



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

*Memorandum*

**To:** The Honorable Donald L. Carcieri  
Governor

Gary Sasse, Director  
Department of Administration

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

**Date:** November 13, 2009

**Subject:** FY 2010 First Quarter Report

The first quarter report for FY 2010 contains estimates of annual expenditures based upon analysis of expenditures through the first quarter of FY 2010 (July 1, 2009 through September 30, 2009), as well as caseload and medical assistance expenditure estimates and revenue estimates adopted at the November 5, 2009 and November 10, 2009 Revenue and Caseload Estimating Conferences. The fiscal year 2010 balance, based upon these assumptions, is estimated to show a \$219.8 million deficit.

Chapter 35-1-5 of the General Laws states that the Director of Administration shall "direct the State Budget Officer to project on a quarterly basis the anticipated year-end balance assuming current trends continue and the typical cyclical expenditure patterns prevail over the course of the year. A consolidated quarterly report incorporating the current status and projections shall be released to the public within forty-five days of the end of each quarter." This report demonstrates compliance with this section of the General Laws.

The Budget Office continues to review department and agency FY 2010 expenditure plans in conjunction with the FY 2011 budget process. Any changes recommended by the Governor to the FY 2010 enacted appropriations, or adopted revenues, will be incorporated in the supplemental appropriations act, which under current law, must be submitted to the General Assembly no later than January 21, 2010.

The projected budget deficit of \$219.8 million for FY 2010 is the result of an opening deficit of \$61.8 million (\$62.9 million less than the enacted opening surplus), a current year revenue shortfall of \$130.4 million, overspending of \$34.9 million, which is offset by \$4.6 million less

in reserve fund contributions. The deficit carried over FY 2009 is the result of a revenue shortfall, which when combined with the revenue shortfall in FY 2010 represents approximately eighty seven percent of the problem. The revenue estimate reflects recent revenue trends and expected collections based upon the economic forecast. On the revenue side, general revenue receipts are expected to be \$130.4 million less than enacted. Taxes are expected to fall short of the enacted estimates by \$139.8 million, while departmental revenues and other sources, including lottery revenues, are expected to be above enacted estimates by \$9.4 million. The November Revenue Estimating Conference predicts that revenues will be \$2.946 billion, which is \$130.4 million less than the enacted estimate of \$3.078 billion for FY 2010.

Table 1 demonstrates that revenues, net of reserve fund contributions, have been adjusted downward from the enacted budget by \$188.8 million. The opening deficit balance of \$61.8 million reflects the State Controller's preliminary closing for FY 2009. Expenditures increase by a net of \$34.9 million, including \$1.0 million of reappropriations from FY 2009 for the General Assembly and the Judiciary, \$17.3 million in increased costs estimated by the Caseload Estimating Conference, \$8.6 million of unbudgeted pass through expenditures for the statewide student transportation program, and \$9.0 million of other projected net changes in expenditures. The Revenue Estimating Conference estimated that \$8.6 million of general revenue receipts will be received from local governments participating in the statewide transportation program.

#### Undistributed Savings

The enacted budget includes undistributed savings within the Department of Administration totaling \$67.9 million. The \$67.9 million of "Undistributed Statewide Savings" was included in the Department of Administration's budget as a negative appropriation and was allocated to state agencies by the Budget Office as part of the "working" budget allotments. These appropriated savings include statewide assessed fringe savings of \$2.1 million, statewide health insurance savings of \$3.0 million, statewide salary and benefit savings of \$48.7 million, operating savings of \$8.9 million, and statewide consultant savings of \$5.1 million.

The enacted budget also includes an appropriation of \$9.4 million in the Department of Administration to reconcile the Governor's recommended pension reform savings with the savings enacted by the General Assembly. There was an additional \$9.4 million from all funds appropriated, which includes general revenue funding of \$5.5 million, federal funds of \$2.9 million, restricted receipts of \$337,994, and other funds of \$769,799. These funds are budgeted within the Department of Administration and were distributed to agency budgets as part of the "working" budget.

Table 2 shows the enacted budgets by line item, as contained in Article 1 of the FY 2010 Appropriations Act, and identifies the distribution of the across the board savings, the distribution of the additional pension contributions, and projected other changes for each agency. The projected "other changes"; which are discussed below, essentially reflect the extent to which an agency has or has not been able to stay within the working budget allotments.

