

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2017

Executive Summary

Gina M. Raimondo, Governor

Education

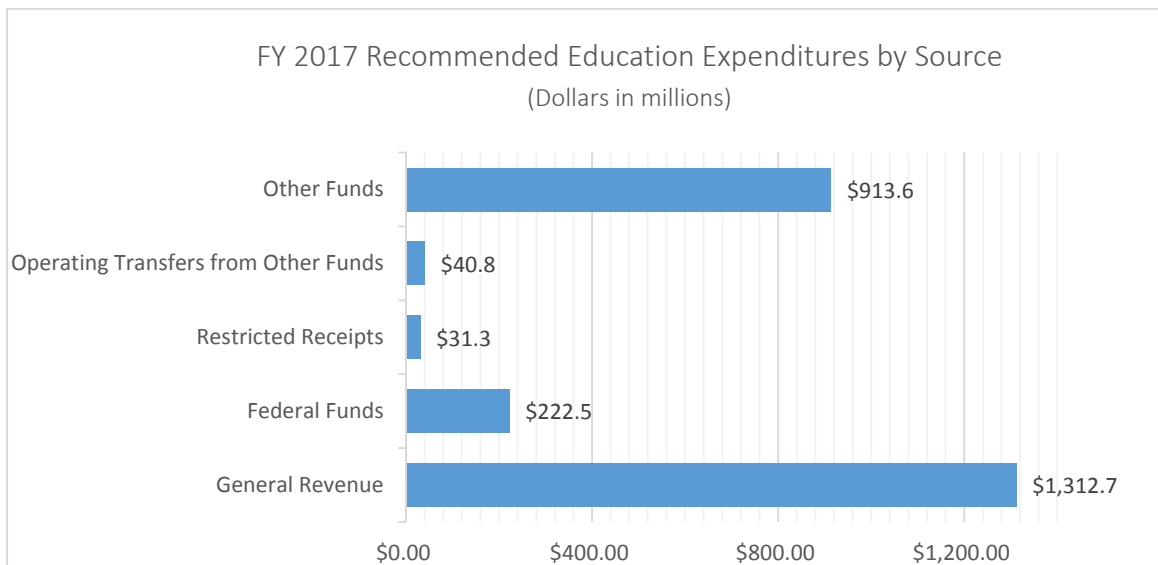
Education

Summary

The Education function of state government includes services provided by the Department of Elementary and Secondary Education, Public Higher Education, the Rhode Island State Council on the Arts, the Rhode Island Atomic Energy Commission, and the Historical Preservation and Heritage Commission. The Governor recommends 4,632.4 FTE positions in FY 2016 and 4,664.4 FTE positions in FY 2017.

The 2014 General Assembly restructured the Board of Education to strengthen its coordinating role by creating a 17-member Board, responsible for setting goals and working on system-wide initiatives. Members of the Board serve on two eight member councils, the Council on Elementary and Secondary Education and the Council on Postsecondary Education. The 2015 General Assembly merged the Rhode Island Higher Education Assistance Authority into Public Higher Education where it is now a program within the Office of the Postsecondary Commissioner

In FY 2017, the Governor continues to support these initiatives by fully funding year six of the K-12 education aid formula and by providing state assistance at the colleges and university in amounts intended to avoid tuition increases for the 2016-2017 school year. The Governor recommends total expenditures of \$2.521 billion for Education in FY 2017, including \$1.313 billion from general revenue, \$222.5 million from federal funds, \$31.3 million from restricted receipts, and \$954.4 million from other funds. In the Education function of state government, other funds consist of resources from: the Rhode Island Capital Plan Fund, Institutional Revenues, Sponsored Research Programs, Scholarships and Fellowships, and Auxiliary Enterprises in Public Higher Education.

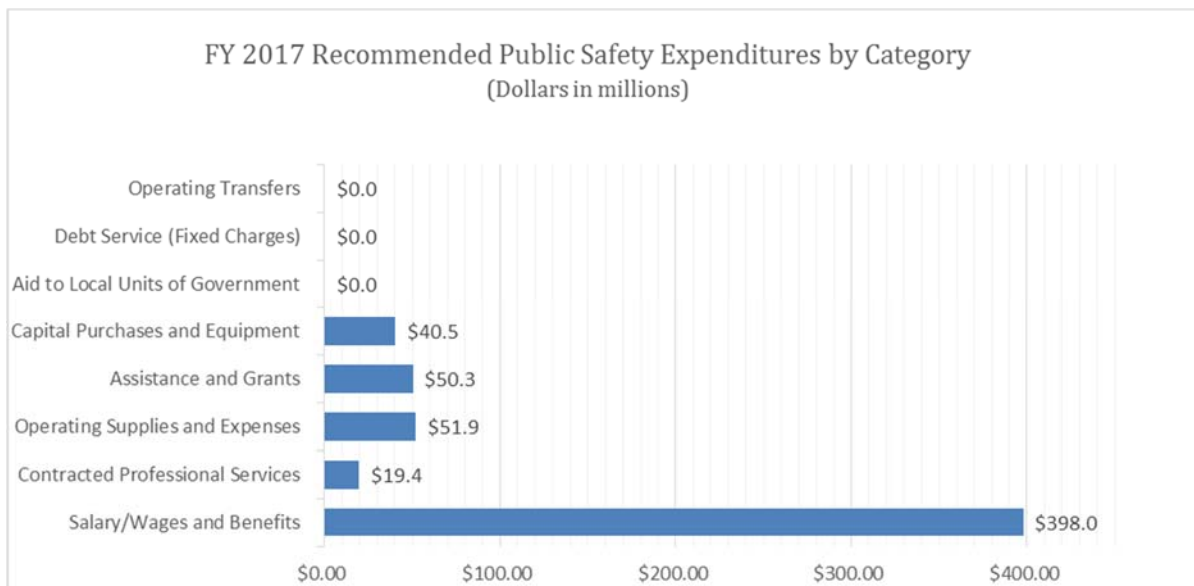


The Governor recommends changes to local K-12 education aid in FY 2017 arising from proposals of the Fair funding Formula Working Group established in late 2015 to review the existing formula. The Governor's recommendation adds a new weight for English learners, a new weight for fixed and marginal costs at public schools, and additional categorical financing for early childhood, career and technical and

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high cost special education. The addition of \$37.1 million in general revenue for the Department of Elementary and Secondary Education, to a total of \$1.109 billion in FY 2017 demonstrates the Governor's commitment to educating Rhode Island's youth.

