
Section II

Statewide Overview

Summary

		FY 2015 Enacted		FY 2015 Final		FY 2016 Recommended		FY 2016 Enacted
Expenditures by Function*								
General Government	\$	1,513.4	\$	1,518.4	\$	1,394.0	\$	1,432.5
Human Services		3,743.1		3,720.4		3,751.3		3,721.4
Education		2,360.9		2,351.8		2,399.6		2,408.0
Public Safety		528.8		534.5		525.1		534.7
Natural Resources		108.8		116.6		98.8		105.0
Transportation		525.1		489.5		458.9		463.8
Total	\$	8,780.2	\$	8,731.2	\$	8,627.6	\$	8,665.4
Expenditures by Category*								
Salaries and Benefits	\$	1,581.2	\$	1,603.9	\$	1,626.1	\$	1,638.9
Contracted Services		280.9		341.9		283.4		282.1
Subtotal	\$	1,862.1	\$	1,945.8	\$	1,909.5	\$	1,921.0
Other State Operations		794.4		805.6		757.4		775.9
Aid to Local Units of Government		1,205.2		1,197.7		1,232.1		1,248.4
Assistance, Grants, and Benefits		4,069.2		3,971.9		3,984.3		3,963.7
Capital		412.5		386.4		315.9		335.4
Capital Debt Service		279.0		247.5		202.4		203.5
Operating Transfers		157.8		176.3		226.0		217.5
Total	\$	8,780.2	\$	8,731.2	\$	8,627.6	\$	8,665.4
Sources of Funds*								
General Revenue	\$	3,445.2	\$	3,476.6	\$	3,491.6	\$	3,552.0
Federal Aid		3,086.5		3,051.2		3,003.1		2,947.3
Restricted Receipts		283.1		283.6		239.4		245.5
Other		1,965.4		1,919.7		1,893.5		1,920.7
Total	\$	8,780.2	\$	8,731.2	\$	8,627.6	\$	8,665.4
FTE Authorization		15,086.0		15,100.7		15,119.4		15,118.4

**Data in millions*

Summary

The Governor's budget recommendations for FY 2016, along with her revisions to the FY 2015 enacted budget, are contained in 2015-H 5900, introduced on March 13, 2015. The Governor signed 2015-H 5264 on February 9 that extended the submission date 35 days to March 12.

The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or the first Thursday in February when a new Governor takes office. In prior years, it had been due the third Thursday in February. Governor Raimondo has included a proposal contained in Article 14 to revert to the pre-2004 submission schedule with an extra month for new Governors.

The Governor recommended a total FY 2016 budget of \$8,627.6 million. Total expenditures decrease \$152.6 million from the FY 2015 budget enacted by the 2014 Assembly, or 1.7 percent. Her FY 2015 revised budget totals \$8,839.5 million; FY 2014 expenditures were \$8,470.2 million.

The Budget includes \$3,491.6 million of expenditures funded from general revenues, \$46.5 million, or 1.3 percent more than the enacted general revenue funded budget. They are also \$3.2 million more than her revised recommendations.

FY 2016	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2015 Enacted	\$ 3,445.2	\$ 3,086.5	\$ 283.1	\$ 1,965.4	\$ 8,780.2
Governor	3,491.6	3,003.1	239.4	1,893.5	8,627.6
Change to Enacted	\$ 46.5	\$ (83.4)	\$ (43.7)	\$ (72.0)	\$ (152.6)
Percent Change	1.3%	-2.7%	-15.4%	-3.7%	-1.7%
Assembly	\$ 3,552.0	\$ 2,947.3	\$ 245.5	\$ 1,920.7	\$ 8,665.4
Change to Enacted	106.8	(139.2)	(37.6)	(44.8)	(114.8)
Percent Change	3.1%	-4.5%	-13.3%	-2.3%	-1.3%
Change to Governor	\$ 60.4	\$ (55.8)	\$ 6.1	\$ 27.2	\$ 37.9
Assembly Change to FY 2015	\$ 75.4	\$ (103.9)	\$ (38.2)	\$ 1.0	\$ (65.7)
Percent Change to FY 2015	2.2%	-3.4%	-13.5%	0.0%	-0.8%
Assembly Change to FY 2014	\$ 215.6	\$ 271.1	\$ 23.4	\$ 100.0	\$ 610.0
Percent Change to FY 2014	6.5%	10.1%	10.5%	5.5%	7.6%

FY 2015 Revised	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2014 Final	\$ 3,352.4	\$ 2,930.0	\$ 278.7	\$ 1,909.1	\$ 8,470.2
FY 2014 Actual	3,336.4	2,676.2	222.1	1,820.7	8,055.4
Difference	\$ (16.0)	\$ (253.8)	\$ (56.6)	\$ (88.4)	\$ (414.8)
FY 2015 Enacted	\$ 3,445.2	\$ 3,086.5	\$ 283.1	\$ 1,965.4	\$ 8,780.2
Governor's FY 2015 Revised	3,488.4	3,140.5	278.2	1,932.4	8,839.5
Governor's Change to Enacted	\$ 43.2	\$ 54.0	\$ (4.8)	\$ (33.1)	\$ 59.3
Percent Change	1.3%	1.7%	-1.7%	-1.7%	0.7%
Assembly	\$ 3,476.6	\$ 3,051.2	\$ 283.6	\$ 1,919.7	\$ 8,731.2
Change to Enacted	31.5	(35.3)	0.6	(45.7)	(49.0)
Percent Change	0.9%	-1.1%	0.2%	-2.3%	-0.6%
Change to Governor	\$ (11.8)	\$ (89.3)	\$ 5.4	\$ (12.7)	\$ (108.3)
Change to FY 2014	\$ 140.2	\$ 375.0	\$ 61.6	\$ 99.0	\$ 675.7
Percent Change to FY 2014	4.2%	14.0%	27.7%	5.4%	8.4%

The Assembly adopted a budget with total expenditures of \$8,665.4 million, which is \$37.9 million more than the Governor recommended. It contains \$3,552.0 million from general revenues, which is \$60.4 million more than the Governor recommended. A significant portion of the federal funds changes in the budget relate to the impact of the federally funded extension of Medical Assistance benefits to non-disabled adults without dependent children. The Assembly did not concur with proposed changes to the due date.

The Budget Office estimated that in preparing the FY 2016 budget, the Governor faced a projected revenue-expenditure gap of about \$190 million. This was higher than the House Fiscal Staff projections partially because the Budget Office calculated a higher number based on fully funding FY 2015 employee raises that the Assembly's budget assumed would be absorbed through turnover and other savings.

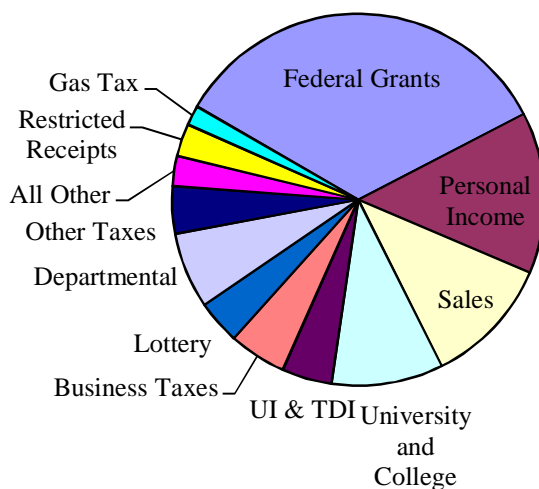
Additionally that gap grew because of projected overspending during FY 2015 only partially offset by increased resources from the FY 2014 closing and November 2014 consensus revenue estimates.

The Governor’s budget resolved a significant majority of this gap with reductions to spending in human service agencies which appear to be structural in nature. Almost a third of the deficit is resolved through one-time items and there are other changes for which there are growing out-year costs, notably the phasing of several revenue reductions.

