



OFFICE OF MANAGEMENT & BUDGET


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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer 

Date: March 11, 2024

Subject: Amendments to FY 2025 Appropriations Act (24-H-7225)

Governor's Budget Amendment #4

The Governor requests that several amendments be made to the FY 2025 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2025.

Notable amendments which reflect updated policy recommendations by the Governor include:

- **BHDDH Group Homes:** The Department of Administration (DOA) and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) have been in discussion regarding agency responsibility for maintenance and management of the BHDDH state-owned group home portfolio. The Governor's Recommended budget as submitted included the establishment of a restricted receipt account to finance operating maintenance costs but included no funding. This amendment seeds this new account with \$100,000 of general revenue and shifts responsibility for relevant Rhode Island Capital Plan (RICAP) projects from DOA to BHDDH effective in FY 2025.
- **New Trooper Recruit Class:** As a result of continued staff vacancies and recruiting challenges, the Department of Public Safety anticipates excess turnover within the State Police. In light of this, the Governor recommends realignment of existing requested appropriations to accommodate a recruitment class of 20 troopers in FY 2025 to maintain necessary staffing levels.
- **National Guard Military Funeral Honors:** The Governor recommends \$169,665 to support staffing costs at the Rhode Island National Guard to augment the capacity of the Military Funeral Honors Program. Given the operational cadence of the Rhode Island National Guard Military Funeral Honors Team (approximately 1,200 funerals per year), as well as continuous turnover in the available volunteer workforce, the addition of two full time support staff will greatly assist the Executive Military Staff's ability to continue the successful operation of this mission.

- **Voting equipment:** The Governor recommends an additional \$861,320 across FY 2024 and FY 2025 to accommodate costs of voting equipment contract, license, maintenance, and support costs which were recently reprocured. Final costs were not known in time to be accommodated in the Governor's original submission.

In addition to those highlighted above, this amendment seeks to make various other adjustments to requested appropriations. A description of each amendment requested is provided below.

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

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Jonathan Womer, Director of Administration
Brian Daniels, Director, Office of Management and Budget

Revenue Amendment

An upward revenue adjustment relative to consensus estimates as adopted by the November 2023 Revenue Estimating Conference (REC) was inadvertently omitted from the FY 2025 General Revenue Surplus Statement (Appendix A-1 of the Executive Summary) and other related general revenue tables in the Governor's FY 2025 Budget documents. Specifically, an increase of \$380,000 to align departmental revenue assumptions with the current FY 2025 Governor Recommended Budget as proposed in Article 6, Section 7, is required. Article 6 eliminates the provision that surcharge revenues collected for each vital record be deposited into the Information Technology Restricted Receipt Account. The financing for the maintenance of the system will now be appropriated directly as general revenue within the Department of Health in the Governor's Recommended Budget.

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2025

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2025

Department of Administration

Decrease Restricted Receipts for the General program, Page 4, Line 6, by \$300,000 from \$1,000,000 to \$700,000. This amendment corrects the inadvertent inclusion of restricted receipts for Enterprise Resource Planning (ERP) maintenance and operations costs. Internal service fund expenditures for ERP maintenance and operations are included in the Internal Service Program (25-DOA1).

Decrease Other Funds for the General program, Page 5, Line 9, by \$4,325,000 from \$4,325,000 to \$0. This amendment transfers the appropriation of Rhode Island Capital Plan Funds related to the Group Homes Consolidation capital project from the Department of Administration to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals, as ownership of the capital project is likewise transferring per mutual agreement between the two agencies (25-DOA2).

Department of Business Regulation

Decrease Federal Funds in the Office of the Health Insurance Commissioner, Page 6, Line 17 by \$125,000 from \$500,000 to \$625,000. This amendment reflects a correction of anticipated federal Medicaid matching funds for the Rhode Island Parent Information Network (25-DBR1).

Board of Elections

Increase General Revenue, Page 12, Line 25, by \$525,658 from \$5,156,957 to \$5,682,615. This amendment reflects a new contract for license, maintenance, and support services for voting equipment that was not available at the time the budget was finalized (25-BOE1).

Rhode Island Ethics Commission

Decrease General Revenue in the Rhode Island Ethics Commission, Page 12, Line 27 by \$64,835 from \$2,299,337 to \$2,234,502. This amendment reflects a correction to statewide

adjustments for anticipated internal service fund charges charged by the Division of Information Technology for the completion of the Commission's new case management system modules for recusals and complaints from \$156,983 to \$92,148 (25-ETHICS1).

Office of Health and Human Services

Decrease Restricted Receipts in the Central Management program, Page 13, Line 12, by \$2,907,558 from \$45,392,855 to \$42,485,297. This amendment reduces the restricted receipt budget recommendation to align the Opioid Abatement budget with updated payment schedules of settlements between the State and various pharmaceutical companies (25-EOHHS1).