Pay Reductions Days

After months of negotiations during the summer of 2009, the Administration signed a memorandum of settlement that reflected a negotiated two-year agreement delivering a portion of the savings needed to accomplish the undistributed \$48.7 million general revenue personnel savings included in the enacted FY 2010 Budget. The budgetary savings projected in FY 2010 from eight uncompensated leave days has been reflected in this quarterly report for all employees subject to the memorandum. This is projected to total \$12.5 million in general revenue savings. Collective bargaining units and other employees that are not yet subject to the agreement include the following:

State Police Troopers, Howard Teachers, RIBCO, NEA ESPA(CCRI), ACT-NEA(URI)

URI - Physic. Assoc., URI - PSA , URI - Council 94 - Maritime Prof. Assoc, URI - Council 94 - Prof. Technical Admin. Assoc, URI - Non-union, URI – AAUP, CCRI - Non Union, CCRI - Prof.NEA RI, CCRI - NEW-FA, RIC - Non Union, Office of Higher Educ. , RIC – PSA

RIDE - Non-union, RIDE - Non-union Non-Exempt, RIDE - Davies Voc. School (Teachers & Counselors) , RIDE - Davies Deaf ESP , RIDE - RISD Teachers School of Deaf (Teachers & Counselors), RIDE - RISD Teachers School of Deaf (Teacher assistants), RIDE - AFT

RI Public Telecomm. Authority- AFT - 2012

Savings are reflected in the Higher Education expenditure projections for the full amount of their share of the net undistributed savings, \$9.2 million (\$9.4 million less \$.2 million of additional funds for retirement contributions), as there is a commitment that savings will be delivered. The Board of Governors has indicated it will deliberate some pay reduction plan for some employees, and will take other actions to accommodate the lower state appropriation. The unions with contracts that have expired are the Rhode Island Troopers Association, AFT at RIDE, and the Howard Union of Teachers. The State continues to pursue pay reduction day savings with these groups, but at this point no pay reduction day savings has been reflected for them. Similarly, the Brotherhood of Correctional Officers and the State are in arbitration for the contract period after June 30, 2006, and no savings has been reflected for them. It is also assumed that the amount appropriated in the enacted budget for a RIBCO settlement will be sufficient to satisfy an arbitrator's decision, but that will not be known until the arbitration is finalized.

The Administration is monitoring the savings resulting from vacated positions and has instituted hiring restrictions to only critical vacancies. The majority of positions filled since July 1<sup>st</sup> were 100% stimulus funded positions. Exceptions may be granted to the hiring freeze if one or more of the following conditions apply: 1) the position is 100% federally funded; 2) the position is required by legal mandate, federal mandate or court order; 3) the position has a direct impact on the revenue generating capability of the State, and/or 4) the position is critical to protect the health, safety or welfare of citizens or residents of a state institution or facility. In order to reduce state personnel costs, preference will be given to existing State employees when filling positions that are authorized as exceptions. The payroll projections are based upon the positions filled as of mid-October, with some adjustments for position refills. This will

produce some additional savings not reflected in this report.

The overall net projected general revenue spending for FY 2010, as compared to the enacted budget, is approximately \$34.9 million more than appropriated. Major expenditure changes include:

<b>Agency/Major Item</b>	<b>Surplus/(Deficit)</b>
Legislative/Judicial Reappropriations	\$998,143
Administration – Energy/Utility Costs	(\$3,025,235)
Administration – RIFANS Operational Costs	\$925,920
Administration – Debt Service	(\$7,178,399)
Administration – Motor Vehicle Excise Tax Phase-Out	(3,207,694)
Administration – Station Nightclub Fire Settlement	(\$10,000,000)
Human Services - Caseload Estimating Conf. -Medical	\$16,265,522
Human Services – Caseload Estimating Conf. -SSI	\$1,354,446
Human Services – Caseload Estimating Conf. – FIP	(\$326,523)
MHRH – Admin for DD Residential – SSI Benefits	(\$1,055,000)
DCYF – Child Day Care	\$3,458,044
DCYF – Bradley Group Homes	\$2,008,960
Health – Laboratory Management Information System	\$200,000
Education – Statewide Transportation	\$8,600,000
Education – Charter School Aid	(\$150,000)
Education – School Construction Aid	(\$3,182,767)
Corrections – Overtime	\$5,331,707
Corrections – Unachieved Module Closures	\$2,800,000
Corrections – SCAAP Funding Reduction Offset	\$352,824
State Police – Shortfall in Add Back for Pension Reform	\$1,427,407
Statewide – Unachieved across the board personnel savings	\$15,805,212
Net All Other Changes	\$4,689,148
<b>Total All Changes</b>	<b>\$34,871,789</b>

#### Legislative and Judicial Budgets

As required under Rhode Island General Law 35-3-15, the Governor recommended the reappropriation for unexpended and unencumbered balances of general revenue appropriations to the State Legislative and Judicial branches. The total amount reappropriated was \$998,143, comprised of \$969,732 for the Legislature and \$28,411 for the Judiciary. With the reappropriations taken into consideration, the Legislature is projecting a surplus of \$2.2 million and Judiciary a surplus of 1.7 million. This is \$57,759 less than the working budget for the Legislature and \$2.8 million higher than the working budget for the Judiciary.

