

FY2010 Federal American Recovery and Reinvestment Act (ARRA) Funds

House Finance Committee Changes to the Governor's Recommendations

(Item Numbers reference House Fiscal Staff Documents)

Department of Administration

31. Distressed Communities Stimulus. The Governor recommends \$10.4 million to fund the Distressed Communities Relief Fund for FY 2010, consistent with the enacted budget. He recommends using \$10.0 million of the total \$30.0 million from the flexible portion of the federal stabilization funds in lieu of general revenues. The House Finance Committee provides \$10.0 million from general revenues to fund the Distressed Communities Relief program in lieu of the stimulus funds used elsewhere for public safety functions in its recommendation.

42. Stimulus - Homelessness Prevention. On February 17, President Obama signed the American Recovery and Reinvestment Act of 2009. The Act provides \$1.5 billion nationally for homelessness prevention, which can be used for rental assistance, housing relocation and stabilization services to include housing search, security or utility deposits, utility payments and moving costs. The recommended budget includes \$2.0 million in expenditures, of which \$1.9 million is for grants and \$0.1 million is to administer the program. The Governor subsequently requested an amendment to provide an additional \$0.3 million based on the availability of additional federal funds. The House Finance Committee concurs.

43. Stimulus - Low Income Energy Efficiency Rebate. On February 17, President Obama signed the American Recovery and Reinvestment Act of 2009. The Act provides \$300.0 million for the Low Income Energy Efficiency Appliance Rebate Program, which provides rebates to eligible residential consumers who purchase energy efficient appliances. The recommended budget includes \$1,972,500 for FY 2010. Subsequently, the Governor requested an amendment to provide an additional \$27,500 based on guidelines received from the U.S. Department of Energy. The House Finance Committee excludes the funds from the budget since a plan for the use of the funds has not been provided.

44. Stimulus - State Energy Program. The Federal Stimulus Act provides \$3.1 billion nationally for the State Energy Program to be distributed on a formula basis to take into account population and energy usage. The Program provides direct funding to state energy offices and the states use the funds to address their energy priorities and programs to adopt or support energy efficiency and renewable energy programs and strategies. The Governor recommends \$20.0 million from federal funds to fund the program. The Governor subsequently requested an amendment to reduce expenditures by \$10.7 million based on guidelines received from the U.S. Department of

Energy. The House Finance Committee excludes the funds from the budget since a plan for the use of the funds has not been provided.

45. Stimulus - Weatherization Assistance. The recommended budget includes \$9.0 million from stimulus funds to expand the home weatherization assistance program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. The Governor subsequently requested an amendment to reduce expenditures by \$2.2 million based on guidelines received from the Department of Energy. The House Finance Committee concurs.

46. Stimulus Positions Partial Fund Shift. The Governor's recommended budget includes \$2.8 million from all funds, including \$1.3 million from general revenues to fund 33.0 new full-time positions in the Department of Administration to perform functions relating to the American Recovery and Reinvestment Act. It appears that only 9.0 of the positions are fully funded from federal sources. The Administration could seek more stimulus funds to cover the costs of the positions. The Governor subsequently requested an amendment to shift \$1.3 million of general revenues to a restricted receipt account. The House Finance Committee recommends funding the general revenue funded positions with federal funds.

Labor and Training

61. Stimulus Unemployment Insurance. The Governor's FY 2010 budget includes \$37.2 million from federal stimulus funds for additional and extended unemployment insurance benefits. Subsequently, the Governor requested an amendment to add \$125.5 million, reflecting updated benefit payment estimates. The House Finance Committee concurs.

62. Stimulus Workforce Development Services. The Governor's FY 2010 budget includes \$16.1 million from federal stimulus funds for grants and benefits for adult, youth and dislocated workers under the Workforce Investment Act program, along with the Senior Community Service Employment program and Employment Services administration. Subsequently, the Governor requested an amendment to decrease federal stimulus funding for these accounts by \$3.3 million. The House Finance Committee concurs.

Governor's Office

79. Stimulus Position Funding. The Office of the Governor's budget includes the transfer of 3.0 positions and \$0.5 million from general revenues from the Office of Health and Human Services. The positions will be responsible for monitoring and reporting on funds received from the Stimulus Act. It appears that the Office can receive up to 0.5 percent of stimulus funding to cover oversight expenses. The Governor requested an amendment to shift the costs of the general revenue funded positions to a restricted receipt account. The House Finance Committee recommends that the positions be funded from federal funds.