Department of Health

Decrease Restricted Receipts for the Central Management program, Page 15, Line 13, by \$5,000 from \$17,365,961 to \$17,360,961. This amendment realigns the agency's Information Technology Internal Service Fund budget between restricted receipt accounts to match the original intent of the Governor's Recommended Budget (25-DOH1).

Increase Restricted Receipts for the Customer Services program, Page 16, Line 10, by \$5,000 from \$5,773,607 to \$5,778,607. This amendment realigns the agency's Information Technology Internal Service Fund budget between restricted receipt accounts to match the original intent of the Governor's Recommended Budget (25-DOH1).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase Restricted Receipts in the Hospital and Community System Support program, Page 19, Line 11, by \$100,000 from \$67,548 to \$167,548. This amendment reflects planned FY 2025 expenditures within the newly established Group Home Facility Improvement Fund, in accordance with the proposed transfer of general revenue to this account as detailed below in "New Section 20" (25-BHDDH3).

Insert three lines in the Hospital and Community System Support program on Page 19 after Line 11 entitled "Other Funds," "Rhode Island Capital Plan Funds," and "Group Homes Consolidation" and an appropriation on the third line of \$4,325,000. This amendment transfers the appropriation of Rhode Island Capital Plan Funds related to the Group Homes Consolidation capital project from the Department of Administration to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals, as ownership of the capital project is likewise transferring per mutual agreement between the two agencies (25-BHDDH4).

Decrease General Revenue for the Services for the Developmentally Disabled program, Page 19, Line 14, by \$122,892 from \$225,785,600 to \$225,662,708. This amendment corrects for the inadvertent overbudgeting of anticipated software maintenance contracting expenses in the Governor's Recommended Budget related to case management services for clients within the Private DD and RICLAS systems (25-BHDDH1).

Insert three lines in the Services for the Developmentally Disabled program on Page 19 after Line 30 entitled "Other Funds," "Rhode Island Capital Plan Funds," and "DD Residential Support" and an appropriation on the third line of \$100,000. This amendment restores

funding for the DD Residential Support capital project inadvertently excluded from the Governor's Recommended Budget (25-BHDDH2).

Governor's Commission on Disabilities

Increase General Revenue, Page 20, Line 32, by \$1,424 from \$763,664 to \$765,088. This amendment corrects the inadvertent exclusion of Holiday Pay for staff working on Election Day (25-GCD2).

Increase Federal Funds, Page 21, Line 5, by \$255,000 from \$85,000 to \$340,000. This amendment reflects the accurate amount of anticipated federal funds related to the Independent Living Services grant (25-GCD1).

Elementary and Secondary Education

Zero-Sum Accounting Adjustment to General Revenue in the Davies Career and Technical School program, Page 21, Line 34. This amendment aligns the Davies funding formula account to the correct formula appropriation and shifts statewide adjustment funds to the Davies stabilization account (25-RIDE1).

Decrease Other Funds in School for the Deaf Transformation Grants, Page 22, Line 14, by \$59,000 from \$59,000 to \$0. The Department has indicated that there are insufficient funds in the Permanent School Fund to support appropriations and intends to address the budget shortfall with other sources of funding (25-RIDE2).

Rhode Island College

Decrease Other Funds for the Master Plan Phase III project, Page 25, Line 11, by \$5,000,000 from \$10,000,000 to \$5,000,000. This amendment removes an inadvertent increase in the Rhode Island Capital Plan Fund allocation for the Clarke Science Modernization project (25-RIC1).

Military Staff

Increase General Revenue, Page 30, Line 8, by \$169,665 from \$3,106,655 to \$3,276,320. The Governor recommends the addition of two non-FTE, active-duty RING staff to augment day-to-day staffing of the Military Funeral Honors Program. Given the operational cadence of the Rhode Island National Guard Military Funeral Honors Team (approximately 1,200 funerals per year), as well as continuous turnover in the available volunteer workforce, the addition of two full time support staff will greatly assist the Executive Military Staff's ability to continue the successful operation of the Military Funeral Honors Program in Rhode Island.

Department of Public Safety

Zero-Sum Accounting Adjustment to General Revenue in the State Police program, Page 31, Line 1. This is a budget-neutral amendment redirecting \$1.1 million of general revenue from planned personnel expenditures to finance a 20-trooper FY 2025 training academy. The 2024 Academy was projected to have 40 recruits, however there are only 29 trainees at this time. Holding a concurrent Academy in 2025 will bolster the State Police force and prepare for mandatory retirements, as well as annual attrition.

Rhode Island Emergency Management Agency

Increase General Revenue in the Emergency Management Agency, Page 31, Line 20, by \$36,000 from \$7,165,529 to \$7,201,529. This amendment corrects for an inadvertent reduction taken in a statewide adjustment for information technology maintenance agreements in support of the public safety warehouse.