For postsecondary education, the Governor provides a total of \$1.150 billion at the State's three institutions of higher learning in FY 2017, including \$199.8 million in general revenue. Included in these financing levels are scholarships and grants for students with proven academic performance but exceptional financial need, tuition waivers to allow high schoolers to earn college credit, and, financing for new professors and advisors poised to assist students in attainment of postsecondary degrees in critical areas of the economy. The Governor provides a total of \$31.0 million to the Office of the Postsecondary Commissioner, including \$9.3 million in general revenue, for the Office's role in overseeing the institutions, developing a higher education funding formula to better allocate state dollars amongst the schools, and programs that offer meaningful aid to current and potential students. The Governor's recommendation avoids tuition increases at any of the schools, both in FY 2016 and FY 2017.



The Governor's general revenue recommendation of \$2.521 billion for Education for FY 2017 is an increase of \$112.8 million, or 4.7 percent from FY 2016 enacted levels. The FY 2017 recommendation is an increase of \$71.2 million, or 2.9 percent more than the Governor's FY 2016 Revised recommendation of \$2.449 billion.

Aid to Local Units of Government accounts for 47.9 percent of all education expenditures, entirely attributable to state aid to local units of government as per the education funding formula. State operations expenditures, which include personnel and operating, account for 33.5 percent of total education expenditures, most of which occur in Public Higher Education.

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ELEMENTARY AND SECONDARY EDUCATION

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$959,927,061	\$1,002,464,660	\$1,067,719,085	\$1,067,544,042	\$1,109,259,026
Federal Funds	\$203,805,167	\$197,213,822	\$203,962,314	\$211,023,436	\$206,229,553
Restricted Receipts	\$25,529,786	\$28,575,427	\$28,948,926	\$30,571,770	\$30,186,994
Other Funds	\$272,572	\$299,774	\$359,000	\$59,000	\$659,000
RI Capital Plan Fund	\$7,827,694	\$3,634,804	\$7,501,370	\$8,160,064	\$4,045,000
Total Funding	\$1,197,362,280	\$1,232,188,487	\$1,308,490,695	\$1,317,358,312	\$1,350,379,573
FTE Authorization	357.4	344.4	337.4	339.4	339.4

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$1.317 billion for the Department of Elementary and Secondary Education, including \$1.068 billion from general revenue, \$211.0 million from federal funds, \$8.2 million from the RI Capital Plan Fund, \$30.6 million from restricted receipts, and \$59,000 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$175,043, federal financing increases by \$7.1 million, restricted receipt financing increases by \$1.6 million, financing from the RI Capital Plan Fund increases by \$658,694, and financing from Other funds decreases by \$300,000. The revised FY 2016 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$95,052 of general revenue savings being allocated to the Department of Elementary and Secondary Education.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends revised FY 2016 appropriations of \$237.6 million, including \$20.5 million from general revenue, \$209.3 million from federal funds, \$3.0 million from the RI Capital Plan Fund, and \$4.7 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$131,553, federal funds increase by \$7.0 million, restricted receipt financing increases by \$134,750, and financing from the RI Capital Plan Fund increases by \$1.0 million. Major changes include:

- *Education Commission of the States.* The Governor includes \$53,100 for membership in the Education Commission of the States. This organization provides education policy research and reports as well as opportunities for collaboration to member states with the goal of creating more effective education policy.
- *Removal of Financing for Consent Decree.* The Governor removes general revenue financing totaling \$125,000 for costs associated with the Consent Decree Monitor. The Governor funds the cost of the monitor in the BHDDH budget in both FY 2016 and FY 2017.

Education Aid

Within the Education Aid program, the Governor recommends revised FY 2016 appropriations of \$816.7 million, including \$796.0 million from general revenue and \$20.7 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$12,465, restricted receipt financing increases by \$1.4 million, and financing from Other funds decrease by \$300,000. Major changes include:

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- *Non-Public Textbooks.* Per R.I.G.L. 16-23-3.1, the Department is required to reimburse LEAs for costs of providing English/language arts and history/social studies textbooks for students in grades K-12 attending non-public schools. The Governor recommends a reduction of \$89,291 from general revenue for this program in FY 2016, attributable to actual reimbursement requests received by the Department for FY 2016.
- *Group Home Supplemental:* Pursuant to R.I.G.L. 16-64-1.1(b)(2), the Department is required to reimburse LEAs for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st. The Governor recommends supplemental general revenue financing of \$180,000 in FY 2016 attributable to 10 new beds in Warwick and 2 new beds in Woonsocket.
- *Charter School Mid-Year Adjustment:* Pursuant to R.I.G.L. 16-7.2-5(a), if the October 1st actual enrollment data for any charter public school shows a ten percent (10%) or greater change from the prior year enrollment, the third and fourth quarter payments to the charter public school will be adjusted to reflect actual enrollment. The Governor recommends a reduction of \$98,800 attributable to enrollment declines at RI Nurses Institute, RISE Mayoral Academy, and New England Laborers.
- *Progressive Support and Intervention Program (Permanent School Fund).* The Governor recommends that \$300,000 from Other funds for this program be shifted to FY 2017. The Department will redirect the use of these funds to FY 2017 to support the advanced coursework network pilot which will support Rhode Island high school students in accessing personalized advanced coursework opportunities. In total, the initiative will support and serve approximately 1,000 students statewide for FY 2017.

School Construction Aid

Within the School Housing Aid program, the Governor recommends revised FY 2016 appropriations of \$90.9 million from general revenue, comprised of \$70.9 million for the formal school housing aid program established by R.I.G.L. 16-7-35, and \$20.0 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2, consistent with the enacted level.

Teacher Retirement

Within the Teacher Retirement program, the Governor recommends revised FY 2016 appropriations of \$92.8 million from general revenue, consistent with the enacted level. Per R.I.G.L. 16-16-22, the state funds 40 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

Davies Career & Technical High School

Within the Davies Career and Technical High School program, the Governor recommends revised FY 2016 appropriations of \$18.7 million, including \$11.6 million from general revenue, \$1.4 million from federal funds, \$4.4 million from restricted receipts, and \$1.3 million from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing is unchanged, federal financing increases by \$89,551, restricted receipt financing increases by \$74,237, and financing from the RI Capital Plan Fund decreases by \$395,000. Davies is the only LEA that is both included in the funding formula and whose employees are state employees. Its general revenue appropriation is determined by the education aid funding formula and the ten-year transition plan that is underway. Davies also receives a local share of funding from the individual districts that send students to the school.

