistance Grant</i>	-	28,000	-	-	28,000
<i>FY 2012 Paul Coverdell Forensic Science Grant</i>	-	10,000	-	-	10,000
<i>FY 2012 Sex Offender Registry Grant</i>	-	15,000	-	-	15,000
<i>FY 2013 Highway Safety Grant</i>	-	100,000	-	-	100,000
Department of Environmental Management					
<i>Artificial Reef Research</i>	-	53,126	-	-	53,126
<i>Stimulus - DEM Renewable Energy Projects</i>	-	5,000	-	-	5,000
<i>DOT Recreational Projects</i>	-	-	-	331,360	331,360
<i>EPA Brownsfields Assessment</i>	-	50,000	-	-	50,000
Coastal Resources Management Council					
<i>R.I. River Ecosystem Restoration</i>	-	352,240	-	-	352,240
Department of Transportation					
<i>Federal Funds - Stimulus Commuter Rail</i>	-	455,402	-	-	455,402
<i>Federal Funds - Stimulus OJT Training</i>	-	53,265	-	-	53,265
Total - Governor's March Amendments to FY 2013	56,837	10,015,030	(1,210,356)	331,360	9,192,871
Total Recommended Expenditures	3,267,717,508	2,669,107,277	268,959,410	1,883,103,875	8,088,888,070

Department/Item	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total
<i>Internal Service Funds</i>				5,888,632	5,888,632

Governor's Article 10 March Amendments to FY 2013 Supplemental Appropriations (13-H-5127)

	Page No./ Line No.	FY 2013 Original Supplemental Submittal	Governor's March Amendments	FY 2013 Supplemental Recommend
Department of Administration				
Information Technology				
Restricted Receipts	Page 70, Line 10	5,111,272	(1,318,356)	3,792,916
Total - Information Technology	Page 70, Line 12	35,285,725	(1,318,356)	33,967,369
Planning				
Federal Funds	Page 70, Line 21	9,548,977	2,000,000	11,548,977
Federal Funds Total	Page 70, Line 23	9,611,765	2,000,000	11,611,765
Total - Planning	Page 70, Line 25	18,815,341	2,000,000	20,815,341
Grand Total - Administration	Page 73, Line 22	423,479,986	681,644	424,161,630
Department of Business Regulation				
Office of Health Insurance Commissioner				
Federal Funds	Page 74, Line 7	3,433,208	3,344,007	6,777,215
Total - Office of Health Insurance Commissioner	Page 74, Line 9	3,971,290	3,344,007	7,315,297
Grand Total - Business Regulation	Page 74, Line 22	14,593,793	3,344,007	17,937,800
Department of Labor and Training				
Workforce Development Services				
Federal Funds	Page 75, Line 1	26,509,641	500,000	27,009,641
Total - Workforce Development Services	Page 75, Line 3	38,873,841	500,000	39,373,841
Income Support				
Federal Funds	Page 75, Line 10	21,910,573	41,515	21,952,088
Federal Funds Total	Page 75, Line 13	68,204,250	41,515	68,245,765
Total - Income Support	Page 75, Line 22	588,087,492	41,515	588,129,007
Grand Total - Labor and Training	Page 74, Line 30	641,586,167	541,515	642,127,682
Department of Revenue				
Municipal Finance				
General Revenue	page 76, Line 9	2,375,134	(300,000)	2,075,134
Central Falls Receivership	page 76, insert after Line 9	0	300,000	300,000
Office of the Lieutenant Governor				
Federal Funds	Page 77, Line 16	131,439	661,666	793,105
Grant Total - Office of the Lieutenant Governor	Page 77, Line 17	1,089,750	661,666	1,751,416
General Treasurer				
General Treasury				
Restricted Receipts	Page 78, Insert above Line 14	0	30,000	30,000
Total General Treasury	Page 78, line 14	2,640,126	30,000	2,670,126
Grand Total - General Treasurer	Page 78, Line 31	45,151,118	30,000	45,181,118
Health				
State Medical Examiner				
Federal Funds	Page 82, Line 19	162,004	10,000	172,004
Total - State Medical Examiner	Page 82, Line 20	2,521,734	10,000	2,531,734
Public Health Information				
Federal Funds	Page 83, Line 3	2,441,031	90,834	2,531,865
Federal Funds Total	Page 83, Line 5	2,960,302	90,834	3,051,136
Total - Public Health Information	Page 83, Line 6	4,851,599	90,834	4,942,433
Grand Total - Health	Page 83, Line 27	126,751,846	100,834	126,852,680
Behavioral Healthcare, Developmental Disabilities, and Hospitals				
Hospital and Community Rehabilitative Services				
Federal Funds	Page 86, Line 33	47,469,496	950,000	48,419,496