#### Department of Administration

The projected expenditures for the Department of Administration show a net addition of \$32.6 million, including the restoration of the \$67.9 million negative appropriation for the undistributed statewide across-the-board savings. Adjusting for this statewide change, the department shows a reduction of \$20.3 million attributable to other changes compared to the working budget.

The department is forecasting net debt service savings of \$7.2 million in FY 2010. This is due to a combination of lower than anticipated interest rates and delaying debt issuance when possible. Savings are projected for the following projects: Historic Structures Tax Credit, \$1.5 million; School for the Deaf COPS, \$401,655; Information Technology COPS, \$269,909; URI Energy COPS, \$944,758; Pastore Center & Zambarano Energy COPS, \$1.7 million; and Tax Anticipation Notes, \$2.4 million.

The Office of Municipal Finance in the Department of Revenue has received data on motor vehicle values and eligible exemption reimbursements for twenty-four (24) out of the thirty-nine (39) municipalities, which reflect decreasing valuation of vehicles by 2.4 percent. This decreased vehicle valuation translates into a forecasted savings in payments to municipalities of \$3.2 million.

The FY 2010 enacted budget includes a \$10.0 million appropriation for the State's share of settlement relating to the Station Nightclub Fire, however the liability was booked back to FY2009. The Government Accounting Standards Board (GASB), in accordance with Generally Accepted Accounting Principles (GAAP), provides guidance that an estimated loss from a claim should be reported as an expenditure and a liability if both of the following conditions are met: 1) it is probable that an asset has been impaired or a liability had been incurred at the date of the financial statements, and 2) the amount of the loss can be reasonable estimated. Since these two conditions were met as of June 30, 2009, the settlement was recorded as a payable in FY 2009. Therefore, the \$10.0 million appropriated in FY 2010 will not be required.

The Department of Administration is forecasting a \$3.0 million savings in energy and utility costs. When the FY 2010 budget was submitted, it was assumed that rates would continue to dramatically increase; however, prices have moderated due to the recession.

The FY 2010 enacted budget eliminated the funding for all RI FANS operational and implementation expenditures. However, the State is contractually obligated to pay certain operational expenses, including licenses and maintenance fees on the financial modules previously implemented. The Department of Administration's projected spending includes \$9 million to cover the existing obligations.

#### Department of Revenue

The projected expenditures for Department of Revenue, show a \$1.4 million increase attributable to other changes compared to the working budget. This primarily reflects \$1.5 million in unachieved allocated personnel savings in the Division of Taxation and the Registry of Motor Vehicles.

#### Department of Human Services- Caseload Conference

The November Caseload Estimating Conference projected increased costs of \$17.3 million, which is equivalent to the net other changes compared to the working budget. Department of Human Services caseload costs increase by \$16.3 million for Medical Benefit costs and an increase of \$50,128 for cash assistance. The \$16.3 million change from enacted general

revenue funded medical assistance expenditures of \$562 million includes increased costs due to caseload growth, as well as the restoration of financing for several savings initiatives that were contained in the FY 2010 enacted budget. These initiatives fall into one of two general categories: (1) those cited by the Department of Human Services as not achievable due to administrative and/or programmatic constraints, including benefit redesign for emergency room visits (\$1.2 million in general revenues) and selective contracting for outpatient hospital services (\$199,834 in general revenues); or (2) those being actively pursued by the Department of Human Services, but for which no discrete savings were incorporated within the adopted caseload estimates, including multi-case review for hospitals and nursing facilities (\$1.4 million in general revenues), selective contracting for durable medical equipment and assisted living services (\$411,404 in general revenues), and discretionary rate and procurement reform for Other Medicaid services (\$1.4 million in general revenues). The FY 2010 caseload estimates for Medical Assistance continue to utilize the enhanced Federal Medical Assistance Percentage (FMAP) of 63.92 percent provided for under the American Reinvestment and Recovery Act of 2009.