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Metropolitan Regional Career & Technical Center (The Met)

Within the Metropolitan Regional Career & Technical Center (The Met) program, the Governor recommends revised FY 2016 appropriations of \$13.8 million, including \$9.9 million from general revenue and \$3.9 million from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing is unchanged and recommended financing from the RI Capital Plan Fund increases by \$53,694. The Met's general revenue appropriation is determined by the education aid funding formula, similar to other local educational agencies. The Met, formerly fully State-funded, also receives a local share of funding from the individual districts that send students to the school.

Central Falls

Within the Central Falls program, the Governor recommends revised FY 2016 appropriations of \$39.5 million, consistent with the enacted level. Beginning in FY 2012, general revenue financing for the Central Falls School District has been determined by the education funding formula. Under the formula, Central Falls is considered a losing district and as such education aid for the school is being phased-in over a ten year period. Because the state has full responsibility for funding the district, a transition fund was established, pursuant to R.I.G.L. 16-7.2-6, to assure that funding is available to meet the local share of education costs. Of the amount recommended for Central Falls, \$35.8 million is attributable to the formula allocation and \$3.7 million is attributable to the stabilization fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends revised FY 2016 appropriations of \$7.3 million, including \$6.2 million from general revenue, \$254,320 from federal funds, \$785,791 from restricted receipts, and \$59,000 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$31,025, attributable to the distribution of statewide savings allocated to this program, federal financing decreases by \$5,394, and all other financing remains unchanged.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$1.350 billion for the Department of Elementary and Secondary Education, including \$1.109 billion from general revenue, \$206.2 million from federal funds, \$30.2 million from restricted receipts, \$4.0 million from the Rhode Island Capital Plan Fund, and \$659,000 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$40.8 million, federal financing increases by \$2.3 million, restricted receipt financing increases by \$1.2 million, financing from the RI Capital Plan Fund decreases by \$3.5 million, and financing from Other funds increases by \$300,000. The FY 2017 Budget is inclusive of statewide medical benefit and other savings distributed to state agencies, which resulted in \$98,887 of general revenue savings being allocated to the Department of Elementary and Secondary Education.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends FY 2017 appropriations of \$236.1 million, including \$24.4 million from general revenue, \$204.6 million from federal funds, \$4.8 million from restricted receipts, and \$2.4 million from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$3.7 million, federal financing increases by \$2.2 million, restricted receipt financing increases by \$181,940, and financing from the RI Capital Plan Fund increases by \$395,000. Major changes to the enacted level include:

- *Innovation & Empowerment Fund*. The Funding Formula Working Group found that “there is a

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need for innovation and the promotion of best practices in education” and recommended that Rhode Island investigate the use of state funding to promote innovation, flexibility, and best practices and to encourage building-level autonomy. Towards that end, the Governor recommends the creation of an Innovation & Empowerment Fund, seeded with an initial appropriation of \$1.0 million in FY 2017. This Fund will be used to provide both planning grants and implementation grants directly to schools. As part of a strategic focus on building-level innovation and empowerment, the planning grants will be the first step toward the establishment of a statewide cohort of innovation and empowerment schools. The program will also be used to incentivize break-through educational models, innovation, enhanced building-level empowerment, and innovative education practices that promote equity, and increase educational efficiency.

- *Principal Empowerment & Training Fund.* As part of a strategic focus on building-level leadership and empowerment, the Governor recommends \$1,000,000 in general revenue funding to be available for the purposes of building a pipeline of instructional leaders and principals through an emerging leaders program, supporting the growth of sitting principals and strengthening in-state principal preparation programs.
- *Race to the Top Sustainability.* The Governor recommends \$569,629 to sustain certain Race to the Top Early Learning Challenge activities within the Department of Elementary and Secondary Education. The recommendation includes \$219,629 from general revenue to sustain 3.25 FTE Race to the Top Early Learning Challenge positions for 6 months of FY 2017 due to the expiration of grant funds on December 31, 2016 as well as \$350,000 to fund the Kindergarten Entry Profile Survey initiative.
- *Computer Science Education.* The Governor recommends \$260,000 from general revenue to expand access to computer science courses across the state. Computer science education is more important than ever, and the need for more robust STEM programming in Rhode Island schools is apparent. Rhode Island’s IT industry is a leading force in the State’s economy, and STEM and IT jobs are the fastest growing positions.
- *PSAT/SAT for all Rhode Island Students.* The Governor recommends \$500,000 from general revenue to make the SAT and PSAT free for all students in Rhode Island. This initiative is intended to get 100 percent of high school students taking these tests and would also permit high schools to administer the test during the school day. Presently, less than 60% of Rhode Island high school students take the SAT.
- *Fellowship for Instructional Excellence.* The Governor recommends \$750,000 in general revenue for the first year of a proposed two-year fellowship program. This program will bring approximately 7 master teachers into two-year fellowships at the Department of Education. Participants would have access to high-quality professional development, serve on and lead statewide educational projects and develop and deliver professional development programs for teachers in Rhode Island.
- *Performance Management and Educator Performance Support FTEs.* The Governor recommends \$284,824 in general revenue to support 2.0 additional FTE positions within this program. One FTE will support and manage the Department’s performance management system and the second will support the Rhode Island evaluation model - developing and implementing professional practice and foundations training for all RI Model evaluators.

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- *Model Evaluation System:* The Governor recommends \$290,000 in general revenue for Rhode Island's model evaluation system. Funding supports assessment training and provides support for the RI Instructional Management System, which combines curriculum, assessment, instructional practice tools and student data for use by educators and school administrators.
- *Education Commission of the States.* The Governor includes \$53,100 for membership in the Education Commission of the States. This organization provides education policy research and reports as well as opportunities for collaboration to member states with the goal of creating more effective education policy.
- *Removal of Financing for Consent Decree.* The Governor removes general revenue financing totaling \$125,000 for costs associated with the Consent Decree Monitor. The Governor funds the cost of the monitor in the BHDDH budget in both FY 2016 and FY 2017.
- *VM Ware Licenses.* RIDE has a five-year support and maintenance contract with VM Ware to manage 150 virtual servers that expires in FY 2017. The Governor recommends that this license be converted to an annual re-renewal period and includes \$34,500 for the license in FY 2017.
- *Channel 36 Transition Grant.* The Governor proposes achieving \$200,000 in general revenue savings by eliminating the Channel 36 transition grant. Since its inception, this grant has provided \$750,000 in funding to PBS (including FY 2016 enacted financing).