	Page No./ Line No.	FY 2013 Original Supplemental Submittal	Governor's March Amendments	FY 2013 Supplemental Recommend
Total- Hospital and Community Rehabilitative Services	Page 87, Line 9	107,086,062	950,000	108,036,062
Grand Total - Behavioral Healthcare, Developmental Disa	Page 87, Line 12	431,620,878	950,000	432,570,878
Office of the Mental Health Advocate				
General Revenues	Page 88, Line 1	360,207	[22,000]	360,207
Grand Total- Office of the Mental Health Advocate	Page 88, Line 3	360,207	[22,000]	360,207
Department of Elementary and Secondary Education				
Administration of the Comprehensive Education Strategy				
Federal Funds	Page 88, Line 8	195,448,174	(82,000)	195,366,174
Federal Funds Total	Page 88, Line 12	235,751,906	(82,000)	235,669,906
Total Administration of the Comprehensive Education Str	Page 88, Line 27	263,104,988	(82,000)	263,022,988
Davies Career and Technical School				
General Revenue	Page 88, Line 29	13,328,293	53,246	13,381,539
Total - Davies Career and Technical School	Page 89, Line 7	20,175,309	53,246	20,228,555
School for the Deaf				
Federal Funds	Page 89, Line 11	310,729	13,660	324,389
Federal Funds Total	Page 89, Line 13	495,231	13,660	508,891
Total - School for the Deaf	Page 89, Line 15	6,982,055	13,660	6,995,715
Grand Total - General Revenue	Page 90, Line 8	930,213,401	53,246	930,266,647
Grand Total - Elementary and Secondary Education	Page 90, Line 10	1,208,134,629	(15,094)	1,208,119,535
RI Higher Education Assistance Authority				
Federal Funds	Page 93, Line 10	12,814,483	1,180,000	13,994,483
Grand Total-RI Higher Education Assistance Authority	Page 93, Line 17	27,043,979	1,180,000	28,223,979
RI Public Telecommunications Authority				
General Revenues	Page 93, Line 29	795,486	3,591	799,077
Grand Total - RI Public Telecommunications Authority	Page 93, Line 34	795,486	3,591	799,077
Attorney General				
Criminal				
Federal Funds	Page 94, Line 5	2,450,897	30,000	2,480,897
Federal Funds Total	Page 94, Line 7	2,554,897	30,000	2,584,897
Total - Criminal	Page 94, Line 9	19,153,655	30,000	19,183,655
Grand Total - Attorney General	Page 94, Line 26	29,471,427	30,000	29,501,427
Department of Corrections				
Central Management				
Federal Funds	Page 94, Line 31	826,270	13,000	839,270
Federal Funds Total	Page 94, Line 33	875,868	13,000	888,868
Total-Central Management	Page 94, Line 34	9,240,424	13,000	9,253,424
Custody and Security				
Federal Funds	Page 95, Line 7	759,187	26,300	785,487
Total-Custody and Security	Page 95, Line 9	118,836,306	26,300	118,862,606
Grand Total-Corrections	Page 96, Line 9	197,378,249	39,300	197,417,549
Department of Public Safety				
Central Management				
Federal Funds - Stimulus	Page 98, Line 17	251,214	4,844	256,058
Federal Funds Total	Page 98, Line 18	4,794,891	4,844	4,799,735
Total - Central Management	Page 98, Line 20	5,969,725	4,844	5,974,569
Fire Marshal				
Federal Funds	Page 98, Line 26	796,717	72,971	869,688
Total - Fire Marshal	Page 98, Line 33	4,523,599	72,971	4,596,570
Municipal Police Training Academy				
Restricted Receipts	Page 99, Insert above Line 9	0	38,000	38,000