The Assembly’s budget does not resolve the out-year budget gaps, though like the Governor’s budget, it does include significant investment in programs designed to position the state for more growth than currently assumed in the five-year economic forecast. It also allows for the full impact of two revenue reduction proposals to occur in FY 2016 that the Governor had proposed be phased in over a number of years. This limits the number of items for which there are growing out-year costs compared to the Governor’s budget. Additionally, because of the significant increase in available resources in FY 2015 following the May revenue and caseload conferences, a large surplus is carried forward to FY 2016. These one-time funds were first used to substitute for most of the one-time resources the Governor had proposed using to balance her budget.

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.

Sources of Funds



- *Federal funds* continue to be the single largest source, accounting for approximately 34 percent of all revenues in FY 2016. Budgeted expenditures from federal sources of \$2,947.3 million are \$139.2 million less than enacted for FY 2015, a 4.5 percent decrease, and are from 296 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$1,614.6 million from Medicaid, 54.8 percent of all federal funds, and 19.2 percent of all revenues. Supplemental Nutrition (Food Stamps) of \$268.0 million is the second largest category, 9.1 percent of federal funds.

The following table shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 81.7 percent of all federal funds expenditures, with the remaining 286 programs accounting for the other 19.3 percent.

Top Ten Federal Sources	<i>Total</i>	<i>Percent of Total</i>	<i>Cumulative Percent</i>
Medicaid	\$ 1,614,616,772	54.8%	54.8%
Supplemental Nutrition (Food Stamps)	268,000,000	9.1%	63.9%
Federal Highway Funds	228,486,017	7.8%	71.6%
Temporary Assistance to Needy Families (TANF)	80,073,740	2.7%	74.3%
Title I Grants to Local Education Agencies	52,212,975	1.8%	76.1%
Special Education Grants to States	45,167,309	1.5%	77.6%
CHIP Children's Health Insurance	37,353,345	1.3%	78.9%
National School Lunch Program	30,554,718	1.0%	80.0%
Women, Infants and Children (WIC)	25,522,725	0.9%	80.8%
Health Benefits Exchange	24,793,887	0.8%	81.7%

- *Sales and personal income taxes* combine for 25.2 percent of all revenues in FY 2016 and 61.7 percent of all general revenues. Combined with federal funds, they total over half, 59.3 percent.
- *Personal Income* taxes of \$1,215.7 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2016 estimate is \$58.6 million more than the FY 2015 enacted budget estimates, or 5.1 percent.
- *Sales tax* revenues of \$969.5 million are the second largest of general revenue sources. That amount is \$29.9 million more than enacted for FY 2015, or 3.2 percent.
- *University and College Funds* are \$840.4 million and 9.7 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like Pell grants. These decrease \$9.4 million or 1.1 percent from the FY 2015 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$374.2 million, which are \$43.0 million less than the levels estimated for the FY 2015 enacted budget.
- *Business taxes* of \$429.7 million account for 5.0 percent of total revenues and 12.1 percent of general revenues for FY 2016. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$331.7 million, which is 3.8 percent of all revenues and 9.4 percent of general revenues.
- *Departmental Revenues* of \$357.2 million include \$169.1 million from extending the hospital licensing fee another year. Departmental revenues would be 4.1 percent of all revenues and 10.1 percent of general revenues.
- *Other taxes* include motor vehicle, cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$228.4 million in the FY 2016 budget and comprise 2.6 percent of all sources but 6.4 percent of general revenues. Beginning with FY 2015, most of the motor vehicle taxes are being transitioned over a four-year period from general revenue to a restricted use transportation account.
- The *gas tax*, currently 32.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.4 million from each cent in FY 2016 for a total of \$146.1 million.

- The remaining sources, estimated at \$816.9 million, constitute 9.4 percent of all FY 2016 sources and include sources dedicated to specific purposes (restricted receipts), unclaimed property and miscellaneous other items.

The following table shows FY 2016 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

All Sources	<i>All Funds</i>	<i>Contribution</i>	<i>General Revenue</i>	<i>Contribution</i>
Federal Grants	\$ 2,946.2	34.0%	\$ -	0.0%
Personal Income	1,215.7	14.0%	1,215.7	34.3%
Sales	969.5	11.2%	969.5	27.4%
University and College	840.4	9.7%	-	0.0%
UI & TDI	374.2	4.3%	-	0.0%
Business Taxes	429.7	5.0%	429.7	12.1%
Lottery	331.7	3.8%	331.7	9.4%
Departmental	357.2	4.1%	357.2	10.1%
Other Taxes	228.4	2.6%	228.4	6.4%
All Other	571.4	6.6%	11.4	0.3%
Restricted Receipts	245.5	2.8%	-	0.0%
Gas Tax	146.1	1.7%	-	0.0%
Total	\$ 8,656.1	100%	\$ 3,543.8	100%

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues; \$3,543.8 million, 40.9 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor who must achieve consensus on their forecast; votes are not taken. The estimates are to be based upon current law at the times of the conferences. The Governor proposed changes to this process in her budget but the Assembly did not adopt them.

Available general revenues also include a balance forward from FY 2015 of \$118.6 million minus transfer of \$109.9 million to the Budget Stabilization and Cash Reserve Account, or “rainy day fund” to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account. These amounts had been increasing by 0.2 percent per year until reaching 3.0 percent in FY 2013. Any amounts used must be replaced in the following year.

The account is limited; once the limit is reached, the excess revenues are transferred to the Rhode Island Capital Plan account, where they may be used to fund capital projects. Maximum amounts in the budget reserve are also defined by statute and increased to a maximum of 5.0 percent in 0.4 percent increments in FY 2013. Amounts above the maximum amount transfer to the Rhode Island Capital Plan Fund for use for capital projects. The following table shows the percents.

Percents of Revenues	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Transfer to Budget Reserve	2.0%	2.2%	2.4%	2.6%	2.8%	3.0%
Budget Reserve Maximum	3.0%	3.4%	3.8%	4.2%	4.6%	5.0%

The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

FY 2016 Expenditures

Enacted expenditures of \$8,665.4 million are \$114.8 million less than enacted for FY 2015, 1.3 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

Expenditures by Function

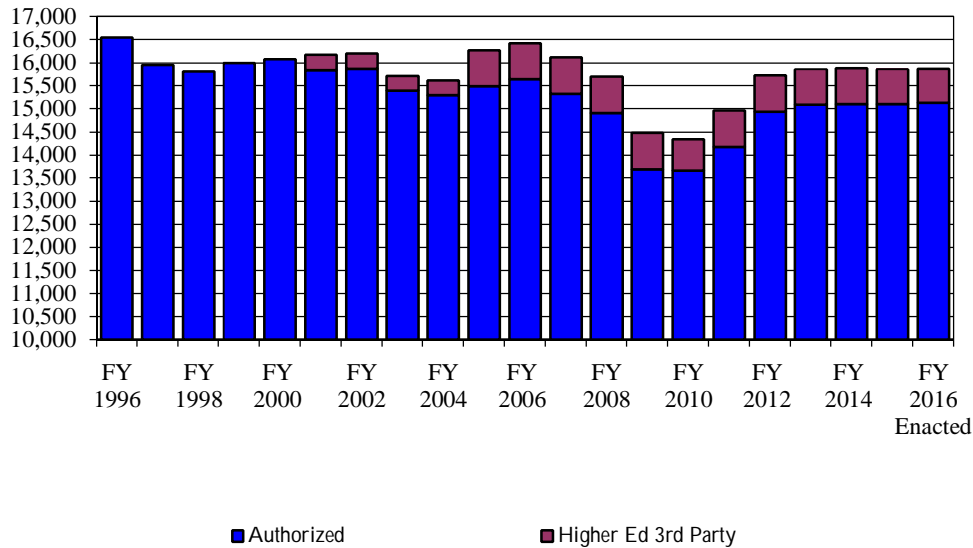
- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$3,721.4 million are 42.9 percent of all expenditures and 38.3 percent of those funded from general revenues. These expenditures are \$21.7 million less than enacted for FY 2015 by the 2014 Assembly. Those funded from general revenues are \$19.1 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 48.5 percent of total expenses or, \$1,168.7 million of the \$2,408.0 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 27.8 percent of total expenditures, but 35.7 percent of general revenue funded ones. They increase by \$47.1 million over the enacted FY 2015 budget, and those funded from general revenues increase by \$69.0 million.
- The Budget includes \$534.7 million for *Public Safety* expenditures, \$5.9 million more than the enacted budget. They comprise 6.2 percent of all expenditures and 12.2 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$105.0 million, which is \$3.8 million less than enacted for FY 2015. They are 1.2 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 5.4 percent of expenditures and include the state's highway and transit programs. Funding of \$463.8 million, none from general revenues, is \$61.3 million less than enacted for FY 2015.
- The remaining 16.5 percent of expenditures, \$1,432.5 million, are for the *General Government* programs. These include programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training. Expenditures also include all the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$80.9 million or 5.3 percent less than the enacted budget. Included in this reduction is \$8.3 million of unspecified personnel and operating savings for later distribution to agencies.

Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Full-Time Equivalent Positions



The Budget includes \$1,638.9 million for total *salaries and benefits* for 15,118.4 full-time equivalent positions and *contracted services* expenditures of \$282.1 million. Salary and benefit expenditures are \$57.7 million more than the enacted budget; contracted services expenditures would increase \$1.2 million. Salaries and benefits account for 18.9 percent of total expenditures and 24.6 percent of those funded from general revenues. Expenditures for contracted services account for 3.3 percent of the total budget and 1.5 percent of those funded from general revenues.

The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 enacted budget.

The Budget includes \$775.9 million for *other state operations*, which constitutes 9.0 percent of FY 2016 expenditures from all sources and 3.9 percent of those funded with general revenues. This is \$18.5 million less than enacted, \$9.0 million more from general revenues.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RItE Share and RItE Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation,

temporary disability and workers' compensation. This is the largest category of expenditure. The table below shows the major grants in human services.

OHHS-Human Services Grants	All Funds				General Revenues			
	FY 2014 Reported	FY 2015 Final	FY 2016 Enacted	Change	FY 2014 Reported	FY 2015 Final	FY 2016 Enacted	Change
OHHS/Human Services								
Managed Care	\$ 593.1	\$ 622.5	\$ 612.4	\$ (10.1)	\$ 277.9	\$ 303.2	\$ 289.1	\$ (14.2)
Long Term Care	371.4	250.5	253.9	3.4	184.5	125.2	126.1	0.9
Hospitals	208.2	215.5	219.8	4.3	102.6	107.6	109.7	2.1
Rhody Health Partners	191.8	270.1	275.5	5.4	94.1	133.4	137.4	4.0
Rhody Health Options Expansion	126.1	269.6	253.8	(15.8)	60.2	134.8	126.2	(8.6)
Other	147.4	424.6	468.9	44.3	-	-	-	-
Pharmacy	112.2	109.5	105.7	(3.8)	42.7	42.6	40.7	(1.9)
Subtotal: Medical Assistance	\$ 1,800.4	\$ 2,211.5	\$ 2,244.7	\$ 33.2	\$ 813.0	\$ 897.0	\$ 884.1	\$ (12.9)
Child Care	\$ 49.6	\$ 51.1	\$ 55.3	\$ 4.1	\$ 9.7	\$ 9.7	\$ 9.7	\$ -
Rhode Island Works Program	35.7	35.6	33.3	(2.2)	(0.0)	-	-	-
SSI State Program	18.3	18.6	18.7	0.1	18.3	18.6	18.7	0.1
Subtotal: Cash Assistance	\$ 103.6	\$ 105.3	\$ 107.3	\$ 2.0	\$ 28.0	\$ 28.2	\$ 28.4	\$ 0.1
Supplemental Nutrition Assistance Women, Infants and Children	\$ 288.8	\$ 302.9	\$ 271.7	\$ (31.2)	\$ -	\$ -	\$ -	\$ -
Low Income Heating and Energy Assistance Program (LIHEAP)	22.0	23.6	23.0	(0.6)	-	-	-	-
Weatherization	19.1	24.5	23.8	(0.7)	-	-	-	-
Race to the Top	0.2	0.4	1.2	0.9	-	-	-	-
HIV/AIDS Treatment	3.1	7.9	5.5	(2.5)	-	-	-	-
Subtotal: Other Assistance	\$ 336.7	\$ 362.3	\$ 326.7	\$ (35.6)	\$ -	\$ -	\$ -	\$ -
DHS/Division of Elderly Affairs								
RIPAE/Supplemental Pharm.	\$ 0.1	\$ 0.2	\$ 0.0	\$ (0.1)	\$ -	\$ 0.0	\$ -	\$ (0.0)
Medical Assistance	9.6	8.9	8.8	(0.1)	4.6	4.4	4.4	(0.1)
Other Grants	9.1	9.6	9.8	0.2	1.8	1.8	1.9	0.1
Behavioral Healthcare, Developmental Disabilities and Hospitals								
Developmental Disabilities	\$ 186.5	\$ 188.3	\$ 186.6	\$ (1.7)	\$ 92.8	\$ 94.1	\$ 93.1	\$ (1.0)
Behavioral Healthcare Services*	\$ 95.1	\$ 16.3	\$ 14.4	(2.0)	\$ 36.4	\$ 0.5	\$ 0.4	\$ (0.2)
Children, Youth and Families								
Child Welfare	\$ 126.1	\$ 129.7	\$ 119.8	\$ (9.9)	\$ 91.8	\$ 94.5	\$ 85.3	\$ (9.2)
Children's Behavioral Health	7.1	7.8	6.8	(1.0)	3.0	2.7	2.7	-
Juvenile Corrections	3.1	2.8	2.7	(0.1)	3.1	2.7	2.7	-
Higher Ed. Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Health								
HIV Surveillance	\$ 0.5	\$ 0.7	\$ 0.7	\$ -	\$ -	\$ -	\$ -	\$ -
Tobacco and Smoking Cessation	0.5	0.7	0.5	(0.2)	0.0	0.1	0.1	-
Other Grants	13.4	17.8	14.4	(3.4)	1.3	1.2	1.2	0.0

*FY2015 enacted budget transferred Medicaid funded services to OHHS

Assistance, grants, and benefits are \$3,963.7 million and constitute the largest category, 45.7 percent of all expenditures and 33.8 percent of general revenue funded expenditures. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$105.5 million less than the enacted budget considering all sources, and \$10.7 million more from general revenues.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The Budget includes \$1,248.4 million for *aid to local units of government* that includes

\$1,168.7 million in education aid and \$79.8 million in general state aid. Education aid increases \$41.7 million while general aid increases by \$1.5 million. These expenditures comprise 14.4 percent of all expenditures. However, they comprise 30.5 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,082.3 million consist of \$1,003.4 million in education aid and \$78.8 million in general state aid. General revenue funded education aid increases \$42.5 million; general aid is \$1.5 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget presented as part of the Governor's budget.

Capital expenses total \$335.4 million, or 3.9 percent of all expenditures; debt service of \$203.5 million is 2.3 percent. Capital expenditures are \$77.2 million less than enacted for FY 2015 and debt service \$75.5 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Commerce Corporation. The FY 2016 budget contains a significant increase in these related to one time investments via the Commerce Corporation. They also represent transfers within state agencies from funds distinct from the General Fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. They total \$217.5 million and constitute 2.5 percent of the total budget. The general revenues portion is \$78.4 million, 2.2 percent of general revenue funded expenditures.

General Revenue Surplus Statement

The Governor recommended an ending FY 2016 surplus of \$0.6 million, and an operating deficit of \$2.5 million reflecting use of the FY 2015 surplus. The Assembly adopted an FY 2016 budget with an ending surplus of \$0.5 million, and an operating deficit of \$118.1 million.