The adopted estimate for medical assistance further assumes that federal funding for the CHIP program will be provided at a level of \$28.0 million, requiring \$13.9 million in general revenues under enhanced federal funding for CHIP compared to the base (unenhanced) FMAP rate.

The cash assistance programs for FY 2010 are estimated to total \$30.2 million in general revenues, an increase of \$50,128 from the enacted level. Relative to enacted levels, child care slots are projected to decrease in FY 2010 from an enacted total of 6,810 to an adopted caseload of 6,400, indicating a weakened demand for subsidized child care as unemployment remains well above historical trends. As a result of this reduced caseload, general revenues in support of child care costs were decreased by \$326,523 for FY 2010. Offsetting this decrease in general revenues are increases in two other DHS programs of cash assistance, General Public Assistance (\$77,205) and Supplemental Security Income (\$299,446).

The increase to Supplemental Security Income (SSI) merits special attention. On table above, note that the increase to SSI from the enacted level totals \$1.4 million in general revenues within the Department of Human Services SSI line item. Article 18 of the FY 2010 Appropriations Act required that State SSI supplements for individuals receiving residential services through the MHRH Developmental Disabilities program be expended directly through MHRH, thereby saving attendant SSI transaction costs and transferring \$1,055,000 in general revenues from DHS to MHRH. To date, this initiative has not been implemented due to the reported infeasibility of transferring a single sub-population of SSI beneficiaries to a new state-administered payment system. As such, the quarterly report projects that \$1.055 million will be moved to the DHS SSI line item in addition to accommodating the November 2009 caseload estimate, which increased total SSI program costs by \$299,446. A commensurate withdrawal of \$1.055 million from the MHRH "Services for the Developmentally Disabled" line item is also included in this report (see the MHRH program description).

#### Mental Health, Retardation and Hospitals

The projected expenditures for the Department of Mental Health, Retardation, and Hospitals

(MHRH) show \$1.5 million of projected additional expenditures compared to the working budget. This reflects increases in grant expenditures to providers for services to the developmentally disabled, mental health and substance abuse population, and a reduction in SSI transaction fees from the enacted level. The FY 2010 enacted budget included \$1.055 million of general revenue in the MHRH budget for the state supplement to federal Supplemental Security Income (SSI) payments to developmentally disabled clients. The state supplemental payments for monthly living expenses such as rent, utilities and clothing was previously budgeted in the Department of Human Services (DHS). The state supplemental payments were made by DHS to the federal government and the state was charged a monthly transaction fee of \$10.45 for each payment, which totaled approximately \$300,000 per year.

The first quarter report reflects a shift of \$1.055 million back to the Department Human Services, as estimated by the Caseload Estimating Conference. None of the state supplement SSI payments have been made by the MHRH to date, and early discussions between the Social Security Administration and DHS indicate that it may be more effective for DHS to make direct SSI payments to all recipients, rather than carving out a DD subset to MHRH. DHS is currently pursuing with SSA the specific steps needed to assume the responsibility for making all SSI state supplemental payments as opposed to the federal government continuing to make payments with a \$10.45 transaction fee per payment.

#### Department of Children, Youth and Families

The projected expenditures for the Department of Children, Youth and Families (DCYF), show \$3.5 million of projected other changes compared to the working budget. This includes a total of \$5.1 million from all funds and \$3.5 million in general revenues, for day care services and, a total of \$5.4 million from all funds and \$2.0 million in general revenues for Bradley Group Homes, funding for which was erroneously left out of the FY 2010 enacted budget. The department explains that this occurred at the time of the transfer of the programs to DHS and then partially transferred back to DCYF. Bradley Group Homes and DCYF child care expenses were not included in the Department's FY 2010 work plan or budget request, and this was not corrected in the FY 2010 budget as enacted. This oversight was originally found and identified in the Department's FY 2009 third quarter report.

#### Department of Health

The projected expenditures for the Department of Health show a \$1.9 million increase attributable to other changes compared to the working budget. This includes \$1.5 million in unachieved allocated personnel savings, and \$200,000 for a new health lab computer system. The Health Laboratories program intends to acquire a computer information system for environmental laboratory reporting called ASPEN. The system currently in use by the laboratory is no longer supported by the vendor and thus needs to be replaced.