	Page No./ Line No.	FY 2013 Original Supplemental Submittal	Governor's March Amendments	FY 2013 Supplemental Recommend
Total - Municipal Police Training Academy	Page 99, Line 9	577,603	38,000	615,603
State Police				
Federal Funds	Page 99, Line 13	4,138,121	189,200	4,327,321
Federal Funds Total	Page 99, Line 15	4,454,007	189,200	4,643,207
Restricted Receipts	Page 99, Line 16	12,400,000	40,000	12,440,000
Total - State Police	Page 99, Line 30	85,615,415	229,200	85,844,615
Grand Total - Public Safety	Page 99, Line 32	123,116,617	345,015	123,461,632
Department of Environmental Management				
Office of the Director				
Federal Funds - Stimulus	Page 100, Line 11	305,000	5,000	310,000
Federal Funds Total	Page 100, Line 12	860,000	5,000	865,000
Total - Office of the Director	Page 100, Line 14	8,755,384	5,000	8,760,384
Natural Resources				
Federal Funds	Page 100, Line 17	22,518,237	53,126	22,571,363
Total - Federal Funds	Page 100, Line 17	22,518,237	53,126	22,571,363
DOT Recreational Projects	Page 100, Line 20	925,428	331,360	1,256,788
Total - Other Funds	Page 100, Line 33	10,306,884	331,360	10,638,244
Total - Natural Resources	Page 100, Line 34	54,857,945	384,486	55,242,431
Environmental Protection				
Federal Funds	Page 101, Line 3	13,300,391	50,000	13,350,391
Total - Environmental Protection	Page 101, Line 9	35,921,266	50,000	35,971,266
Grand Total - Environmental Management	Page 101, Line 11	99,534,595	439,486	99,974,081
Coastal Resources Management Council				
Federal Funds - Stimulus	Page 101, Line 16	150,000	352,240	502,240
Federal Funds Total	Page 101, Line 17	2,185,163	352,240	2,537,403
Grand Total-Coastal Resources Mgt. Council	Page 101, Line 26	5,397,705	352,240	5,749,945
Transportation				
Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds				
Federal Funds - Stimulus	Page 102, Line 8	7,013,169	508,667	7,521,836
Federal Funds - Total	Page 102, Line 9	304,453,144	508,667	304,961,811
Total - Infra Eng - GARVEE/Motor Fuel Tax Bonds	Page 102, Line 21	405,281,462	508,667	405,790,129
Grand Total - Transportation	Page 103, Line 9	467,338,789	508,667	467,847,456
Statewide Totals				
General Revenues	Page 103, Line 11	3,267,660,671	56,837	3,267,717,508
Federal Funds	Page 103, Line 12	2,659,092,247	10,015,030	2,669,107,277
Restricted Receipts	Page 103, Line 13	270,169,766	(1,210,356)	268,959,410
Other Funds	Page 103, Line 14	1,882,772,515	331,360	1,883,103,875
Statewide Grand Total	Page 103, Line 15	8,079,695,199	9,192,871	8,088,888,070

ARTICLE 6

RELATING TO DIVISION OF MOTOR VEHICLES

SECTION 1. Sections 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" is hereby amended to read as follows:

§ 31-3-33 Renewal of registration. - (a) Application for renewal of a vehicle registration shall be made by the owner on a proper application form and by payment of the registration fee for the vehicle as provided by law.

(b) The division of motor vehicles may receive applications for renewal of registration, and may grant the renewal and issue new registration cards and plates at any time prior to expiration of registration.