	FY 2014	FY 2015	FY 2016
Opening Surplus			
Free Surplus	\$ 104,119,715	\$ 67,806,737	\$ 118,565,420
Reappropriated Surplus	7,052,524	7,378,665	-
Subtotal	\$ 111,172,239	\$ 75,185,402	\$ 118,565,420
Revenues			
Enacted/Actual/Estimated	3,416,041,280	3,493,103,389	3,380,181,000
Governor	-	30,919,396	216,941,107
Assembly	-	106,943,805	(53,365,642)
Closing	14,221,136	-	-
Revenues	3,430,262,416	3,630,966,590	3,543,756,465
Cash Stabilization Fund	(106,031,464)	(110,963,200)	(109,869,657)
Total Available Resources	\$ 3,435,403,191	\$ 3,595,188,792	\$ 3,552,452,228
Expenditures			
Enacted/Actual/Estimated	3,336,423,288	3,445,169,968	3,491,628,573
Reappropriations	-	7,378,665	-
Governor	-	35,833,002	-
Assembly	-	(11,758,264)	60,360,165
Total Expenditures	\$ 3,336,423,288	\$ 3,476,623,371	\$ 3,551,988,738
Total Surplus	\$ 98,979,903	\$ 118,565,420	\$ 463,490
Transfers: Accelerated Depreciation, Retirement	(23,794,501)	-	-
Reappropriations	(7,378,665)	-	-
Free Surplus	\$ 67,806,737	\$ 118,565,420	\$ 463,490
<i>Operating Surplus/(Deficit)</i>	<i>(5,139,812)</i>	<i>50,758,683</i>	<i>(118,101,930)</i>
Budget Stabilization and Cash Reserve	\$ 176,719,107	\$ 179,591,476	\$ 180,009,689
Percent of Revenues	5.2%	4.9%	5.1%

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$176.7 million in FY 2014, \$179.6 million in FY 2015, and \$180.0 million in FY 2016. The account receives 3.0 percent of general revenues plus free surplus annually.

Out-Year Forecasts

The Governor’s budget projected the out-years again to be significantly unbalanced though to a somewhat smaller degree than prior years. The forecast included with the Budget estimates a \$74.6 million gap for FY 2017, equating to 2.1 percent of useable revenues, that grows to \$376.7 million in FY 2020, 10.6 percent of useable revenues. It averages 6.7 percent over the four year period. The enacted budget has a higher initial FY 2017 gap at \$131.7 million, than the Governor’s original proposal, but a similar percent of useable revenue at 2.1 percent. Also the average over the four year period is slightly lower at 6.4 percent.

The FY 2017 gap is due to the use of one-time items in the resolution of the current budget gap as well as commitment of future expenses and revenue losses not reflected in FY 2016. The estimate also reflects

growing impact of casino gaming in Massachusetts, which is expected to peak by FY 2019 at over \$125 million.

The largest single contributor to the FY 2016 deficit that required solving was the use of one-time solutions to the FY 2015 budget, including the FY 2014 surplus followed closely by the revenue losses estimated from the start of casino gaming in nearby Massachusetts. One time revenues are also featured in the resolution of the current budget gap which were available largely from FY 2015 revenues that allowed for a significant surplus for use in the FY 2016 budget. Those replaced the Governor’s plan to transfer balances from a number of quasi-public agencies and other proposals that resulted in non-recurring sources.

The enacted budget also contained legislation to codify the terms of the pension settlement. The impacts of that, \$12.6 million from general revenues are now shown in the out year budget projections below. It also allows for the full impact of two revenue reduction proposals to occur in FY 2016 that the Governor had proposed be phased in over a number of years. This limits the number of items for which there are growing out-year costs compared to the Governor’s budget.

	FY 2017	FY 2018	FY 2019	FY 2020
Opening Surplus	\$ 0.5	\$ -	\$ -	\$ -
Revenues	3,595.4	3,653.9	3,733.9	3,813.1
Cash Stabilization Fund	(107.9)	(109.6)	(112.0)	(114.4)
Useable Revenues	\$ 3,488.0	\$ 3,544.3	\$ 3,621.8	\$ 3,698.7
Expenditures	3,619.7	3,776.7	3,862.0	4,019.2
Total Surplus	\$ (131.7)	\$ (232.4)	\$ (240.1)	\$ (320.5)
Revenue Growth	2.0%	1.6%	2.2%	2.1%
Useable Revenue Growth	2.1%	1.6%	2.2%	2.1%
Expenditure Growth	3.8%	4.3%	2.3%	4.1%
Surplus Percent of Useable Revenues	-3.8%	-6.6%	-6.6%	-8.7%

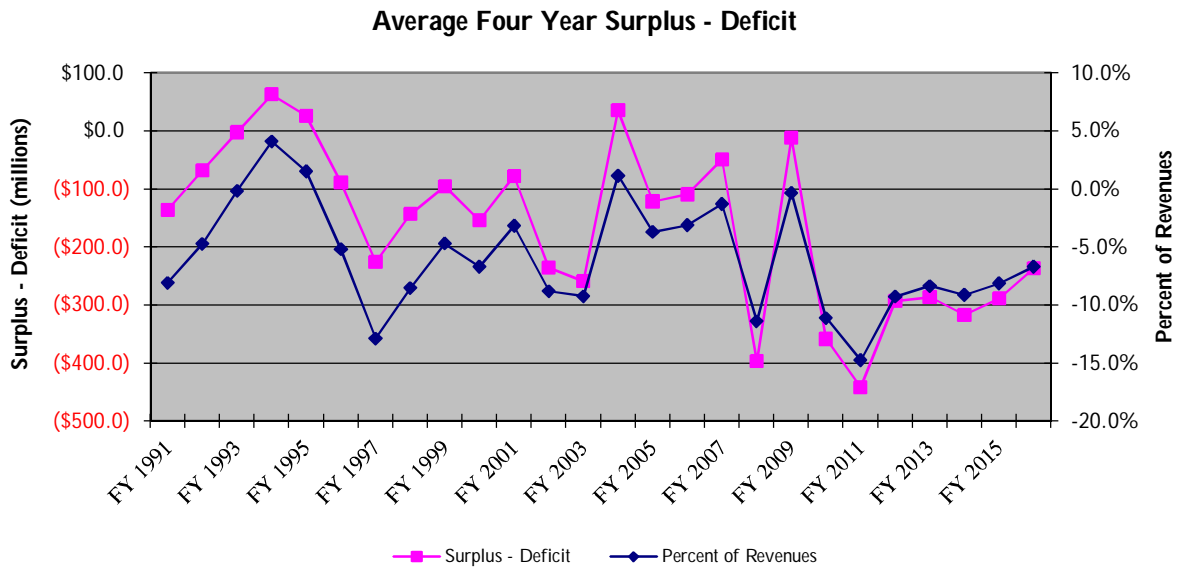
However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2017 through FY 2020 and the FY 2016 budget itself. The economic data used for the Governor’s budget is from the November consensus economic forecast. This had been revised from earlier projections and was revised again in May.

Fiscal staff’s projections generally use the expenditure growth assumptions consistent with the Governor’s budget but modified for changes the Assembly enacted and updated information such as the impact of savings proposals and the use of less debt financing. Staff’s revenue projections differ from those in the Governor’s outlook in that they reflect the updated forecast and actions taken in the budget. Additionally, they use different assumptions regarding revenue growth. Both estimates include similar casino impacts. The first official revenue estimate for FY 2017 will be established at the November 2015 Revenue Estimating Conference.

The growing out-year gaps illustrate the fact that expenditures are projected to grow at faster rates than revenues grow. The final budget included many of the Governor’s proposed investments to assist in producing greater economic growth than currently assumed.