#### Department of Elementary and Secondary Education

The projected expenditures for Department of Elementary and Secondary Education, show a \$6.0 million increase attributable to other changes compared to the working budget. The department will have a new general revenue expenditure of \$8.6 million for statewide student transportation. This expenditure will be offset by new revenue, as local districts will reimburse the state for the costs. Also, the state provides local school districts with reimbursement for

school construction projects, with the payments commencing after the projects are completed. For FY 2010, School Construction Aid is estimated to be \$3.2 million less than the enacted level based on currently completed projects. This savings is attributable to projects in seven districts including Providence, Cranston, and Bristol-Warren. Also, savings of \$150,000 in Charter School Aid are projected due to lower than anticipated enrollments.

#### Department of Corrections

The Department of Corrections is projecting an overall deficit of \$2.8 million, reflecting projected other changes of \$14.8 million compared to the working budget. The deficit is concentrated in the Institutional Corrections program, reflecting unachieved statewide across the board personnel savings, and \$5.3 million in overtime expenditures. Housing module closures have just begun in the Intake Service Center (2), Medium Price (1), and Minimum Security (1) and result in unachieved savings of \$2.8 million from the enacted budget. In addition, the State Criminal Alien Assistance (SCAAP) federal grant award is \$352,824 less than estimated in the enacted budget, which will require additional general revenue funds to offset. Finally, the projection includes \$1.6 million in payroll costs to fill 32.0 vacant critical FTE's (26.0 in Institutional Corrections) for one-half year. Overall, the department's vacancy level is 37.0, of which a total of 32.0 are assumed to be filled in January 2010. Given the State's fiscal situation, the filling of any vacancies will be reviewed closely.

The projection assumes an average inmate population of 3,669. This is a 98 inmate reduction from the enacted figure of 3,767. The reduction is in part due to the implementation of earned time initiatives. While this has resulted in a reduction in both overtime through module closure (see above) and in per diem-related costs (food, staff clothing, line, kitchen and janitorial supplies, program supplies, medical services pharmaceuticals, and medical supplies), the impact has been uneven and is offset to some extent by cost increases, particularly for food, the expenditures for which are in deficit by \$467,153. Medical supplies and drug expenditure, on the other hand, show a surplus of \$126,234, and expenditures for doctor's services and hospital treatment are in surplus by \$801,284. With smaller surpluses and deficits included, the total per diem expenditure surplus is \$518,581.

Finally, the Department will not schedule a Correctional Officer training class in FY 2010. The projection thus assumes a savings of \$715,891.

#### Department of Public Safety

The Department of Public Safety is projecting an overall deficit of \$2.1 million, reflecting projected other changes of \$3.3 million compared to the working budget. This reflects unachieved statewide across the board personnel savings, a deficit of \$1.4 million in the State Police for pension contributions. The enacted FY 2010 Budget provided only \$73,943 for retirement contributions for sworn members of the Rhode Island State Police, however; the State Police program requires a total of \$3,511,786 in FY 2010. After allocating the retirement contribution appropriation in the Department of Administration for the State Police program, there remains a shortfall of \$1,427,407.

#### Revenue Projections

The attached Table 3 displays the revenue estimates of November 10, 2009 Revenue

Estimating Conference, as compared to those contained in the enacted budget. The revenue declines reflect the continued economic stress forecasted for the remainder of FY 2010, which results in drops in personal income tax and sales tax collections.

Budget Reserve Fund Resources

The Budget Reserve and Cash Stabilization Fund transfer of \$22.0 million made in FY 2009 was authorized by the General Assembly in June. The FY 2010 budget enacted by the General Assembly included an appropriation to replenish the Rhode Island Capital Plan Fund, which would not have received this transfer from the Reserve Fund in FY 2010 and therefore the Reserve Fund as of June 30, 2010 will be fully funded at \$109.6 million.

As you know, I am working with the departments to take actions to minimize all state spending and to develop plans to reduce expenditures to meet the available resources.

If you have any questions, please feel free to call me.