(c) Upon renewal, owners will be issued a renewal sticker for each registration plate which shall be placed at the bottom right hand corner of the plate. Owners shall be issued a new fully reflective plate beginning September 1, 2013 2015 at the time of initial registration or at the renewal of an existing registration and reissuance will be conducted no less than every ten (10) years.

SECTION 2. Section 39-18.1-4 of the General Laws in Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

§ 39-18.1-4 Rhode Island highway maintenance ~~trust fund~~ account created. - (a) There is hereby created a special account in the ~~general fund~~ intermodal surface transportation fund as established in § 31-36-20 that is to be known as the Rhode Island Highway Maintenance ~~Trust Fund Account~~.

(b) The fund shall consist of all those moneys which the state may from time to time direct to the fund, including, not necessarily limited to, moneys derived from the following sources:

(1) There is imposed a surcharge of thirty dollars (\$30.00) per ~~passenger car and light truck~~ vehicle or truck, other than those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each ~~car and light truck~~ vehicle or truck owner in order to register that owner's vehicle or truck and upon each subsequent biennial registration. This surcharge shall be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015 through June 30, 2016 and each year thereafter.

(i) For owners of vehicles or trucks with the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the vehicle or truck and upon each subsequent renewal:

<u>Plate Type</u>	<u>Surcharge</u>
<u>Antique</u>	<u>\$5.00</u>
<u>Farm</u>	<u>\$10.00</u>
<u>Motorcycle</u>	<u>\$13.00</u>

(ii) For owners of trailers, the surcharge shall be one-half of the biennial registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(2) There is imposed a surcharge of fifteen dollars (\$15.00) per ~~car and truck,~~ vehicle or truck, other than those with specific registrations set forth in subsection (b)(2)(i) below, for those ~~cars and trucks~~ vehicles or trucks subject to annual registration, to be paid annually by each ~~car and truck~~ vehicle or truck owner in order to register that owner's vehicle or truck and upon each subsequent annual registration. This surcharge will be phased in at the rate of five dollars (\$5.00) each year. The total surcharge will be five dollars (\$5.00) from July 1, 2013 through June 30, 2014, ten dollars (\$10.00) from July 1, 2014 through June 30, 2015, and fifteen dollars (\$15.00) from July 1, 2015 through June 30, 2016 and each year thereafter.

(i) For registrations of the following plate types, the surcharge shall be as set forth below and shall be paid in full in order to register the plate, and upon each subsequent renewal:

<u>Plate Type</u>	<u>Surcharge</u>
<u>Boat Dealer</u>	<u>\$6.25</u>
<u>Cycle Dealer</u>	<u>\$6.25</u>
<u>In-transit</u>	<u>\$5.00</u>
<u>Manufacturer</u>	<u>\$5.00</u>
<u>New Car Dealer</u>	<u>\$5.00</u>
<u>Used Car Dealer</u>	<u>\$5.00</u>
<u>Racer Tow</u>	<u>\$5.00</u>
<u>Transporter</u>	<u>\$5.00</u>
<u>Bailee</u>	<u>\$5.00</u>

(ii) For owners of trailers, the surcharge shall be one-half of the annual registration amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

(iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars and twenty-five cents (\$6.25) each year. The total surcharge will be six dollars and twenty-five cents (\$6.25) from July 1, 2013 through June 30, 2014 and twelve dollars and fifty cents (\$12.50) from July 1, 2015 through June 30, 2015 and each year thereafter.

(3) There is imposed a surcharge of thirty dollars (\$30.00) per operator's license to operate a motor vehicle to be paid every five (5) years by each licensed operator of a motor vehicles. This surcharge will be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015 through June 30, 2016 and each year thereafter. In the event that a license is issued or renewed for a period of less than five (5) years, the surcharge will be prorated according to the period of time the license will be valid.

(c) All funds collected pursuant to this section shall be deposited in the Rhode Island highway maintenance ~~fund~~ account and shall be used only for the purposes set forth in this chapter.