Education Aid

Within the Education Aid program, the Governor recommends revised FY 2016 appropriations of \$858.6 million, including \$837.3 million from general revenue and \$20.7 million from restricted receipts, and \$600,000 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$41.3 million, restricted receipt financing increases by \$1.4 million, and financing from Other funds increases by \$300,000. Major changes include:

- *Formula Aid.* In FY 2017, the Governor recommends \$866.5 million from general revenue for formula aid, inclusive of formula aid provided to Central Falls, the Met School, and Davies Career and Technical High School. This also includes \$2.6 million from general revenue for Density Aid for traditional districts with greater than 5 percent public school of choice enrollment – made to advance the recommendations of the Funding Formula Working Group. In addition to Density Aid, the Governor also recommends \$2.5 million from general revenue for an English Learner Categorical (which is not included in this total). A complete description of each of the changes made to advance the recommendations of the Funding Formula Working Group, can be found in Appendix D, Aid to Schools. Compared to the FY 2016 enacted level, recommended formula aid increases by \$33.4 million attributable to the following adjustments:
 - Year 6: Formula Aid: \$30.8 million
 - Additional aid to districts with high public school of choice enrollment: \$2.6 million
- *Full Day Kindergarten – Immediate Phase-In of Aid: Repeal R.I.G.L. 16-7.2-7c.* Article 6 of the Governor's FY16 Budget requires that all school districts offer full-day kindergarten by the 2016-2017 school year and provided one-time supplemental funds in the amount of \$1.1 million to the five remaining districts who did not yet offer full-day kindergarten. Now that full-day kindergarten will be fully phased-in in all communities, the Governor recommends that R.I.G.L. 16-7.2-7c be repealed, which results in cost

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avoidance totaling \$2.5 million from general revenue in FY 2017. R.I.G.L. 16-7.2-7c requires that increases in aid due to the conversion of kindergarten students from 0.5 full time equivalents to 1.0 full time equivalents be funded at the fully transitioned value of the formula beginning in FY 2017. Repealing this statute will treat all classrooms equally, consistent with the formula transition plan outlined in R.I.G.L. 16-7.2-7. Because FY 2017 would have been the first year this aid would have been required, the repeal results in a cost avoidance and not a reduction from the FY 2016 enacted level.

- *Categorical Funds – English Learners.* The Funding Formula Working Group found that English Learners (ELs) have unique needs and their services are more extensive than general education ones. Further, the group found that while ELs will benefit from additional support through the funding formula, this support should not come at the expense of other educational programs. Rhode Island is presently only one of four states that does not provide specific funding for ELs as part of its funding formula. Towards this end, the Governor recommends the creation of an EL categorical fund, calculated at the level of 0.1 of the Core Instruction Amount, applied to students in the most intensive ELs programs. The funds may only be used on evidence-based programs proven to increase outcomes for ELs and its usage will be monitored by the Department of Elementary and Secondary Education. The Governor recommends that the funding for this categorical be phased-in over two years. The FY 2017 cost of this categorical is \$2.5 million, which is approximately one-half of the estimated full funding amount.
- *Categorical Funds – High Cost Special Education.* Consistent with the recommendations of the Funding Formula Working Group, the Governor recommends \$4.5 million for the high cost special education categorical fund in FY 2017, \$2.0 million greater than the FY 2016 enacted level. The high cost special education categorical provides financial support to districts that are serving students with extraordinary needs. The Governor also recommends that the threshold for qualifying for the High Cost Special Education categorical be lowered from five times the core foundation amount (core instruction amount plus student success factor) to four times the core foundation amount.
- *Categorical Funds – Early Childhood.* The Governor recommends \$5.2 million for the early childhood categorical fund in FY 2017, \$1.2 million greater than the FY 2016 enacted level. The early childhood education categorical is used to increase access to high quality pre-kindergarten programs. Early childhood categorical funds are distributed through a competitive process for high-quality programs. This increase is part of the overall plan to triple the number of state-sponsored high quality pre-kindergarten classrooms by 2019 and leverages \$5.8 million in federal funds.
- *Categorical Funds – Transportation.* The Governor recommends \$4.4 million for the transportation categorical fund in FY 2017, consistent with the FY 2016 enacted level. The transportation categorical is used to reimburse districts for a portion of the cost of transporting students outside their districts. Districts must participate in the statewide transportation system to be eligible. Reimbursement for regional district transportation accounts for approximately half of the categorical.
- *Categorical Funds – Career and Technical.* The Governor recommends \$3.5 million for the career and technical education categorical fund in FY 2017, consistent with the FY 2016 enacted level. The career and technical categorical fund is used to support start-up

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for new programs and to offset the higher than average per pupil costs associated with existing career and technical programs. Twenty-one LEAs receive funding from this categorical in varying amounts ranging from an annual average of \$405,000 for free-standing centers to an annual average of \$25,000 for single programs embedded in comprehensive high schools.

- *Group Home Aid:* The Governor recommends \$4.0 million from general revenue for group home aid, \$1.1 million below the FY 2016 enacted level. This decrease in group home aid in FY 2017 is to accommodate R.I.G.L. 16-7-22(1)(ii), which requires the average daily membership of each LEA to be decreased by the number of group home beds used in group home aid calculations. To remain consistent with the manner in which this decrease was enacted in 2015 and 2016, the funding formula adjustment for the number of licensed group home beds is applied to group home aid rather than to the funding formula. In addition, this adjustment accommodates R.I.G.L. 16-64-1.1(b)(2), which requires the Department to reimburse LEAs for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st. This includes financing for 396 beds as of December 31st, 2015.
- *E-Rate.* The Governor recommends \$900,000 from general revenue for the state E-Rate program in FY 2017, \$500,000 greater than the FY 2016 enacted level in order to prevent LEAs from having to allocate additional local resources towards internet services in order to maintain current services. The additional general revenue requirement is attributable to a projected decline in collections to the restricted receipt account that funds this program, combined with an increased state share of e-rate contract expenses. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *Progressive Support and Intervention Program (Permanent School Fund).* The Governor recommends that \$300,000 in other funds for this program be shifted from FY 2016 to FY 2017, bringing total available resources for this program to \$600,000 in FY 2017. Funds will be used to support the advanced coursework network pilot which will support Rhode Island high school students in accessing personalized advanced coursework opportunities. In total the initiative will support and serve approximately 1,000 students statewide for FY 2017.

School Construction Aid

Within the School Housing Aid program, the Governor recommends FY 2017 appropriations of \$80.0 million from general revenue, comprised of \$70.9 million for the formal school housing aid program established by R.I.G.L. 16-7-35, and \$9.1 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2, \$10.9 million less than the enacted level in FY 2016.