Office of Health and Human Services

82. Position Transfer to Governor's Office. The Office of Health and Human Services' FY 2010 budget funds one position assigned to the Governor's Office of Economic Recovery and Reinvestment which is responsible for monitoring and reporting on funds received from the Stimulus Act. It appears that the Office can receive up to 0.5 percent of stimulus funding to cover oversight expenses. The Governor requested an amendment transferring the position and reducing expenses by \$150,630, including \$90,000 from general revenues. The House Finance Committee concurs.

Elderly Affairs and Advocacy

89. Stimulus - Elderly Meals. The Governor requested an amendment to add \$85,000 from federal funds for congregate and home delivered meals for the elderly. This amendment corrects the allocation of federal stimulus funds for the Department of Elderly Affairs to total \$485,000, including \$325,000 for elderly congregate meals and \$160,000 for home delivered meals. The House Finance Committee concurs.

Human Services

101. Caseload Conference. The House Finance Committee recommends an additional \$19.6 million which includes a \$4.8 million reduction from general revenues to adjust the FY 2010 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The case load estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1. (NOTE: General Revenues decrease by \$4.8 million, while federal funds increase \$24.4 million. Not all of the additional federal funds are directly connected to ARRA funds.)

107. Head Start State Only to Stimulus. The House Finance Committee recommends eliminating \$1.0 million from general revenues for the state only portion of the Head Start program. Head Start is a federally funded program that provides services to 2,369 children, ages three to five-years old, at eight locations throughout the state. As part of the federal Stimulus Act, Head Start agencies in Rhode Island will receive additional funding of \$2.0 million that will be distributed directly to the agencies.

109. RIte Care Co-Pay 133 - 150 FPL. The Governor requested a budget amendment to repeal the RIte Care co-share medical premium requirement for individuals between 133 and 150 percent of the federal poverty level, retroactive to May 31, 2009 in **compliance with the eligibility maintenance of effort provisions of the federal Stimulus Act**. The House Finance Committee concurs and restores \$1.5 million from all sources of funds, including \$0.5 million from general revenues.

110. RIte Care Co-Pay Freeze 150-250 FPL. The Governor requested a budget amendment to repeal the RIte Care co-share medical premium increase that occurred on July 1, 2008 for individuals between 150 and 250 percent of the federal poverty level retroactive to May 31,

2009. This is in **compliance with the eligibility maintenance of effort provisions of the federal Stimulus Act**. The House Finance Committee concurs and restores \$2.0 million from all sources of funds, including \$0.7 million from general revenues.

111. Special Education Stimulus. The Governor requested a budget amendment to include \$4.5 million from federal sources based upon the passage of the American Recovery and Reinvestment Act for the application of the enhanced federal medical assistance match rate for local special education services. The House Finance Committee concurs and provides \$4.5 million from federal funds.

Elementary & Secondary Education

145. Stimulus Fiscal Stabilization Funds. The Governor requested an amendment to provide an additional \$0.2 million in available state fiscal stabilization funds available for FY 2010. There is a total of \$37.2 million available for elementary and secondary education for FY 2010; the Governor's budget only reflects \$37.0 million. It should be noted that Budget Office and House Fiscal Staff distribution tables include the full \$37.2 million; the appropriation was inadvertently underfunded. The House Finance Committee concurs with including the entire \$37.2 million.

Public Higher Education

151. Stabilization Funds - Fire Safety. The Governor's FY 2009 revised and FY 2010 budgets utilize \$109.9 million of Rhode Island's estimated share of \$164.9 million from state fiscal stabilization funds. Higher education's three-year share of the stabilization funds is \$32.2 million. The House Finance Committee recommends using 50.0 percent of the total allocation for higher education in each FY 2010 and FY 2011 for fire safety repair work at the institutions of higher education. Funding is distributed to institutions based on the square feet of academic building that need fire safety improvements.

Arts Council

152. Stimulus - National Endowment for the Arts. The Governor requested an amendment to shift \$200,000 from federal stimulus funds from FY 2010 to FY 2009. Funding is from the National Endowment for the Arts and the purpose of the grants is to preserve jobs in the nonprofit arts sector. The House Finance Committee concurs.

Public Safety

169. State Fiscal Stabilization Inter Year Shift. The Assembly assumed use of \$30.0 million of federal fiscal stabilization funds in the Department of Public Safety. However, upon receiving further guidance it was determined that only \$20.0 million would be available to Rhode Island in FY 2009 and the remaining \$10.0 million available in FY 2010. The House Finance Committee recommends restoring \$10.0 million of general revenues and assumes that savings in FY 2010. The House Finance Committee also recommends altering the use of the \$20.0 million from the Department of Public Safety to the Department of Corrections based upon an amendment requested by the Governor.

171. Stimulus - Withdrawal. The House Finance Committee does not provide the Public Safety Grant Administration Office with \$3.8 million from federal stimulus funds for state justice programs because there has not been sufficient review of the proposed uses.