(d) Unexpended balances and any earnings thereon shall not revert to the general fund but shall remain in the Rhode Island highway maintenance ~~fund~~ account. There shall be no requirement that monies received into the Rhode Island highway maintenance ~~fund~~ account during any given calendar year or fiscal year be expended during the same calendar year or fiscal year.

(e) The Rhode Island highway maintenance ~~fund~~ account shall be administered by the director, who shall allocate and spend monies from the fund only in accordance with the purposes and procedures set forth in this chapter.

SECTION 3. This article shall take effect upon passage.

NUMBER OF REGISTRATIONS BY PLATE TYPE

Periodicity and Fees

(As of November 28, 2012)

Plate Type Number	Plate Type Description	Number of Registrations	Periodicity of Registration	Minimum Registration Fee	Original Full Registration Surcharge	Proposed Full Registration Surcharge
1	Passenger	653,895	Biennial	\$60.00	\$30.00	\$30.00
2	Commercial	66,252	Annual	\$34.00	\$15.00	\$15.00
3	Trailer	48,021	Varies ¹	\$10.00 / \$5.00 ²	None	1/2 Reg Fee
4	Motorcycle	32,359	Biennial	\$26.00	None	\$13.00
5	Public Service	1,272	Biennial	\$60.00	\$30.00	\$30.00
6	Camper	7,465	Biennial	\$60.00	None	\$30.00
7	Suburban	1,312	Biennial	\$60.00	\$30.00	\$30.00
8	School Bus	1,632	Annual	\$25.00	None	\$12.50
9	Jitney	258	Biennial	Varies ³	None	\$30.00
10	State	2,969	Valid Indefinitely	No Charge	\$30.00 / \$15.00	None
11	City	1,673	Annual	\$2.00	\$30.00 / \$15.00	None
12	Town	2,014	Annual	\$2.00	\$30.00 / \$15.00	None
13	Police	2,879	Valid Indefinitely	No Charge	\$30.00	None
14	State Police	372	Valid Indefinitely	No Charge	\$30.00	None
15	Fire Apparatus	1,669	Valid Indefinitely	No Charge	\$15.00	None
16	House	93	Varies ⁴	Varies ⁴	\$30.00 / \$15.00	Varies ⁴
17	Senate	48	Varies ⁴	Varies ⁴	\$30.00 / \$15.00	Varies ⁴
18	Radio operator	431	Biennial	\$60.00	\$30.00	\$30.00
19	Antique	7,138	Biennial	\$10.00	\$30.00	\$5.00
20	Veteran	452	Varies ⁵	\$60.00 / \$34.00	\$30.00 / \$15.00	\$30.00 / \$15.00
21	Farm	1,524	Biennial	\$20.00	\$30.00	\$10.00
22	Taxi	207	Biennial	\$60.00	\$30.00	\$30.00
23	New Car Dealer	1,351	Annual	\$10.00 ⁶	None	\$5.00
24	Used Car Dealer	1,978	Annual	\$10.00 ⁶	None	\$5.00
25	In-Transit	805	Annual	\$10.00 ⁶	None	\$5.00
26	Transporter	240	Annual	\$10.00 ⁶	None	\$5.00
27	Bailee	14	Annual	\$10.00 ⁶	None	\$5.00
28	Manufacturer	44	Annual	\$10.00 ⁶	None	\$5.00
29	Racer Tow	3	Annual	\$15.00	None	\$5.00
30	State Police Cycle	6	Valid Indefinitely	No Charge	None	None
31	Police Cycle	75	Valid Indefinitely	No Charge	None	None
32	Cycle Dealer	53	Annual	\$12.50	None	\$6.25

NUMBER OF REGISTRATIONS BY PLATE TYPE
Periodicity and Fees
 (As of November 28, 2012)