SECTION 13, Rhode Island Capital Plan Fund Appropriations through June 30, 2029

Reduce Rhode Island Capital Plan Funds for the DOA – Group Homes Consolidation project. On Page 40, Line 8, decrease funding for FY Ending 06/30/2026 by \$4,325,000 from \$4,325,000 to \$0; decrease funding for FY Ending 06/30/2027 by \$4,325,000 from \$4,325,000 to \$0; decrease funding for FY Ending 06/30/2028 by \$4,426,000 from \$4,426,000 to \$0; decrease funding for FY Ending 06/30/2029 by \$5,450,000 from \$5,450,000 to \$0; These changes reflect the transfer of ownership of the Group Homes Consolidation capital project from the Department of Administration to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals per mutual agreement between the two agencies (25-DOA2).

Insert a line in the Rhode Island Capital Plan Funds on Page 41 after line 5 entitled “BHDDH – DD Residential Support” with an appropriation for FY Ending 06/30/2026 of \$100,000; with an appropriation for FY Ending 06/30/2027 of \$100,000; with an appropriation for FY Ending 06/30/2028 of \$100,000; and with an appropriation for FY Ending 06/30/2029 of \$100,000; These changes reflect the funding schedule for the DD Residential Support capital project inadvertently excluded from the Governor’s Recommended Budget (25-BHDDH2).

Insert a line in the Rhode Island Capital Plan Funds on Page 41 after line 5 entitled “BHDDH – Group Homes Consolidation” with an appropriation for FY Ending 06/30/2026 of \$4,325,000; with an appropriation for FY Ending 06/30/2027 of \$4,325,000; with an appropriation for FY Ending 06/30/2028 of \$4,426,000; and with an appropriation for FY Ending 06/30/2029 of \$5,450,000; These changes reflect the transfer of ownership of the Group Homes Consolidation capital project from the Department of Administration to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals per mutual agreement between the two agencies (25-BHDDH4).

NEW SECTION 20:

Insert new SECTION 20 on Page 45. After Line 28 (and renumber subsequent section accordingly) to read as follows:

SECTION 20. Notwithstanding any general laws to the contrary, the State Controller shall transfer \$100,000 to the Group Home Facility Improvement Fund restricted receipt account by July 15, 2024.

This new section provides for an initial capitalization of the newly established Group Home Facility Improvement Fund restricted receipt account as proposed in Article 2, Section 5 of the Governor’s FY 2025 Appropriations Act.

Summary of Governor's Article 1 Amendments to FY 2025 Appropriations Act (24-H-7225)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (25-AGENCY#)
FY 2025 Expenditures (Original Governor's Recommend)	5,500,088,983	4,929,239,756	450,860,737	2,795,864,892	13,676,054,368	
March 2024 Amendments						
Department of Administration						
<i>ERP M&O Correction</i>			(300,000)		(300,000)	25-DOA1
<i>Transfer of Ownership of Group Homes Consolidation RICAP Project</i>				(4,325,000)	(4,325,000)	25-DOA2
Department of Business Regulation						
<i>Office of Health Insurance Commissioner - Federal Funds Match Correction</i>		125,000			125,000	25-DBR1
Board of Elections						
<i>Voting Equipment Contract</i>	525,658				525,658	25-BOE1
Ethics Commission						
<i>Statewide Adjustment Correction (ISF)</i>	(64,835)				(64,835)	25-ETHICS1
Office of Health and Human Services						
<i>Corrections to Opioid Abatement Account</i>			(2,907,558)		(2,907,558)	25-EOHHS1
Department of Health						
<i>Corrections to Opioid Abatement Account</i>			-		-	25-DOH1
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
<i>Corrections to DD Case Management Contract Budget</i>	(122,892)				(122,892)	25-BHDDH1
<i>Restoring DD Residential Support RICAP Project</i>				100,000	100,000	25-BHDDH2
<i>Budget New Restricted Receipt Account- Group Home Facility Improvement</i>			100,000		100,000	25-BHDDH3
<i>Transfer of Ownership of Group Homes Consolidation RICAP Project</i>				4,325,000	4,325,000	25-BHDDH4
Governor's Commission on Disabilities						
<i>Correction to Independent Living Services Grant</i>		255,000			255,000	25-GCD1
<i>Correction to Holiday Pay</i>	1,424				1,424	25-GCD2
Elementary and Secondary Education						
<i>Correction to Davies Funding Formula Account</i>	[11,007]				-	25-RIDE1
<i>School for the Deaf - Permanent School Fund</i>				(59,000)	(59,000)	25-RIDE2
Rhode Island College						
<i>Clarke Science Building- RICAP Correction</i>				(5,000,000)	(5,000,000)	25-RIC1
Military Staff						
<i>Military Funerary Honors Program- State Active Duty Personnel</i>	169,665				169,665	25-MIL1
Department of Public Safety						
<i>2025 Twenty Trooper State Police Academy</i>	[1,187,360]				[1,187,360]	25-DPS1
RI Emergency Management Agency						
<i>Warehouse IT Correction</i>	36,000				36,000	25-EMA1
Total	545,020	380,000	(3,107,558)	(4,959,000)	(7,141,538)	
Grand Total	5,500,634,003	4,929,619,756	447,753,179	2,790,905,892	13,668,912,830	