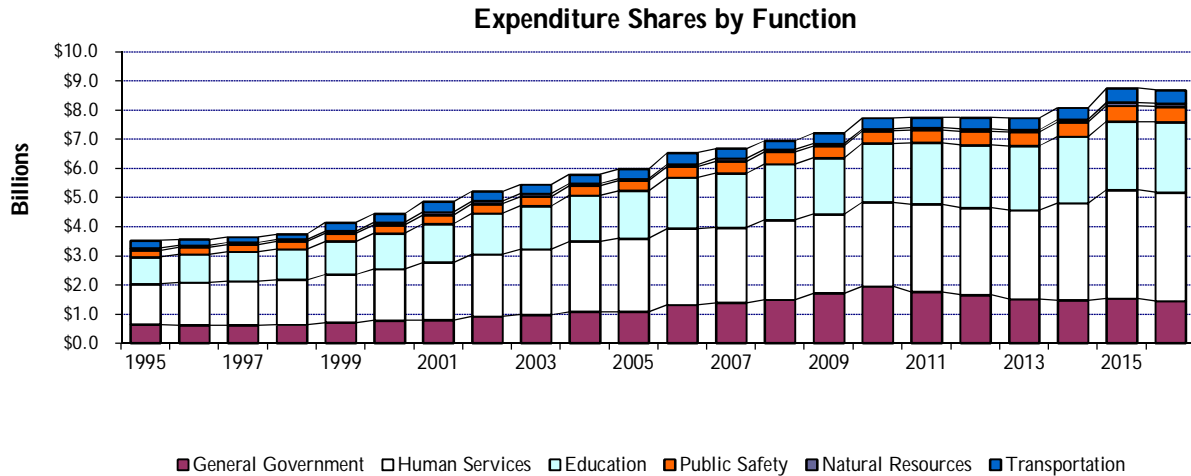
While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million in Governor Carcieri’s final budget.

The following chart shows the average surpluses and deficits for the four out-years for each of the proposed budgets since FY 1991.



Distribution of Total Expenditures

Expenditures can be aggregated a number of ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.



General Government programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

Human Services includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

Education includes programs of elementary and secondary education, public higher education, arts, and historical preservation and heritage.

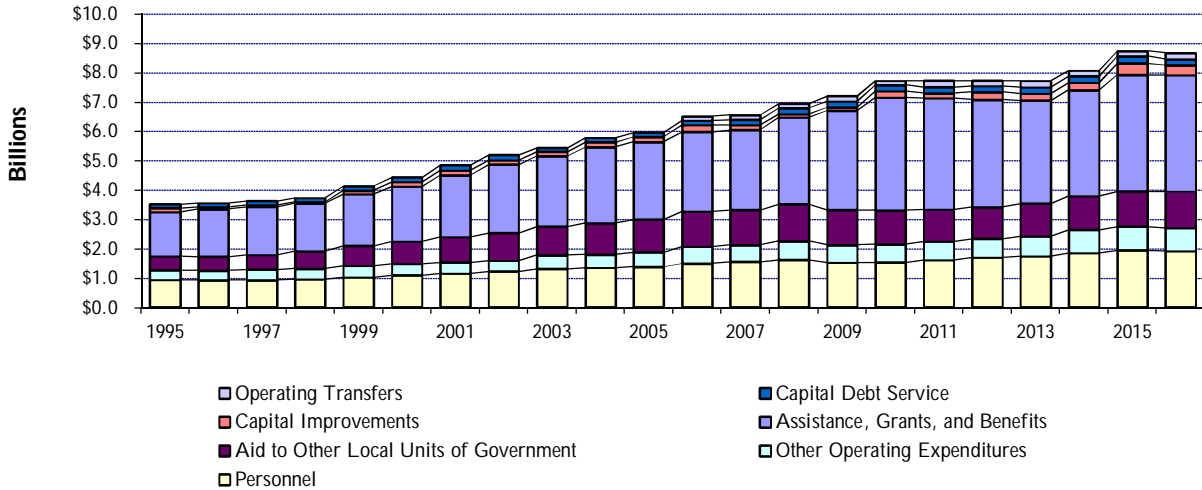
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

Transportation programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; capital; and operating transfers.

Expenditure Shares by Category



State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers' compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid and other medical assistance programs including RItE Share and RItE Care, pharmaceutical assistance programs, cash assistance, and tuition assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers' compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the Budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The Budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Commerce Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor's recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. These analyses are presented in the next section along with the Assembly's final action on those items. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. The percentages shown in the table represent the percent of the total shown in each cell.

Expenditures from All Funds

FY 2014 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 218.2 2.7%	\$ 347.1 4.3%	\$ 494.3 6.1%	\$ 361.0 4.5%	\$ 49.7 0.6%	\$ 71.3 0.9%	\$ 1,541.5 19.1%
Contracted Services	67.7 0.8%	105.6 1.3%	67.8 0.8%	14.4 0.2%	4.7 0.1%	42.1 0.5%	302.3 3.8%
Other State Operations	387.0 4.8%	89.1 1.1%	230.4 2.9%	47.8 0.6%	11.1 0.1%	30.5 0.4%	795.9 9.9%
Aid to Local Units of Government	72.2 0.9%	- 0.0%	1,077.7 13.4%	0.2 0.0%	0.0 0.0%	- 0.0%	1,150.2 14.3%
Assistance, Grants, & Benefits	461.9 5.7%	2,778.0 34.5%	310.6 3.9%	42.5 0.5%	5.6 0.1%	16.0 0.2%	3,614.5 44.9%
Capital	22.4 0.3%	12.7 0.2%	45.8 0.6%	22.8 0.3%	12.9 0.2%	129.8 1.6%	246.5 3.1%
Debt Service	163.8 2.0%	- 0.0%	55.0 0.7%	- 0.0%	- 0.0%	- 0.0%	218.8 2.7%
Operating Transfers	63.6 0.8%	2.7 0.0%	5.9 0.1%	1.9 0.0%	- 0.0%	111.8 1.4%	185.9 2.3%
Total	\$ 1,456.8 18.1%	\$ 3,335.3 41.4%	\$ 2,287.4 28.4%	\$ 490.5 6.1%	\$ 83.9 1.0%	\$ 401.5 5.0%	\$ 8,055.4 100.0%

FY 2015 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 220.7 2.5%	\$ 367.8 4.2%	\$ 504.3 5.7%	\$ 365.1 4.2%	\$ 50.2 0.6%	\$ 73.1 0.8%	\$ 1,581.2 18.0%
Contracted Services	44.4 0.5%	104.3 1.2%	68.1 0.8%	16.6 0.2%	8.3 0.1%	39.2 0.4%	280.9 3.2%
Other State Operations	406.0 4.6%	89.4 1.0%	210.9 2.4%	49.0 0.6%	11.7 0.1%	27.4 0.3%	794.4 9.0%
Aid to Local Units of Government	78.3 0.9%	- 0.0%	1,126.9 12.8%	- 0.0%	- 0.0%	- 0.0%	1,205.2 13.7%
Assistance, Grants, & Benefits	461.8 5.3%	3,159.9 36.0%	342.6 3.9%	55.5 0.6%	6.6 0.1%	42.8 0.5%	4,069.2 46.3%
Capital	42.8 0.5%	15.5 0.2%	53.2 0.6%	42.7 0.5%	31.9 0.4%	226.6 2.6%	412.5 4.7%
Debt Service	224.2 2.6%	- 0.0%	54.9 0.6%	- 0.0%	- 0.0%	- 0.0%	279.0 3.2%
Operating Transfers	35.4 0.4%	6.2 0.1%	- 0.0%	- 0.0%	0.1 0.0%	116.1 1.3%	157.8 1.8%
Total	\$ 1,513.4 17.2%	\$ 3,743.1 42.6%	\$ 2,360.9 26.9%	\$ 528.8 6.0%	\$ 108.8 1.2%	\$ 525.1 6.0%	\$ 8,780.2 100.0%