Teacher Retirement

Within the Teacher Retirement program, the Governor recommends FY 2017 appropriations of \$99.1 million from general revenue, \$6.3 million greater than the FY 2016 enacted level. Per RIGL 16-16-22, the state funds 40 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

Davies Career & Technical High School

Within the Davies Career and Technical High School program, the Governor recommends FY 2017 appropriations of \$19.9 million, including \$13.0 million from general revenue, \$1.4 million from federal

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funds, \$3.9 million from restricted receipts, and \$1.6 million from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$1.4 million, federal financing increases by \$48,971, restricted receipt financing decreases by \$344,235, and financing from the RI Capital Plan Fund decreases by \$115,000. Major changes include:

- *Formula Aid – Year 6:* In FY 2017, the education aid formula allocates \$611,226 less than FY 2016 for Davies.
- *Davies Supplemental Financing.* In addition to the funding allocated by the formula, the Governor recommends supplemental financing of \$2.0 million in FY 2017 in order to sustain existing academic and technical programs at the school. Funding allocated by the formula has declined from \$13.4 million in FY 2012 to \$11.0 million in FY 2017.

Metropolitan Regional Career & Technical Center (The Met)

Within the Metropolitan Regional Career & Technical Center (The Met) program, the Governor recommends FY 2017 appropriations of \$9.6 million, including \$9.5 million from general revenue and \$100,000 from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$334,537, while financing from the RI Capital Plan Fund decreases by \$3.7 million. Major changes include:

- *Formula Aid – Year 6:* In FY 2017, the education aid formula allocates \$631,672 less than FY 2016 for The Met.
- *The Met School Supplemental Financing.* In addition to the funding allocated by the formula, the Governor recommends supplemental financing of \$297,135 in FY 2017 in order to alleviate the effects of the proposed changes to the funding formula. The proposed changes will result in an estimated loss of local tuition revenue to the Met School of \$297,135 in FY 2017.

Central Falls

Within the Central Falls program, the Governor recommends FY 2017 appropriations of \$38.9 million from general revenue, \$657,769 less than the enacted level. Of the amount recommended for Central Falls, \$34.3 million is attributable to the formula allocation and \$4.6 million is attributable to the stabilization fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends FY 2017 appropriations of \$7.4 million, including \$6.3 million from general revenue, \$254,320 from federal funds, \$785,791 from restricted receipts, and \$59,000 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$47,154, federal financing decreases by \$5,394, and all other fund sources remain unchanged.

The Governor recommends 339.4 FTE positions in the revised FY 2016 Budget and the recommended FY 2017 Budget, 2.0 FTE positions greater than the enacted FY 2016 level, attributable to 2.0 FTE position within the Administration of the Comprehensive Education Strategy program. While the FTE authorization is recommended in FY 2016, funding is not provided for the additional positions until FY 2017.

Public Higher Education

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PUBLIC HIGHER EDUCATION

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$9,887,450	\$10,960,020	\$11,630,646	\$11,607,636	\$18,603,246
Federal Funds	\$10,409,332	\$9,089,364	\$30,185,088	\$30,868,852	\$28,617,694
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$14,790,000	\$14,790,000	\$14,790,000
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$20,296,782	\$20,049,384	\$56,605,734	\$57,266,488	\$62,010,940
FTE Authorization	642.9	750.8	745.8	745.8	745.8

FY 2016 Revised Budget

The Governor recommends a revised FY 2016 Budget of \$1.116 billion for Public Higher Education, including \$180.9 million from general revenue, \$15.4 million from federal funds, \$884.7 million from other funds, \$653,200 in restricted receipts, and \$34.4 million from the Rhode Island Capital Plan Fund. Relative to the enacted FY 2016 levels of \$196.3 million, general revenue financing decreases by \$15.3 million, mostly attributable to removal of \$14.6 million for general revenue-financed debt service, due to recent refinancing of state debt. Statewide savings on medical premiums, telecom and energy contribute to an additional removal of \$689,966 from the enacted level.

Office of the Postsecondary Commissioner

The Governor recommends revised FY 2016 appropriations of \$28.6 million for the Office of the Postsecondary Commissioner, including \$5.8 million in general revenue, comprised of the following:

- *Division of Higher Education Assistance (formerly, Rhode Island Higher Education Assistance Authority, or Guaranty Agency).* The Governor includes an additional \$341,882 in personnel and operating financing in the current year, financed from available balances as the enacted budget did not include adequate financing for current staffers in the program. Total federal and other funds budgeted for this program is \$22.8 million in FY 2016, including \$1.2 million for personnel.
- *Shepard's Building.* The Governor includes \$2.3 million in general revenue in the current year for the Shepard's Building operating and parking, for its role as a remote campus site for the University of Rhode Island's continuing education program, and Department of Elementary and Secondary Education administrative staff.
- *Grants and Waivers.* The Governor recommends a total of \$16.1 million for scholarships and grants in FY 2016, including :
 - \$356,538 as a legislative grant to the Children's Crusade
 - \$1.3 million for dual enrollment waivers for students who access college courses in high school
 - \$3.1 million for the Gear-up College Crusade Program to encourage high schoolers to obtain secondary and then postsecondary degrees
 - \$4.0 million from the Guaranty Agency
 - \$6.1 million from the Tuition Savings Program

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University of Rhode Island

The Governor recommends revised all funds appropriations of \$751.0 million in FY 2016, including \$80.7 million from general revenue. The recommendation consists of the following changes:

- *Debt Service Savings.* A recent refinancing of state debt provided savings totaling \$9.7 million in general revenue in FY 2016 for the University.
- *Redistribution of general revenue among expenditure categories.* The Governor's recommendation reflects the University's request in the current year to redistribute \$1.6 million in general revenue from the grant category to capital codes, based on expected requirements for institutional student aid and capital expense.
- *Rhode Island Capital Plan Fund Financing.* The Governor recommends \$22.8 million in the revised FY 2016 Budget, for an electrical substation upgrade, fire protection improvements and asset protection projects at the Kingston Campus.
- *Other Fund Increases.* Auxiliary services are requested to increase by \$7.0 million, general education by \$14.4 million and sponsored research by \$15.6 million. Restricted student aid increases by \$2.3 million and private donations by \$1.4 million. The increases correspond to expected education financing requirements as determined by the University.
- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$236,936 in general revenue savings allocated to the University.