Plate Type Number	Plate Type Description	Number of Registrations	Periodicity of Registration	Minimum Registration Fee	Original Full Registration Surcharge	Proposed Full Registration Surcharge
33	POW	47	Varies	No Charge	\$30.00 / \$15.00	None
34	Boat Dealer	25	Annual	\$12.50	None	\$6.25
35	40 Hommes and 8 Chevaux	0	Varies	\$2.00	\$30.00 / \$15.00	None
36	Purple Heart	660	Varies	No Charge	\$30.00 / \$15.00	None
37	War Veteran	12,529	Varies ⁵	\$60.00 / \$34.00	\$30.00 / \$15.00	\$30.00 / \$15.00
38	National Guard	921	Varies ⁵	\$60.00 / \$34.00	\$30.00 / \$15.00	\$30.00 / \$15.00
39	Combination	50,343	Annual	\$34.00	\$15.00	\$15.00
40	Apportioned	5,537	Annual	IRP ⁷	None	IRP ⁷
96	Titled Only	209,889	N/A	N/A	None	N/A
99	Special	165	Varies ⁴	Varies ⁴	\$30.00 / \$15.00	Varies ⁴
Total		1,118,620				
<i>Less Titled Only</i>		<i>(209,889)</i>				
Total Actual Registrations		908,731				

¹ Trailers can be registered as commercial, non-commercial, or tandem. A commercial trailer has an annual registration. A non-commercial trailer has a biennial registration. A tandem trailer can have a registration of one, five or eight years.

² The minimum registration fee for trailers other than tandem trailers is \$5.00 annually or \$10.00 biennially. For tandem trailers the minimum registration fee is \$12.00 for a one year registration, \$50.00 for a five year registration and \$80.00 for an eight year registration.

³ The registration fee for a public bus is equal to the registration fee for a motor vehicle for hire plus \$2.00 per passenger that the bus is rated to carry.

⁴ House, Senate and Special registration plates can have an annual or a biennial registration period depending on whether the registration plate is for a passenger car or a truck. Vehicles with House or Senate registration plates are subject to normal registration fees for the vehicle to which the plate is registered. Vehicles with Special registration plates are subject not only to normal registration fees but may also be subject to additional fees. Proposed registration surcharges would apply to the underlying registrations for each of these registration plate types.

⁵ Veteran, War Veteran and National Guard registration plates can have an annual or a biennial registration period depending on whether the registration plate is for a passenger car or a truck.

⁶ These registration plates are issued annually. Up to the first three registration plates cost \$30.00. Each additional registration plate costs \$10.00. A total of no more than 26 New Car Dealer, Used Car Dealer or Manufacturer registration plates can be owned by any one dealer or manufacturer.

⁷ Apportioned vehicles are subject to the International Registration Plan, Inc. (IRP). IRP is "a registration reciprocity agreement among states of the United States, the District of Columbia and provinces of Canada providing for payment of apportionable fees on the basis of total distance operated in all jurisdictions."

REVENUE IMPACT OF REVISIONS TO REGISTRATION AND LICENSE FEE SURCHARGES
Comparison of Revised Article 6 to Original Article 6 Estimates
(FY 2014 to FY 2016)

	Annual	Biennial	No Fee	Total
Registrations	129,192	762,628	16,911	908,731

Annual Registrations						
	Plate Type	Registration Surcharge	Number of Registrations	Revised Article 6 Total Surcharge Revenues	Original Article 6 Total Surcharge Revenues	Difference
FY 2014	Commercial. Trailer	\$2.50	4,141	\$10,352		
	Car Dealers, etc.	\$5.00	4,435	\$22,175		
	All Other	\$5.00	117,013	\$585,067		
	Tandem	\$6.00	1,893	11,357		
	Boat / Cycle Dealer	\$6.25	78	\$488		
	School Bus	\$6.25	1,632	\$10,200		
	Total		129,192	\$639,638	\$645,959	(\$6,321)
FY 2015	Commercial. Trailer	\$2.50	4,141	\$10,352		
	Car Dealers, etc.	\$5.00	4,435	\$22,175		
	Tandem	\$6.00	1,893	11,357		
	Boat / Cycle Dealer	\$6.25	78	\$488		
	All Other	\$10.00	117,013	\$1,170,134		
	School Bus	\$12.50	1,632	\$20,400		
	Total		129,192	\$1,234,905	\$1,286,623	(\$51,718)
FY 2016	Commercial. Trailer	\$2.50	4,141	\$10,352		
	Car Dealers, etc.	\$5.00	4,435	\$22,175		
	Tandem	\$6.00	1,893	\$11,357		
	Boat / Cycle Dealer	\$6.25	78	\$488		
	School Bus	\$12.50	1,632	\$20,400		
	All Other	\$15.00	117,013	\$1,755,201		
	Total		129,192	\$1,819,972	\$1,927,287	(\$107,315)