Expenditures from All Funds

FY 2016 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 220.2 2.6%	\$ 380.1 4.4%	\$ 515.4 6.0%	\$ 383.1 4.4%	\$ 52.3 0.6%	\$ 74.9 0.9%	\$ 1,626.1 18.8%
Contracted Services	55.4 0.6%	109.1 1.3%	64.7 0.8%	15.9 0.2%	7.4 0.1%	30.9 0.4%	283.4 3.3%
Other State Operations	362.6 4.2%	92.0 1.1%	209.3 2.4%	51.1 0.6%	12.5 0.1%	29.9 0.3%	757.4 8.8%
Aid to Local Units of Government	74.8 0.9%	- 0.0%	1,157.2 13.4%	0.2 0.0%	- 0.0%	- 0.0%	1,232.1 14.3%
Assistance, Grants, & Benefits	418.3 4.8%	3,156.4 36.6%	326.4 3.8%	42.5 0.5%	6.8 0.1%	33.9 0.4%	3,984.3 46.2%
Capital	46.8 0.5%	7.9 0.1%	42.6 0.5%	32.3 0.4%	19.8 0.2%	166.4 1.9%	315.9 3.7%
Debt Service	149.0 1.7%	- 0.0%	53.4 0.6%	- 0.0%	- 0.0%	- 0.0%	202.4 2.3%
Operating Transfers	66.9 0.8%	5.7 0.1%	30.5 0.4%	- 0.0%	0.1 0.0%	122.9 1.4%	226.0 2.6%
Total	\$ 1,394.0 16.2%	\$ 3,751.3 43.5%	\$ 2,399.6 27.8%	\$ 525.1 6.1%	\$ 98.8 1.1%	\$ 458.9 5.3%	\$ 8,627.6 100.0%

FY 2016 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (0.4) 0.3%	\$ 12.3 -8.0%	\$ 11.2 -7.3%	\$ 18.0 -11.8%	\$ 2.1 -1.4%	\$ 1.8 -1.2%	\$ 44.9 -29.4%
Contracted Services	11.0 -7.2%	4.8 -3.2%	(3.3) 2.2%	(0.7) 0.5%	(1.0) 0.6%	(8.3) 5.4%	2.6 -1.7%
Other State Operations	(43.4) 28.5%	2.6 -1.7%	(1.6) 1.0%	2.2 -1.4%	0.8 -0.5%	2.5 -1.6%	(37.0) 24.2%
Aid to Local Units of Government	(3.5) 2.3%	- 0.0%	30.2 -19.8%	0.2 -0.1%	- 0.0%	- 0.0%	26.9 -17.7%
Assistance, Grants, & Benefits	(43.5) 28.5%	(3.5) 2.3%	(16.3) 10.7%	(13.0) 8.5%	0.2 -0.1%	(8.9) 5.8%	(84.9) 55.6%
Capital	4.0 -2.6%	(7.5) 4.9%	(10.6) 6.9%	(10.4) 6.8%	(12.1) 7.9%	(60.2) 39.4%	(96.7) 63.3%
Debt Service	(75.2) 49.3%	- 0.0%	(1.5) 1.0%	- 0.0%	- 0.0%	- 0.0%	(76.7) 50.2%
Operating Transfers	31.5 -20.7%	(0.5) 0.3%	30.5 -20.0%	- 0.0%	- 0.0%	6.7 -4.4%	68.3 -44.7%
Total	\$ (119.5) 78.3%	\$ 8.1 -5.3%	\$ 38.6 -25.3%	\$ (3.7) 2.4%	\$ (9.9) 6.5%	\$ (66.3) 43.4%	\$ (152.6) 100.0%

Expenditures from All Funds

FY 2016 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 236.5 2.7%	\$ 376.1 4.3%	\$ 514.6 5.9%	\$ 383.9 4.4%	\$ 52.9 0.6%	\$ 74.9 0.9%	\$ 1,638.9 18.9%
Contracted Services	55.5 0.6%	107.9 1.2%	64.5 0.7%	16.0 0.2%	7.4 0.1%	30.9 0.4%	282.1 3.3%
Other State Operations	368.7 4.3%	89.7 1.0%	209.6 2.4%	52.4 0.6%	12.5 0.1%	42.9 0.5%	775.9 9.0%
Aid to Local Units of Government	79.8 0.9%	- 0.0%	1,168.7 13.5%	- 0.0%	- 0.0%	- 0.0%	1,248.4 14.4%
Assistance, Grants, & Benefits	421.3 4.9%	3,131.6 36.1%	326.8 3.8%	42.8 0.5%	7.2 0.1%	33.9 0.4%	3,963.7 45.7%
Capital	55.1 0.6%	10.2 0.1%	49.5 0.6%	39.6 0.5%	25.0 0.3%	156.0 1.8%	335.4 3.9%
Debt Service	150.2 1.7%	- 0.0%	53.4 0.6%	- 0.0%	- 0.0%	- 0.0%	203.5 2.3%
Operating Transfers	65.4 0.8%	5.9 0.1%	20.9 0.2%	- 0.0%	0.1 0.0%	125.2 1.4%	217.5 2.5%
Total	\$ 1,432.5 16.5%	\$ 3,721.4 42.9%	\$ 2,408.0 27.8%	\$ 534.7 6.2%	\$ 105.0 1.2%	\$ 463.8 5.4%	\$ 8,665.4 100.0%

FY 2016 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 15.8 -13.8%	\$ 8.3 -7.2%	\$ 10.3 -9.0%	\$ 18.8 -16.4%	\$ 2.6 -2.3%	\$ 1.8 -1.6%	\$ 57.7 -50.2%
Contracted Services	11.1 -9.7%	3.6 -3.1%	(3.6) 3.1%	(0.6) 0.5%	(1.0) 0.8%	(8.3) 7.2%	1.2 -1.1%
Other State Operations	(37.2) 32.5%	0.3 -0.2%	(1.3) 1.1%	3.5 -3.0%	0.8 -0.7%	15.5 -13.5%	(18.5) 16.1%
Aid to Local Units of Government	1.5 -1.3%	- 0.0%	41.7 -36.4%	- 0.0%	- 0.0%	- 0.0%	43.2 -37.7%
Assistance, Grants, & Benefits	(40.4) 35.2%	(28.4) 24.7%	(15.8) 13.8%	(12.7) 11.0%	0.6 -0.6%	(8.9) 7.7%	(105.5) 91.9%
Capital	12.3 -10.8%	(5.3) 4.6%	(3.7) 3.3%	(3.0) 2.6%	(6.9) 6.0%	(70.6) 61.5%	(77.2) 67.3%
Debt Service	(74.0) 64.5%	- 0.0%	(1.5) 1.3%	- 0.0%	- 0.0%	- 0.0%	(75.5) 65.8%
Operating Transfers	30.0 -26.2%	(0.3) 0.2%	20.9 -18.2%	- 0.0%	- 0.0%	9.1 -7.9%	59.8 -52.1%
Total	\$ (80.9) 70.5%	\$ (21.7) 18.9%	\$ 47.1 -41.0%	\$ 5.9 -5.2%	\$ (3.8) 3.3%	\$ (61.3) 53.4%	\$ (114.8) 100.0%