Rhode Island College

The Governor recommends revised all funds appropriations totaling \$177.1 million in FY 2016 for Rhode Island College, including \$46.2 million in general revenue, based on the following changes:

- *Debt Service Savings.* State debt refinancing savings total \$3.8 million from general revenue in FY 2016 for the College.
- *Redistribution of general revenue among expenditure categories.* The Governor's recommendation reflects the College's request in the current year to redistribute \$914,005 from the personnel category to grants and college services, based on current vacancies.
- *Rhode Island Capital Plan Program, Financing.* The Governor recommends \$8.4 million in FY 2016, for electrical upgrades at the Adams Library, and air system improvement at Roberts and Fogarty Halls. Improvements to the Clark Science Building Bio-Chemistry Laboratory and a master plan for campus-wide improvements are also financed in the Governor's recommendation.
- *Other Fund Changes.* Non-general revenue debt service decreases by \$1.6 million in the Governor's recommendation to reflect housing debt requirements in the current year. This decrease is offset by increase of restricted student aid of \$600,000, to a total of \$14.8 million for the year.
- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$197,668 in general revenue savings allocated to the College.

Community College of Rhode Island

The Governor recommends revised all funds appropriations of \$159.4 million in FY 2016, including \$48.3 million in general revenue, comprised of the following changes:

- *Debt Service Savings.* State debt refinancing savings total \$1.1 million in general revenue in FY 2016.
- *Redistribution of general revenue among expenditure categories.* The Governor's recommendation reflects the Community College's request in the current year to redistribute \$505,173 from personnel to grants and operating expense, based on current vacancies and expected requirements for grants and operating expense.

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- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$243,857 in general revenue savings allocated to the Community College.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$1.163 billion for Public Higher Education, including \$199.5 million from general revenue, \$14.3 million from federal funds, \$912.8 million from other funds, \$660,795 from restricted receipts, and \$36.1 million from the Rhode Island Capital Plan Fund. The total general revenue increase from the enacted budget of \$3.2 million includes: increase of \$740,954 for target adjustments, \$357,488 in redistributed savings from FY 2016 and \$386,435 in FY 2017 statewide savings, mostly for health premiums. Debt service savings of \$7.6 million occur due to recent refinancing of general obligation debt budgeted in the institutions. The Governor's recommendation for additional general revenue (not including debt savings), in combination with an additional \$10.0 million in Rhode Island Capital Plan Program financing averts the requirement to raise tuition at the colleges in FY 2017.

Office of the Postsecondary Commissioner

The Governor recommends appropriations of \$31.0 million for the Office of the Postsecondary Commissioner in FY 2017 including \$5.8 million in general revenue, consisting of the following changes:

- *Rhode Island Nursing Education Center.* The Governor provides \$3.4 million in general revenue for the State's portion of base lease costs, tenant improvements, and furnishings at the new shared learning facility at the former South Street Landing site in Providence. The Office will be the centralized location for the annual appropriation of these expenses.
- *Personnel Financing.* The Governor's recommends a total of \$2.7 million for the Office in FY 2017 for personnel, including removal of \$137,106 in general revenue for transfer of an audit position to the new centralized audit function under the Office of Management and Budget in the Department of Administration.
- *Shepard's Building.* The Governor provides \$2.3 million in general revenue in the current year for the Shepard's Building operating and parking costs.
- *Higher Education Assistance Program.* The Governor removes \$180,697 in federal personnel financing, same as the request, to correspond to the declining loan portfolio and required support staff in FY 2017. Total provided in federal and other funds is \$21.7 million, including \$810,269 for personnel expense.
- *Grants and Waivers.* The Governor recommends a total of \$16.1 million for scholarships and grants in FY 2017, including:
 - \$356,538 as a legislative grant to the Children's Crusade
 - \$1.3 million for dual enrollment waivers
 - \$3.1 million for the Gear-up College Crusade Program
 - \$4.0 million from the Guaranty Agency
 - \$6.1 million from the Tuition Savings Program.
- *Higher Education Funding Formula.* The Office of the Postsecondary Commissioner will develop a funding formula to measure institutional persistence in achieving key goals for postsecondary degree attainment and State appropriation, including increased involvement of underserved populations, and distinction in key industry sectors. A funding formula will assist in future years' distribution of state funds, based on institutional performance in strategic areas and relative to standardized industry costs. The effort is financed in the existing appropriation level recommended by the Governor.

University of Rhode Island

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The Governor recommends FY 2017 appropriations of \$793.1 million, including \$90.1 million in general revenue for the University. The recommendation encompasses the following changes:

- *Rhode Island Nursing Education Center.* The Governor provides \$1.4 million, included in the base financing level for all funds, for the University's requirements for administrative personnel, operating expense, lease obligations and parking for eight months in FY 2017 with a November, 2016 occupancy date, and curricula beginning in the 2017 winter semester. Operational expense will be shared with Rhode Island College as outlined in a Memorandum of Agreement between the two institutions. Each institution will utilize its own faculty for class instruction.
- *NOAA Cooperative Institute of Coastal Adaptation and Resilience.* In partnership with the National Oceanographic and Atmospheric Agency, the Governor proposes formation of the Institute at the Graduate School of Oceanography to assist shoreline communities in managing and preparing for climate changes as may be characterized as sea-level rise, extreme weather events and fishery changes. The Governor provides \$100,000 in state financing to illustrate the State's commitment to this initiative and to garner federal dollars as funding becomes available.
- *Institution-Based Student Aid.* The Governor provides an additional \$200,473, for a total of \$19.3 million in general revenue, to be used in combination with tuition revenue for grants, loans and other financial assistance that attract and retain students, promote diversity on campus, and support athletic programs. Total commitment, including tuition revenue, is \$90.8 million in FY 2017.
- *Cost of Living Increase.* The Governor provides \$1.0 million in general revenue for a 3.0 percent cost of living increase for several bargaining units at the University including professors, support personnel and administrative staff. The all funds estimate of the increase is \$5.8 million, of which state funds provide 18.1 percent of the total.
- *Personnel Financing.* The Governor provides an additional \$3.1 million in general revenue, to be used in combination with tuition and other resources at the University to finance new positions including professors and academic advisors. The increased staff is part of the University President's long-range staffing plan included in the Transformational Goals and Academic Plan document.
- *Debt Service Savings.* A recent refinancing of state debt provided savings totaling \$5.0 million in general revenue in FY 2017 for the University.
- *Rhode Island Capital Plan Program Financing.* The Governor provides an additional \$5.7 million in capital financing, for a total of \$13.8 million in FY 2017. The new money will be used in place of tuition revenue otherwise used for sundry capital projects, freeing up resources in lieu of tuition increases at the University.
- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$263,796 in general revenue savings allocated to the University, mostly for savings on employee medical premiums.

