



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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MEMORANDUM

To: The Honorable Marvin L. Abney
 Chairman, House Finance Committee

The Honorable Daniel DaPonte
 Chairman, Senate Finance Committee

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

Date: February 14, 2017

Subject: Amendments to Article 7 and Article 22 of the FY 2018 Appropriations Act
 (17-H-5175)

The Governor requests that the original Article 7 entitled "Relating to State Funds" be replaced with the attached version. The new version adds three new sections to Article 7, renumbers all sections following the new sections, and makes a couple of technical corrections to the article. The first new section being added is 39-26.6-4, which is part of Chapter 39-26.6 entitled "The Renewable Energy Growth Program." This amendment provides that revenues generated through the rate reconciliation process to finance expenses incurred by the Rhode Island Office of Energy Resources would be transferred to the Office and deposited in a restricted receipt account established within the general fund. This amendment also provides that the new restricted receipt account would be exempted from the indirect cost recovery assessment provisions of 35-4-27.

The second new section being added to Article 7 is 42-28-49.1, which is part of Chapter 42-28 entitled "State Police." This amendment establishes a new restricted receipt account under the State Police for the receipt of reimbursements from non-state entities for which the State Police provide support. In prior years, the State Police have reflected these reimbursements as expenditure credits, thereby understating the true cost of the agency. The creation of this new account will allow both the revenues and expenditures associated with these activities to be reflected in the state budget. Because the revenues deposited into the new account are a direct reimbursement of costs incurred by the State Police, it is recommended that the new account be exempt from the indirect cost recovery assessment.

The third new section being added to Article 7 is 42-75-13, which is part of Chapter 42-75 entitled "Council on the Arts." This amendment strikes language that limits donations from the Rhode Island Foundation to the Rhode Island Council on the Arts being deposited in a restricted receipt account to FY 2010 only. With this amendment, funds given by the Rhode Island Foundation to

the Rhode Island Council on the Arts and deposited in a restricted receipt account will no longer be limited to any particular fiscal year.

The technical corrections made to Article 7 include eliminating the strikeout for the "Forfeited property - Gambling" account, which is on page 140, line 20, and correcting chapter and section number formatting on page 143, lines 25 and 27, and page 144, line 3. Eliminating the exemption from the indirect cost recovery assessment for the Attorney General's forfeiture account was inadvertent and not an intended change in the Governor's recommended budget.

The Governor also requests that in Article 22 entitled "Relating to Lead Poisoning Prevention" the reference on page 276, line 34 be changed from 23-24.6-4(13) to 23-24.6-4(14).

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

TAM:sma 18-Amend-4

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Gregory Stack, Supervising Budget Analyst