Expenditures from All Funds

FY 2016 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 16.3 42.9%	\$ (3.9) -10.4%	\$ (0.8) -2.2%	\$ 0.8 2.0%	\$ 0.5 1.4%	\$ - 0.0%	\$ 12.8 33.7%
Contracted Services	0.1 0.2%	(1.2) -3.3%	(0.2) -0.6%	0.1 0.2%	- 0.0%	- 0.0%	(1.3) -3.5%
Other State Operations	6.2 16.3%	(2.3) -6.1%	0.3 0.8%	1.3 3.5%	- 0.0%	13.0 34.4%	18.5 48.9%
Aid to Local Units of Government	5.0 13.2%	- 0.0%	11.5 30.3%	(0.2) -0.5%	- 0.0%	- 0.0%	16.3 43.0%
Assistance, Grants, & Benefits	3.1 8.1%	(24.9) -65.7%	0.5 1.2%	0.3 0.9%	0.5 1.2%	- 0.0%	(20.6) -54.4%
Capital	8.3 21.9%	2.2 5.9%	6.8 18.1%	7.4 19.5%	5.2 13.6%	(10.4) -27.5%	19.5 51.5%
Debt Service	1.2 3.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	1.2 3.1%
Operating Transfers	(1.5) -4.0%	0.3 0.7%	(9.6) -25.3%	- 0.0%	- 0.0%	2.3 6.2%	(8.5) -22.4%
Total	\$ 38.6 101.9%	\$ (29.9) -78.9%	\$ 8.4 22.2%	\$ 9.7 25.5%	\$ 6.1 16.2%	\$ 4.9 13.1%	\$ 37.9 100.0%

FY 2016 Change to FY 2014	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 18.4 3.0%	\$ 29.0 4.8%	\$ 20.3 3.3%	\$ 22.9 3.8%	\$ 3.2 0.5%	\$ 3.6 0.6%	\$ 97.4 16.0%
Contracted Services	(12.2) -2.0%	2.3 0.4%	(3.3) -0.5%	1.5 0.3%	2.7 0.4%	(11.2) -1.8%	(20.2) -3.3%
Other State Operations	(18.2) -3.0%	0.6 0.1%	(20.7) -3.4%	4.7 0.8%	1.4 0.2%	12.4 2.0%	(20.0) -3.3%
Aid to Local Units of Government	7.5 1.2%	- 0.0%	90.9 14.9%	(0.2) 0.0%	(0.0) 0.0%	- 0.0%	98.3 16.1%
Assistance, Grants, & Benefits	(40.6) -6.7%	353.6 58.0%	16.2 2.7%	0.4 0.1%	1.6 0.3%	18.0 2.9%	349.2 57.2%
Capital	32.7 5.4%	(2.6) -0.4%	3.6 0.6%	16.8 2.8%	12.1 2.0%	26.1 4.3%	88.9 14.6%
Debt Service	(13.6) -2.2%	- 0.0%	(1.6) -0.3%	- 0.0%	- 0.0%	- 0.0%	(15.2) -2.5%
Operating Transfers	1.8 0.3%	3.3 0.5%	15.0 2.5%	(1.9) -0.3%	0.1 0.0%	13.4 2.2%	31.7 5.2%
Total	\$ (24.3) -4.0%	\$ 386.1 63.3%	\$ 120.6 19.8%	\$ 44.2 7.3%	\$ 21.0 3.5%	\$ 62.3 10.2%	\$ 610.0 100.0%

Expenditures from General Revenues

FY 2014 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	\$ 138.2 4.1%	\$ 182.3 5.5%	\$ 130.8 3.9%	\$ 335.5 10.1%	\$ 29.3 0.9%	\$ - 0.0%	\$ 816.2 24.5%
Contracted Services	6.1 0.2%	25.3 0.8%	8.0 0.2%	9.3 0.3%	0.3 0.0%	- 0.0%	49.0 1.5%
Other State Operations	38.2 1.1%	17.6 0.5%	27.6 0.8%	36.3 1.1%	6.4 0.2%	- 0.0%	126.1 3.8%
Aid to Local Units of Government	71.4 2.1%	- 0.0%	916.7 27.5%	- 0.0%	0.0 0.0%	- 0.0%	988.1 29.6%
Assistance, Grants, & Benefits	13.8 0.4%	1,087.9 32.6%	33.0 1.0%	30.3 0.9%	0.6 0.0%	- 0.0%	1,165.6 34.9%
Capital	1.1 0.0%	0.6 0.0%	2.4 0.1%	1.7 0.1%	0.1 0.0%	- 0.0%	5.9 0.2%
Debt Service	127.1 3.8%	- 0.0%	25.6 0.8%	- 0.0%	- 0.0%	- 0.0%	152.7 4.6%
Operating Transfers	31.9 1.0%	(1.9) -0.1%	2.8 0.1%	- 0.0%	- 0.0%	- 0.0%	32.8 1.0%
Total	\$ 427.9 12.8%	\$ 1,311.8 39.3%	\$ 1,146.9 34.4%	\$ 413.2 12.4%	\$ 36.7 1.1%	\$ - 0.0%	\$ 3,336.4 100.0%

FY 2015 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	\$ 141.3 4.1%	\$ 184.7 5.4%	\$ 136.7 4.0%	\$ 336.0 9.8%	\$ 29.8 0.9%	\$ - 0.0%	\$ 828.6 24.1%
Contracted Services	5.9 0.2%	26.2 0.8%	8.0 0.2%	11.2 0.3%	0.4 0.0%	- 0.0%	51.7 1.5%
Other State Operations	39.6 1.1%	20.4 0.6%	27.0 0.8%	36.1 1.0%	6.2 0.2%	- 0.0%	129.2 3.7%
Aid to Local Units of Government	77.3 2.2%	- 0.0%	961.0 27.9%	- 0.0%	- 0.0%	- 0.0%	1,038.3 30.1%
Assistance, Grants, & Benefits	12.7 0.4%	1,108.3 32.2%	37.8 1.1%	29.0 0.8%	1.4 0.0%	- 0.0%	1,189.2 34.5%
Capital	1.4 0.0%	0.6 0.0%	1.5 0.0%	0.9 0.0%	0.0 0.0%	- 0.0%	4.4 0.1%
Debt Service	168.1 4.9%	- 0.0%	27.3 0.8%	- 0.0%	- 0.0%	- 0.0%	195.3 5.7%
Operating Transfers	6.7 0.2%	1.8 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	8.5 0.2%
Total	\$ 453.0 13.1%	\$ 1,342.0 39.0%	\$ 1,199.2 34.8%	\$ 413.2 12.0%	\$ 37.7 1.1%	\$ - 0.0%	\$ 3,445.2 100.0%

Expenditures from General Revenues

FY 2016 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 133.7 3.8%	\$ 195.3 5.6%	\$ 143.7 4.1%	\$ 353.4 10.1%	\$ 31.2 0.9%	\$ - 0.0%	\$ 857.4 24.6%
Contracted Services	6.0 0.2%	24.2 0.7%	8.2 0.2%	11.9 0.3%	0.4 0.0%	- 0.0%	50.7 1.5%
Other State Operations	37.6 1.1%	22.4 0.6%	29.6 0.8%	39.4 1.1%	6.5 0.2%	- 0.0%	135.5 3.9%
Aid to Local Units of Government	73.8 2.1%	- 0.0%	992.5 28.4%	- 0.0%	- 0.0%	- 0.0%	1,066.4 30.5%
Assistance, Grants, & Benefits	10.0 0.3%	1,090.5 31.2%	36.3 1.0%	27.3 0.8%	0.8 0.0%	- 0.0%	1,165.0 33.4%
Capital	1.0 0.0%	0.3 0.0%	1.5 0.0%	1.0 0.0%	0.0 0.0%	- 0.0%	3.8 0.1%
Debt Service	98.0 2.8%	- 0.0%	25.1 0.7%	- 0.0%	- 0.0%	- 0.0%	123.0 3.5%
Operating Transfers	58.7 1.7%	1.2 0.0%	30.0 0.9%	- 0.0%	- 0.0%	- 0.0%	89.9 2.6%
Total	\$ 418.8 12.0%	\$ 1,334.0 38.2%	\$ 1,266.9 36.3%	\$ 433.0 12.4%	\$ 38.9 1.1%	\$ - 0.0%	\$ 3,491.6 100.0%