Rhode Island College

The Governor recommends FY 2017 appropriations of \$187.9 million, including \$49.5 million in general revenue for the College. The recommendation is comprised of the following changes:

- *Rhode Island Nursing Education Center.* The Governor provides \$1.4 million, included in the base financing level, for the College's requirements for administrative personnel, operating expense, lease obligations and parking expense, and shared with the University of Rhode Island. Each institution will utilize its own faculty for class instruction.
- *Institution-Based Student Aid.* The Governor provides an additional \$200,473, for a total of \$5.6 million in general revenue, to be used in combination with tuition revenue for grants, loans and other financial assistance that attract and retain students and encourages inclusion of underserved

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and underrepresented populations. Total commitment at the College for institution-based student aid, including tuition revenue, is \$16.3 million in FY 2017.

- *Cost of Living Increase.* The Governor provides \$559,279 in general revenue for a 3.0 percent cost of living increase for several bargaining units at the College including professors, support personnel and administrative staff. The all funds estimate of the increase is \$1.5 million, of which state funds provide 36.6 percent of the total.
- *Personnel Financing.* The Governor provides an additional \$1.2 million in general revenue, to be used in combination with tuition and other resources at the College to finance current staff and hire academic positions as warranted.
- *Debt Refinancing.* Savings from refinanced debt total \$2.6 million in general revenue in FY 2017 for the College.
- *Rhode Island Capital Plan Program Financing.* The Governor provides an additional \$2.0 million in RICAP financing, for a total of \$8.4 million in FY 2017. The new money will be used in place of tuition revenue normally used for some capital projects, freeing up resources in lieu of tuition increases at the College.
- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$216,265 in general revenue savings allocated to the College, mostly for savings on employee medical premiums.

Community College of Rhode Island

The Governor recommends FY 2017 appropriations \$168.3 million, including \$50.6 million in general revenue for the Community College. The recommendation is comprised of the following changes:

- *Institution-Based Student Aid.* The Governor provides an additional \$200,473, for a total of \$1.8 million in general revenue, to be used in combination with tuition revenue for grants, loans and other financial assistance to incentivize students to remain full-time and to graduate on schedule. Total commitment at the Community College for institution-based student aid, including tuition revenue, is \$4.1 million in FY 2017.
- *Cost of Living Increase.* The Governor provides \$769,367 in general revenue for a 3.0 percent cost of living increase for several bargaining units at the Community College including professors, support personnel and administrative staff. The all funds estimate of the increase is \$1.9 million, of which state funds provide 45.1 percent of the total.
- *Rhode Island Capital Plan Program Financing.* The Governor provides an additional \$2.3 million in capital financing, for a total of \$8.5 million in FY 2017, in part to avert tuition increases at the Community College. The balance of the new financing is for the newly expanded Westerly Campus program, which will provide laboratory and classroom space for collaborative programs with local private industries.
- *Distribution of Statewide Medical and Other Savings.* The Governor's recommendation includes \$251,817 in general revenue savings allocated to the Community College, mostly for savings on employee medical premiums.

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RHODE ISLAND COUNCIL ON THE ARTS

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$1,310,474	\$1,490,966	\$1,863,052	\$1,859,778	\$1,539,620
Federal Funds	\$686,230	\$713,200	\$775,353	\$774,296	\$775,454
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$284,245	\$183,075	\$1,398,293	\$905,300	\$303,200
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$2,280,949	\$2,387,241	\$4,036,698	\$3,539,374	\$2,618,274
FTE Authorization	6.0	6.0	8.6	8.6	6.0

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$3.5 million for the RI State Council on the Arts, including \$1.9 million from general revenue, \$774,296 from federal funds and \$905,300 from Art for Public Facilities Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$3,274, federal financing decreases by \$1,057, and financing for the Art for Public Facilities Fund decreases by \$492,993. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$4,255 of general revenue savings being allocated to the RI State Council on the Arts. Major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$8,049 from general revenue for personnel expenditures in FY 2016, attributable the distribution of statewide medical benefit savings totaling and other personnel reductions totaling \$4,019 due to hiring new staff at lower salaries.
- *Rhode Island Foundation Grant.* The Governor includes an additional \$5,000 for a grant received by the Council from the RI Foundation. The funding will be used to provide grants to Expansion Arts alumni and administrators to attend professional development workshops. This one-time grant will be deposited as general revenue, with the additional revenue reflected in the Governor's revenue estimates for departmental receipts.
- *Art for Public Facilities Fund.* The Art for Public Facilities Fund, established pursuant to R.I.G.L. 42-75.2-4, requires any state building or facility being constructed, remodeled, or renovated, to expend at least one percent of construction costs on works of art for public display. The Governor includes \$905,300 for the Art for Public Facilities Fund, a reduction of \$492,933 from the enacted level, reflecting an updated project schedule.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$2.6 million for the RI State Council on the Arts, including \$1.5 million from general revenue, \$775,454 from federal funds and \$303,200 from Art for Public Facilities Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$323,432, federal financing increases by \$101, and financing for the Art for Public Facilities Fund decreases by \$1.1 million. The FY 2017 budget is inclusive of statewide medical benefit and other savings distributed to state agencies, which resulted in \$3,824 of general revenue savings being allocated to the RI State Council on the Arts. Major changes to the enacted level include:

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- *Eliminate RI Film and Television Office.* The Governor recommends that this office be eliminated in FY 2017, for general revenue savings of \$325,291 from the enacted level. The office's primary responsibility is to promote the State of Rhode Island to production companies and to review and approve applications for Film Production Tax Credits, which are scheduled to sunset in FY 2019. Accordingly, the Governor recommends that the RI Film and Television Office be eliminated and that responsibility for marketing the state to production companies and overseeing the Tax Credit program become the responsibility of the Commerce Corporation.
- *Art for Public Facilities Fund.* The Governor includes \$303,200 for the Art for Public Facilities Fund, \$1.1 million less than the enacted level, reflecting projected project schedules in FY 2017.

The Governor recommends 8.6 FTE positions in the revised FY 2016 Budget and 6.0 FTE positions in the recommended FY 2017 Budget, attributable to the elimination of the RI Film and Television Office.