RBG: S/11budget/FY 2010 Revised/Q1report/Q1report  
Attachments

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

The Honorable Daniel DaPonte, Chairman  
Senate Finance Committee

Michael O'Keefe, House Fiscal Advisor  
Peter Marino, Senate Fiscal Advisor

## Table 1 -General Revenue Budget Surplus Statement

	FY2010 Enacted Budget	FY2010 First Quarter Report	Change from Enacted
<b>Surplus</b>			
Opening Surplus	\$ 1,142,383	\$ (61,802,318)	(62,944,701)
Adjustment			-
Reappropriated Surplus			-
Subtotal	1,142,383	(61,802,318)	(62,944,701)
<b>General Taxes</b>	2,378,626,289	2,378,626,289	-
Revenue estimators' revision		(139,826,289)	(139,826,289)
Changes to the Adopted Estimates			-
Subtotal	2,378,626,289	2,238,800,000	(139,826,289)
<b>Departmental Revenues</b>	335,532,188	335,532,188	-
Revenue estimators' revision		6,467,812	6,467,812
Changes to the Adopted Estimates			-
Subtotal	335,532,188	342,000,000	6,467,812
<b>Other Sources</b>			
Gas Tax Transfers	-	-	-
Revenue estimators' revision			-
Changes to the Adopted Estimates			-
Other Miscellaneous	9,000,000	9,000,000	-
Rev Estimators' revision-Miscellaneous		(500,000)	(500,000)
Changes to the Adopted Estimates			-
Lottery	348,700,000	348,700,000	-
Revenue Estimators' revision-Lottery		3,200,000	3,200,000
Changes to the Adopted Estimates			-
Unclaimed Property	5,000,000	5,000,000	-
Revenue Est revision-Unclaimed Property		200,000	200,000
Subtotal	\$ 362,700,000	\$ 365,600,000	\$ 2,900,000
<b>Total Revenues</b>	\$ 3,076,858,477	\$ 2,946,400,000	(130,458,477)
<b>Transfer to Budget Reserve</b>	(73,872,021)	(69,230,344)	4,641,676
<b>Total Available</b>	\$ 3,004,128,839	\$ 2,815,367,338	(188,761,501)
Actual/Enacted Expenditures	3,000,341,114	3,000,341,114	-
Reappropriations		998,144	998,144
Caseload Estimating Conference Expenditure Changes		17,293,445	17,293,445
Statewide Student Transportation Pass Through		8,600,000	8,600,000
Other changes in expenditures		7,980,200	7,980,200
<b>Total Expenditures</b>	\$ 3,000,341,114	\$ 3,035,212,903	\$ 34,871,789
<b>Free Surplus</b>	\$ 3,787,725	\$ (219,845,565)	(223,633,290)
<b>Transfer from the Budget Reserve Fund</b>			
Reappropriations		-	-
<b>Total Ending Balances</b>	\$ 3,787,725	\$ (219,845,565)	(223,633,290)
<b>Budget Reserve and Cash</b>			
Stabilization Account	\$ 116,964,033	\$ 109,614,712	(7,349,321)