REVENUE IMPACT OF REVISIONS TO REGISTRATION AND LICENSE FEE SURCHARGES
Comparison of Revised Article 6 to Original Article 6 Estimates
(FY 2014 to FY 2016)

	Annual	Biennial	No Fee	Total
Registrations	129,192	762,628	16,911	908,731

Biennial Registrations						
	Plate Type	Registration Surcharge	Number of Registrations	Revised Article 6 Total Surcharge Revenues	Original Article 6 Total Surcharge Revenues	Difference
FY 2014	Trailer	\$5.00	20,994	\$104,968		
	Antique	\$5.00	3,569	\$17,845		
	Farm	\$10.00	762	\$7,620		
	All Other	\$10.00	339,810	\$3,398,098		
	Motorcycle	\$13.00	16,180	\$210,334		
	Total		381,314	\$3,738,865	\$4,079,539	(\$340,674)
FY 2015	Trailer	\$5.00	20,994	\$104,968		
	Antique	\$5.00	3,569	\$17,845		
	Farm	\$10.00	762	\$7,620		
	Motorcycle	\$13.00	16,180	\$210,334		
	All Other	\$20.00	339,810	\$6,796,196		
	Total		381,314	\$7,136,963	\$7,276,498	(\$139,535)
FY 2016	Trailer	\$5.00	20,994	\$104,968		
	Antique	\$5.00	3,569	\$17,845		
	Farm	\$10.00	762	\$7,620		
	Motorcycle	\$13.00	16,180	\$210,334		
	All Other	\$30.00	339,810	\$10,194,294		
	Total		381,314	\$10,535,061	\$10,914,748	(\$379,687)

REVENUE IMPACT OF REVISIONS TO REGISTRATION AND LICENSE FEE SURCHARGES
Comparison of Revised Article 6 to Original Article 6 Estimates
(FY 2014 to FY 2016)

Operator's Licenses: 745,223					
	License Surcharge	Number of Licenses	Revised Article 6 Total Surcharge Revenues	Original Article 6 Total Surcharge Revenues	Difference
FY 2014	\$10.00	149,045	\$1,490,446	\$1,490,446	\$0
FY 2015	\$20.00	149,045	\$2,980,892	\$2,980,892	\$0
FY 2016	\$30.00	149,045	\$4,471,338	\$4,471,338	\$0

	Revised Article 6 Annual Registration Surcharges	Revised Article 6 Biennial Registration Surcharges	Revised Article 6 Operator's License Surcharges	Revised Article 6 Total Surcharge Revenues	Original Article 6 Total Surcharge Revenues	Difference
FY 2014	\$639,638	\$3,738,865	\$1,490,446	\$5,868,949	\$6,215,944	(\$346,995)
FY 2015	\$1,234,905	\$7,136,963	\$2,980,892	\$11,352,760	\$11,544,013	(\$191,253)
FY 2016	\$1,819,972	\$10,535,061	\$4,471,338	\$16,826,371	\$17,313,373	(\$487,002)

REVISED ARTICLE 11 (3/8/2013)

RELATING TO MUNICIPAL INCENTIVE AID

SECTION 1. Title 45 of the General Laws entitled "Towns and Cities" is hereby amended by adding thereto the following chapter:

CHAPTER 13.2

MUNICIPAL INCENTIVE AID

§ 45-13.2-1. Short title. – This chapter shall be known as the Municipal Incentive Aid Act.