Atomic Energy Commission

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$859,903	\$872,139	\$957,170	\$936,450	\$981,100
Federal Funds	\$12,301	\$89	\$54,699	\$325,555	\$50,308
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$215,791	\$254,555	\$275,300	\$263,154	\$269,527
RI Capital Plan Fund	\$45,770	\$61,069	\$50,000	\$78,931	\$50,000
Total Funding	\$1,133,765	\$1,187,852	\$1,337,169	\$1,604,090	\$1,350,935
FTE Authorization	8.6	8.6	8.6	8.6	8.6

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$1.6 million for the Atomic Energy Commission, including \$936,450 from general revenue, \$325,555 from federal funds, \$263,154 Other funds, and \$78,931 from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$20,720, federal financing increases by \$270,856, financing from Other funds decreases by \$12,146, and financing from the RI Capital Plan Fund increases by \$28,931. The revised FY 2016 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$3,637 of general revenue savings being allocated to the Atomic Energy Commission. Major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$74,565 from general revenue for personnel expenditures in FY 2016, attributable the distribution of statewide medical benefit savings and other personnel reductions totaling \$70,945 due to a delay in hiring new staff following a retirement combined with hiring new staff at lower salaries.
- *Operating Expenditures.* The Governor includes an additional \$53,845 for increased operating expenditures at the facility, providing financing consistent with historical operating expenditures.
- *Federal Grants.* The Governor includes \$317,190 in FY 2016, \$279,270 greater than enacted, for a grant from the U.S Department of Energy, which will be used for instruction upgrades to the

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reactor. The grant was originally budgeted between FYs 2015 & 2016 and is shifted to FYs 2016 & 2017 in the Governor’s recommendation.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$1.4 million for the Atomic Energy Commission, including \$981,100 from general revenue, \$50,308 from federal funds, \$269,527 from Other funds, and \$50,000 from the RI Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$23,930, federal financing decreases by \$4,391, financing from Other funds decreases by \$5,773, and financing from the RI Capital Plan Fund is unchanged. The FY 2017 Budget is inclusive of statewide medical benefit and other savings distributed to state agencies, which resulted in \$3,762 of general revenue savings being allocated to the Atomic Energy Commission. Major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$29,386 from general revenue for personnel expenditures in FY 2017, attributable current service adjustments, including statewide medical benefit inflation and other statewide benefit changes, combined with other personnel reductions totaling \$38,287 due to hiring new staff at lower salaries.
- *All Other Expenditures.* The Governor includes an additional \$53,316 from general revenue for increased operating expenditures at the facility, providing financing consistent with historical operating expenditures.

The Governor recommends 8.6 FTE positions in the revised FY 2016 Budget and the recommended FY 2017 Budget, consistent with the enacted level.

Historical Preservation and Heritage Commission

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$1,282,682	\$1,138,182	\$1,380,972	\$1,430,963	\$1,373,860
Federal Funds	\$522,900	\$1,855,585	\$2,075,393	\$2,005,752	\$1,093,966
Restricted Receipts	\$45,108	\$377,082	\$428,630	\$427,175	\$427,175
Other Funds	\$15,015	\$71,736	\$71,708	\$75,367	\$79,998
RI Capital Plan Fund	\$134,579	\$2,004,145	\$0	\$125,000	\$0
Total Funding	\$2,000,284	\$5,446,730	\$3,956,703	\$4,064,257	\$2,974,999
FTE Authorization	16.6	16.6	16.6	16.6	16.6

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$4.1 million for the Historical Preservation and Heritage Commission, including \$1.4 million from general revenue, \$2.0 million from federal funds and \$502,542 from all other sources of funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$49,991, federal financing decreases by \$69,641, restricted receipt financing decreases by \$1,455, financing from Other funds increases by \$3,659, and financing from the RI Capital Plan Fund increases by \$125,000. The revised FY 2016 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$7,625 of general revenue savings being allocated

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to the Historical Preservation and Heritage Commission. Major changes to the enacted level include:

- *Personnel.* The Governor includes an additional \$31,636 in general revenue for personnel expenditures in FY 2016, attributable to an over allocation of personnel to the federal Historic Preservation Fund grant in the enacted budget. This adjustment allocates personnel to this grant consistent with available grant funds.
- *All Other Expenditures.* The Governor includes an additional \$18,355 in general revenue for all other expenditures in FY 2016, largely attributable to increased operating costs at the Eisenhower House following the renovation of the home, which is now suitable for year-round rentals and is anticipated to generate additional revenue for the state. The November Revenue Estimating Conference adopted estimated revenues from the rental of this property totaling \$100,000 in FY 2016, an increase of \$18,258 compared to the FY 2016 enacted level.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$3.0 million for the Historical Preservation and Heritage Commission, including \$1.4 million from general revenue, \$1.1 million from federal funds, \$427,175 from restricted receipts, and \$79,998 from Other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$7,112, federal financing decreases by \$981,427, restricted receipt financing decreases by \$1,455, and financing from Other funds increases by \$8,290. The recommended FY 2017 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$7,625 of general revenue savings being allocated to the Historical Preservation and Heritage Commission. Major changes to the enacted level include:

- *Personnel.* The Governor's recommendation for personnel includes \$28,052 in general revenue savings compared to the FY 2016 enacted budget, attributable to the following adjustments:
 - An additional \$8,025 from general revenue for current service adjustments, net of medical benefit savings redistributed to state agencies.
 - An additional \$53,271 from general revenue, attributable to an over allocation of personnel to the federal Historic Preservation Fund grant in the enacted budget, and other minor adjustments. This adjustment allocates personnel to this grant consistent with available grant funds.
 - Turnover savings of \$89,348 in FY 2017, equivalent to 1.0 FTE position.
- *Federal Grants.* The Governor recommends a reduction of \$981,427 from the enacted level for federal grants, providing financing for grant activities consistent with the value of the grant awards. The largest reduction is attributable to the expiration of the Hurricane Sandy Disaster relief grant, which comprises a reduction of \$902,503 from the enacted level, reflecting the anticipated close of grant activities in FY 2017.
- *All Other Expenditures.* The Governor includes an additional \$20,940 in general revenue for operating expenditures in FY 2017, largely attributable to increased operating costs at the Eisenhower House following the renovation of the home, which is now suitable for year-round rentals and is anticipated to generate additional revenue for the state. The November Revenue Estimating Conference adopted estimated revenues from the rental of this property totaling \$119,971 in FY 2017, an increase of \$38,229 compared to the FY 2016 enacted level.

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The Governor recommends 16.6 FTE positions in the revised FY 2016 Budget and the recommended FY 2017 Budget, consistent with the enacted FY 2016 level.