FY 2016 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (7.6) -16.4%	\$ 10.6 22.9%	\$ 7.0 15.0%	\$ 17.4 37.4%	\$ 1.4 3.0%	\$ - 0.0%	\$ 28.8 61.9%
Contracted Services	0.1 0.2%	(2.0) -4.3%	0.2 0.4%	0.6 1.4%	0.0 0.1%	- 0.0%	(1.0) -2.2%
Other State Operations	(2.0) -4.2%	2.0 4.2%	2.7 5.7%	3.3 7.0%	0.4 0.8%	- 0.0%	6.3 13.6%
Aid to Local Units of Government	(3.5) -7.5%	- 0.0%	31.6 68.0%	- 0.0%	- 0.0%	- 0.0%	28.1 60.4%
Assistance, Grants, & Benefits	(2.7) -5.8%	(17.7) -38.2%	(1.5) -3.3%	(1.6) -3.5%	(0.6) -1.3%	- 0.0%	(24.2) -52.1%
Capital	(0.4) -0.8%	(0.3) -0.6%	(0.0) 0.0%	0.1 0.3%	(0.0) 0.0%	- 0.0%	(0.6) -1.3%
Debt Service	(70.1) -150.9%	- 0.0%	(2.2) -4.7%	- 0.0%	- 0.0%	- 0.0%	(72.3) -155.6%
Operating Transfers	51.9 111.8%	(0.5) -1.1%	30.0 64.5%	- 0.0%	- 0.0%	- 0.0%	81.4 175.2%
Total	\$ (34.2) -73.6%	\$ (8.0) -17.2%	\$ 67.6 145.6%	\$ 19.8 42.5%	\$ 1.2 2.6%	\$ - 0.0%	\$ 46.5 100.0%

Expenditures from General Revenues

FY 2016 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 149.8 4.2%	\$ 193.4 5.4%	\$ 143.5 4.0%	\$ 354.3 10.0%	\$ 31.8 0.9%	\$ - 0.0%	\$ 872.7 24.6%
Contracted Services	8.6 0.2%	23.6 0.7%	8.1 0.2%	11.9 0.3%	0.4 0.0%	- 0.0%	52.5 1.5%
Other State Operations	41.0 1.2%	21.2 0.6%	30.0 0.8%	39.5	6.5 0.2%	- 0.0%	138.2 3.9%
Aid to Local Units of Government	78.8 2.2%	- 0.0%	1,003.4 28.2%	- 0.0%	- 0.0%	- 0.0%	1,082.3 30.5%
Assistance, Grants, & Benefits	13.1 0.4%	1,121.3 31.6%	36.8 1.0%	27.3 0.8%	1.3 0.0%	- 0.0%	1,199.8 33.8%
Capital	1.0 0.0%	0.3 0.0%	1.5 0.0%	1.0 0.0%	0.0 0.0%	- 0.0%	3.8 0.1%
Debt Service	99.1 2.8%	- 0.0%	25.1 0.7%	- 0.0%	- 0.0%	- 0.0%	124.2 3.5%
Operating Transfers	57.2 1.6%	1.2 0.0%	20.0 0.6%	- 0.0%	- 0.0%	- 0.0%	78.4 2.2%
Total	\$ 448.7 12.6%	\$ 1,361.1 38.3%	\$ 1,268.2 35.7%	\$ 434.0 12.2%	\$ 40.0 1.1%	\$ - 0.0%	\$ 3,552.0 100.0%

FY 2016 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 8.5 8.0%	\$ 8.7 8.1%	\$ 6.8 6.3%	\$ 18.2 17.1%	\$ 1.9 1.8%	\$ - 0.0%	\$ 44.1 41.3%
Contracted Services	2.7 2.6%	(2.6) -2.5%	0.1 0.1%	0.7 0.6%	0.0 0.0%	- 0.0%	0.8 0.8%
Other State Operations	1.4 1.3%	0.8 0.8%	3.0 2.8%	3.4 3.2%	0.4 0.3%	- 0.0%	9.0 8.4%
Aid to Local Units of Government	1.5 1.4%	- 0.0%	42.5 39.7%	- 0.0%	- 0.0%	- 0.0%	44.0 41.1%
Assistance, Grants, & Benefits	0.4 0.4%	13.1 12.2%	(1.1) -1.0%	(1.6) -1.5%	(0.0) 0.0%	- 0.0%	10.7 10.0%
Capital	(0.4) -0.4%	(0.3) -0.3%	(0.0) 0.0%	0.1 0.1%	(0.0) 0.0%	- 0.0%	(0.6) -0.5%
Debt Service	(68.9) -64.5%	- 0.0%	(2.2) -2.0%	- 0.0%	- 0.0%	- 0.0%	(71.1) -66.6%
Operating Transfers	50.4 47.2%	(0.5) -0.5%	20.0 18.7%	- 0.0%	- 0.0%	- 0.0%	69.9 65.5%
Total	\$ (4.3) -4.0%	\$ 19.1 17.9%	\$ 69.0 64.6%	\$ 20.7 19.4%	\$ 2.3 2.1%	\$ - 0.0%	\$ 106.8 100.0%

Expenditures from General Revenues

FY 2016 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 16.1 26.7%	\$ (1.9) -3.2%	\$ (0.2) -0.3%	\$ 0.9 1.4%	\$ 0.5 0.9%	\$ - 0.0%	\$ 15.4 25.5%
Contracted Services	2.6 4.4%	(0.6) -1.1%	(0.1) -0.2%	0.0 0.0%	- 0.0%	- 0.0%	1.9 3.1%
Other State Operations	3.4 5.6%	(1.1) -1.9%	0.3 0.5%	0.1 0.2%	- 0.0%	- 0.0%	2.7 4.4%
Aid to Local Units of Government	5.0 8.3%	- 0.0%	10.9 18.0%	- 0.0%	- 0.0%	- 0.0%	15.9 26.3%
Assistance, Grants, & Benefits	3.1 5.1%	30.8 51.0%	0.4 0.7%	- 0.0%	0.6 0.9%	- 0.0%	34.8 57.7%
Capital	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
Debt Service	1.2 2.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	1.2 2.0%
Operating Transfers	(1.5) -2.5%	- 0.0%	(10.0) -16.5%	- 0.0%	- 0.0%	- 0.0%	(11.5) -19.0%
Total	\$ 29.9 49.5%	\$ 27.0 44.8%	\$ 1.4 2.3%	\$ 1.0 1.6%	\$ 1.1 1.8%	\$ - 0.0%	\$ 60.4 100.0%

FY 2016 Change to FY 2014	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 11.6 5.4%	\$ 11.1 5.2%	\$ 12.7 5.9%	\$ 18.7 8.7%	\$ 2.4 1.1%	\$ - 0.0%	\$ 56.6 26.3%
Contracted Services	2.5 1.2%	(1.7) -0.8%	0.0 0.0%	2.6 1.2%	0.1 0.0%	- 0.0%	3.5 1.6%
Other State Operations	2.8 1.3%	3.7 1.7%	2.3 1.1%	3.1 1.5%	0.1 0.0%	- 0.0%	12.1 5.6%
Aid to Local Units of Government	7.4 3.5%	- 0.0%	86.7 40.2%	- 0.0%	(0.0) 0.0%	- 0.0%	94.1 43.7%
Assistance, Grants, & Benefits	(0.7) -0.3%	33.4 15.5%	3.8 1.8%	(3.0) -1.4%	0.7 0.3%	- 0.0%	34.2 15.9%
Capital	(0.1) 0.0%	(0.3) -0.2%	(1.0) -0.5%	(0.7) -0.3%	(0.0) 0.0%	- 0.0%	(2.1) -1.0%
Debt Service	(28.0) -13.0%	- 0.0%	(0.5) -0.2%	- 0.0%	- 0.0%	- 0.0%	(28.5) -13.2%
Operating Transfers	25.3 11.7%	3.1 1.5%	17.2 8.0%	- 0.0%	- 0.0%	- 0.0%	45.7 21.2%
Total	\$ 20.8 9.7%	\$ 49.3 22.9%	\$ 121.3 56.3%	\$ 20.8 9.6%	\$ 3.3 1.5%	\$ - 0.0%	\$ 215.6 100.0%