§ 45-13.2-2. Legislative Findings. – It is hereby found and declared as follows:

(a) The fiscal health of its municipalities is of paramount importance to the state of Rhode Island;

(b) Local municipalities in Rhode Island are facing ever-increasing costs for retirement related expenses;

(c) Retirement plans represent significant cost drivers for municipal budgets;

(d) Many municipalities currently have significantly under-funded retirement plans;

(e) These unfunded liabilities either jeopardize or threaten to jeopardize the fiscal stability of municipalities;

(f) Fiscal instability in a municipality adversely affects the state's financial interests; and

(g) Local municipalities should be encouraged to improve the sustainability of their retirement plans by reducing the unfunded liabilities thereunder and by funding the plans in a fiscally responsible manner.

§ 45-13.2-3. Definitions. For purposes of this chapter "municipality" means any city or town of the state.

§ 45-13.2-4. State Aid Incentive Program Appropriated. – There are hereby appropriated funds for a state aid program entitled "Municipal Incentive Aid Program." For fiscal year 2014 the amount of ten million dollars (\$10,000,000) shall be appropriated, and an amount

of ten million dollars (\$10,000,000) will be requested for appropriation for fiscal year 2015 and for fiscal year 2016. Municipal Incentive Aid shall be administered and managed by the division of municipal finance within the department of revenue.

§ 45-13.2-5. Purpose of the Municipal Incentive Aid Program. – The purpose of this Municipal Incentive Aid program, shall be to encourage municipalities to improve the sustainability of their retirement plans and to reduce unfunded liabilities thereunder, by providing additional state aid to those municipalities that comply with the requirements and provisions of this chapter.

§ 45-13.2-6. Distributions. – (a) Municipal Incentive Aid described in this chapter shall be distributed to eligible municipalities on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census. Such payments shall be made to eligible communities in March 2014, March 2015, and March 2016.

(b) For fiscal year 2014, municipalities shall be eligible to receive aid under this chapter if (1) the municipality has no locally-administered pension; or (2) the municipality notified plan participants, beneficiaries and others pursuant to chapter 45-65, and submitted to the state's department of revenue a Funding Improvement Plan ("FIP"), pursuant to chapter 45-65, for every locally-administered pension plan in that municipality, and each FIP had been approved by the plan sponsor and the local governing body no later than May 1, 2013; or (3) there existed a locally-administered pension plan(s) in that municipality, but either (i) no FIP was required pursuant to chapter 45-65, or (ii) a FIP is required pursuant to chapter 45-65, however, the due date for the FIP submission is after the March payment of state aid.

(c) For fiscal years 2015 and 2016, municipalities shall be eligible to receive aid under this chapter, if (1) the municipality has no locally-administered pension; or (2) the municipality has transitioned all locally-administered pension plans into MERS by June 30, 2014; or (3) the municipality notified plan participants, beneficiaries and others pursuant to chapter 45-65 and had

submitted to the state's department of revenue a FIP, pursuant to chapter 45-65, for every locally-administered pension plan and each submitted FIP meets the guidelines of the Study Commission on Locally-Administered Pension Plans or otherwise applicable guidelines or regulations and each FIP has been approved by the plan sponsor and the local governing body; or (4) the municipality has implemented the original recommended FIP or an amended FIP pursuant to chapter 45-65 within 18 months after an actuary certifies that a locally administered plan is in critical status for a plan year; and the FIPs are approved by the plan sponsor and the local governing body; or (5) there existed a locally-administered pension plan in that municipality, but either (i) no FIP was required pursuant to chapter 45-65 and the municipality is funding one hundred percent (100%) of its Annually Required Contribution (ARC), or (ii) a FIP is required pursuant to chapter 45-65, however, the due date for the FIP submission or implementation are after the March payment of state aid.

(d) In any fiscal year that a municipality does not receive an appropriation under this chapter, the amount that would have been allocated to the municipality will be distributed in the month of May among the other eligible municipalities for that fiscal year, on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census.

SECTION 2. This article shall take effect upon passage.