**Table 2- Summary Changes to FY 2010 Enacted General Revenue Expenditures**

	FY 2010 Enacted	Reappropriation	Redistribution Of Enacted Statewide Savings	Retirement Contribution/ Pension Reform	Projected Other Changes	Projected Expenditures	Change From Enacted
<b>General Government</b>							
Administration	\$497,482,165	-	(\$7,138,549)	(\$5,155,037)	(\$20,345,267)	464,843,312	(\$32,638,853)
Statewide Savings	(\$67,881,345)	-	\$67,881,345	\$0	\$0	-	\$67,881,345
Business Regulation	9,577,233	-	(\$655,879)	\$46,249	(\$137,732)	8,829,871	(747,362)
Labor and Training	6,667,994	-	(\$216,814)	\$14,292	(\$164,394)	6,301,078	(366,916)
Department of Revenue	36,191,064	-	(\$2,472,207)	\$133,235	\$1,434,089	35,286,181	(904,883)
Legislature	35,874,012	969,732	(\$2,273,372)	\$128,179	(\$57,759)	34,640,792	(1,233,220)
Lieutenant Governor	973,262	-	(\$65,772)	\$4,875	(\$3,492)	908,873	(64,389)
Secretary of State	5,521,241	-	(\$394,168)	\$22,662	\$246,279	5,396,014	(125,227)
General Treasurer	2,500,299	-	(\$169,033)	\$9,889	(\$21,880)	2,319,275	(181,024)
Board of Elections	1,600,141	-	(\$145,188)	\$5,299	(\$123,516)	1,336,736	(263,405)
Rhode Island Ethics Commission	1,437,730	-	(\$96,882)	\$6,488	\$77,780	1,425,116	(12,614)
Governor's Office	5,106,754	-	(\$356,393)	\$23,673	\$199,604	4,973,638	(133,116)
Commission for Human Rights	1,016,242	-	(\$69,694)	\$4,471	\$23,713	974,732	(41,510)
Public Utilities Commission	-	-	\$0	\$0	\$0	-	-
Rhode Island Commission on Women	109,462	-	(\$7,183)	\$543	\$1,733	104,555	(4,907)
<b>Subtotal - General Government</b>	<b>\$36,176,254</b>	<b>969,732</b>	<b>\$3,820,211</b>	<b>(4,755,182)</b>	<b>(18,870,842)</b>	<b>\$67,340,173</b>	<b>\$3,163,919</b>
<b>Human Services</b>							
Office of Health & Human Services	3,621,896	-	(\$238,409)	\$18,261	(\$88,991)	3,312,757	(309,139)
Children, Youth, and Families	158,822,427	-	(\$4,552,792)	\$263,338	\$3,154,723	157,687,696	(1,134,731)
Elderly Affairs	9,920,687	-	(\$123,645)	\$7,863	(\$198,038)	9,606,867	(313,820)
Health	29,554,572	-	(\$1,938,876)	\$102,306	\$1,908,040	29,626,042	71,470
Human Services	662,081,602	-	(\$4,618,706)	\$180,734	\$17,282,408	674,926,038	12,844,436
Mental Health, Retardation, & Hosp.	166,015,780	-	(\$3,868,846)	\$207,656	\$1,515,273	163,869,863	(2,145,918)
Office of the Child Advocate	547,048	-	(\$37,277)	\$2,673	\$5,139	517,583	(29,465)
Comm. on Deaf & Hard of Hearing	370,146	-	(\$28,500)	\$1,490	\$11,335	354,471	(15,675)
RI Developmental Disabilities Council	-	-	\$0	\$0	\$0	-	-
Governor's Commission on Disabilities	366,450	-	(\$24,926)	\$1,671	\$3,177	346,372	(20,078)
Office of the Mental Health Advocate	448,423	-	(\$30,938)	\$2,221	(\$24,460)	395,246	(53,177)
<b>Subtotal - Human Services</b>	<b>1,031,749,031</b>	<b>-</b>	<b>(15,462,915)</b>	<b>788,213</b>	<b>23,568,606</b>	<b>1,040,642,935</b>	<b>8,893,904</b>
<b>Education</b>							
Elementary and Secondary	857,726,770	-	(\$2,728,619)	\$142,263	\$5,967,267	861,107,681	3,380,911
Higher Education - Board of Governors	173,306,844	-	(\$9,420,383)	\$187,465	\$0	164,073,926	(9,232,918)
RI Council on the Arts	1,983,986	-	(\$45,417)	\$3,123	\$4,558	1,946,250	(37,736)
RI Atomic Energy Commission	775,346	-	(\$51,955)	\$3,672	\$68,300	795,363	20,017
Higher Education Assistance Authority	7,305,741	-	(\$45,901)	\$2,093	(\$18,297)	7,243,636	(62,105)
Historical Preservation & Heritage Comm	1,285,100	-	(\$75,090)	\$4,889	\$61,747	1,276,646	(8,454)
Public Telecommunications Authority	1,142,702	-	(\$79,605)	\$5,276	(\$44,651)	1,023,722	(118,980)
<b>Subtotal - Education</b>	<b>1,043,526,489</b>	<b>-</b>	<b>(12,446,970)</b>	<b>348,781</b>	<b>6,038,924</b>	<b>1,037,467,224</b>	<b>(6,059,265)</b>

**Table 2- Summary Changes to FY 2010 Enacted General Revenue Expenditures**

	FY 2010 Enacted	Reappropriation	Redistribution Of Enacted Statewide Savings	Retirement Contribution/ Pension Reform	Projected Other Changes	Projected Expenditures	Change From Enacted
<b>Public Safety</b>							
Attorney General	\$21,099,743	-	(\$1,443,820)	\$100,239	\$774,020	20,530,182	(569,561)
Corrections	177,390,562	-	(\$12,631,267)	\$617,096	\$14,802,419	180,178,810	2,788,248
Judicial	83,907,229	28,411	(\$5,135,150)	\$631,276	\$2,781,003	82,212,769	(1,694,460)
Military Staff	3,279,979	-	(\$221,761)	\$6,454	\$310,805	3,375,477	95,498
Public Safety	54,745,909	-	(\$3,192,794)	\$2,086,295	\$3,268,998	56,908,408	2,162,499
Office Of Public Defender	9,583,189	-	(\$655,603)	\$44,254	\$322,321	9,294,161	(289,028)
<b>Subtotal - Public Safety</b>	<b>350,006,611</b>	<b>28,411</b>	<b>(23,280,395)</b>	<b>3,485,614</b>	<b>22,259,566</b>	<b>352,499,807</b>	<b>2,493,196</b>
Environmental Management	35,484,369	-	(\$2,381,111)	\$119,215	\$951,277	34,173,750	(1,310,619)
Coastal Resources Management Council	2,027,574	-	(\$142,155)	\$10,048	\$86,232	1,981,699	(45,875)
Water Resources Board	1,370,785	-	(\$106,665)	\$3,311	(\$160,116)	1,107,315	(263,470)
<b>Subtotal - Natural Resources</b>	<b>38,882,728</b>	<b>-</b>	<b>(2,629,931)</b>	<b>132,574</b>	<b>877,393</b>	<b>37,262,764</b>	<b>(1,619,964)</b>
<b>Total</b>	<b>3,000,341,113</b>	<b>998,143</b>	<b>-</b>	<b>-</b>	<b>33,873,646</b>	<b>3,035,212,902</b>	<b>34,871,789</b>

**Table 3-November 2009 Revenue Estimating Conference Results**

<b>FY 2010</b>	<b>FY 2009 Preliminary</b>	<b>Growth From FY 2008</b>	<b>FY 2010 Enacted</b>	<b>Growth From FY 2009</b>	<b>FY 2010 Consensus</b>	<b>Growth From FY 2009</b>	<b>FY 2010 Consensus vs. FY 2010 Enacted</b>
<b>Personal Income Tax</b>	\$ 940,513,781	-12.4%	\$ 963,200,000	2.4%	\$ 919,200,000	-2.3%	\$ (44,000,000)
<b>General Business Taxes</b>							
Business Corporations	104,436,811	-30.6%	113,000,000	8.2%	94,100,000	-9.9%	(18,900,000)
Public Utilities Gross	126,664,890	27.4%	115,000,000	-9.2%	120,000,000	-5.3%	5,000,000
Financial Institutions	2,901,945	58.6%	3,750,000	29.2%	2,000,000	-31.1%	(1,750,000)
Insurance Companies	78,016,930	14.7%	81,900,000	5.0%	80,000,000	2.5%	(1,900,000)
Bank Deposits	1,802,796	5.4%	1,730,000	-4.0%	1,800,000	-0.2%	70,000
Health Care Provider	46,030,570	-13.7%	36,126,589	-21.5%	34,900,000	-24.2%	(1,226,589)
<b>Sales and Use Taxes</b>							
Sales and Use	808,125,293	-4.3%	815,000,000	0.9%	751,000,000	-7.1%	(64,000,000)
Motor Vehicle	47,925,805	-1.4%	50,400,000	5.2%	48,600,000	1.4%	(1,800,000)
Motor Fuel	1,325,034	33.6%	920,000	-30.6%	1,000,000	-24.5%	80,000
Cigarettes	130,503,213	13.8%	148,000,000	13.4%	140,300,000	7.5%	(7,700,000)
Alcohol	10,811,831	-3.0%	10,900,000	0.8%	11,000,000	1.7%	100,000
<b>Other Taxes</b>							
Inheritance and Gift	28,096,912	-20.5%	29,399,700	4.6%	26,400,000	-6.0%	(2,999,700)
Racing and Athletics	2,450,809	-12.9%	2,100,000	-14.3%	2,000,000	-18.4%	(100,000)
Realty Transfer	6,811,322	-33.4%	7,200,000	5.7%	6,500,000	-4.6%	(700,000)
<b>Total Taxes</b>	<b>2,336,417,942</b>	<b>-7.2%</b>	<b>2,378,626,289</b>	<b>1.8%</b>	<b>2,238,800,000</b>	<b>-4.2%</b>	<b>(139,826,289)</b>
<b>Departmental Receipts</b>	<b>319,361,734</b>	<b>-10.4%</b>	<b>335,532,188</b>	<b>5.1%</b>	<b>342,000,000</b>	<b>7.1%</b>	<b>6,467,812</b>
Gas Tax Transfer	4,327,710	-4.1%	-	-100.0%	-	-100.0%	-
Other Miscellaneous	17,739,819	-90.2%	9,000,000	-49.3%	8,500,000	-52.1%	(500,000)
Lottery	337,529,754	-4.7%	348,700,000	3.3%	351,900,000	4.3%	3,200,000
Unclaimed Property	8,044,126	-47.7%	5,000,000	-37.8%	5,200,000	-35.4%	200,000
<b>Total General Revenues</b>	<b>3,023,421,085</b>	<b>-11.8%</b>	<b>3,076,858,477</b>	<b>1.8%</b>	<b>2,946,400,000</b>	<b>-2.5%</b>	<b>(130,458,477)</b>