
Section II

Statewide Overview

Summary

	FY 2011 Enacted	FY 2011 Final	FY 2012 Recommended	FY 2012 Enacted
Expenditures by Function*				
General Government	\$ 1,681.4	\$ 1,823.0	\$ 1,357.2	\$ 1,417.9
Human Services	3,121.9	3,099.8	3,119.6	3,112.8
Education	2,101.2	2,194.7	2,170.1	2,167.2
Public Safety	431.8	474.8	475.4	474.5
Natural Resources	98.9	111.1	104.0	102.8
Transportation	428.9	453.8	435.0	427.0
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Expenditures by Category*				
Salaries and Benefits	\$ 1,439.6	1,451.8	\$ 1,502.8	\$ 1,475.9
Contracted Services	222.5	248.5	231.7	235.5
Subtotal	\$ 1,662.0	\$ 1,700.3	\$ 1,734.5	\$ 1,711.4
Other State Operations	633.2	670.9	669.8	669.8
Aid to Local Units of Government	1,053.9	1,096.1	1,097.2	1,076.2
Assistance, Grants, and Benefits	3,864.1	4,018.7	3,532.8	3,605.2
Capital	266.9	280.3	244.0	255.8
Capital Debt Service	233.8	230.4	240.7	242.0
Operating Transfers	150.1	160.4	142.3	141.7
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
Sources of Funds*				
General Revenue	\$ 2,942.1	\$ 2,974.2	\$ 3,169.8	\$ 3,142.5
Federal Aid	2,903.5	3,085.0	2,557.2	2,606.5
Restricted Receipts	180.0	181.2	209.5	189.6
Other	1,838.5	1,916.8	1,724.8	1,763.6
Total	\$ 7,864.1	\$ 8,157.2	\$ 7,661.3	\$ 7,702.2
FTE Authorization	14,827.6	14,957.6	14,990.6	14,942.2

*Data in millions

Note. Data in the "FY 2011 Enacted" column are not comparable to the other columns due to inclusion of adjustments in single categories or functions. Significant retirement adjustments are included as expenditures in the Department of Administration in General Government rather than distributed to the agencies and departments. There are similar aggregated adjustments in the FY 2012 Enacted Budget.

Summary

The House Finance Committee recommended passage of 2011-H 5894, Substitute A on June 17. The House passed it on June 24. The Senate followed suit on June 27 and June 29. The Governor signed it on June 30. Later that day, the House and Senate both passed 2011 H 6314 repealing Article 27 of the Act, and the Governor signed it on July 13.

The Governor's budget recommendations for FY 2012, along with his revisions to the FY 2011 enacted budget, are contained in 2011-H 5894, introduced on March 9, 2011. The Governor signed 2011-H 5269 on February 18 that extended the submission date 35 days to March 10. Supporting documents were not published until late March.

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.

The Governor recommended a total FY 2012 budget of \$7,661.3 million. Total expenditures decrease \$202.8 million from the FY 2011 budget enacted by the 2010 Assembly, or 2.6 percent. His FY 2011 revised budget totals \$8,111.4 million; FY 2010 expenditures were \$7,708.9 million.

The recommended budget includes \$3,169.8 million of expenditures funded from general revenues, \$227.7 million, or 7.7 percent more than the enacted general revenue funded budget. They are also \$204.5 million more than his revised recommendations.

The Assembly adopted a budget with total expenditures of \$7,702.2 million, which is \$40.9 million more than the Governor recommended. It contains \$3,142.5 million from general revenues, which is \$27.3 million less than the Governor recommended.

FY 2011 Revised	General				All Funds
	Revenue	Federal	Restricted	Other	
FY 2010 Final	\$ 2,886.8	\$ 3,096.3	\$ 189.5	\$ 1,895.7	\$ 8,068.3
FY 2010 Actual	2,863.6	2,813.2	152.3	1,879.9	7,708.9
Difference	\$ (23.2)	\$ (283.1)	\$ (37.2)	\$ (15.8)	\$ (359.4)
FY 2011 Enacted	\$ 2,942.1	\$ 2,903.5	\$ 180.0	\$ 1,838.5	\$ 7,864.1
Governor's FY 2011 Revised	2,965.3	3,011.2	178.5	1,956.3	8,111.4
Governor's Change to Enacted	\$ 23.2	\$ 107.7	\$ (1.5)	\$ 117.8	\$ 247.2
Percent Change	0.8%	3.7%	-0.8%	6.4%	3.1%
Assembly	\$ 2,974.2	\$ 3,085.0	\$ 181.2	\$ 1,916.8	\$ 8,157.2
Change to Enacted	32.1	181.5	1.2	78.3	293.0
Percent Change	1.1%	6.2%	0.7%	4.3%	3.7%
Change to Governor	\$ 8.9	\$ 73.7	\$ 2.7	\$ (39.5)	\$ 45.8
Change to FY 2010	\$ 110.6	\$ 271.8	\$ 28.9	\$ 36.9	\$ 448.3
Percent Change to FY 2010	3.9%	9.7%	19.0%	2.0%	5.8%

FY 2012	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2011 Enacted	\$ 2,942.1	\$ 2,903.5	\$ 180.0	\$ 1,838.5	\$ 7,864.1
Governor	3,169.8	2,557.2	209.5	1,724.8	7,661.3
Change to Enacted	\$ 227.7	\$ (346.3)	\$ 29.4	\$ (113.7)	\$ (202.8)
Percent Change	7.7%	-11.9%	16.4%	-6.2%	-2.6%
Assembly	\$ 3,142.5	\$ 2,606.5	\$ 189.6	\$ 1,763.6	\$ 7,702.2
Change to Enacted	200.4	(297.0)	9.6	(74.9)	(161.9)
Percent Change	6.8%	-10.2%	5.3%	-4.1%	-2.1%
Change to Governor	\$ (27.3)	\$ 49.3	\$ (19.8)	\$ 38.8	\$ 40.9
Assembly Change to FY 2011	\$ 168.3	\$ (478.5)	\$ 8.4	\$ (153.2)	\$ (455.0)
Percent Change to FY 2011	5.7%	-15.5%	4.6%	-8.0%	-5.6%
Assembly Change to FY 2010	\$ 278.9	\$ (206.7)	\$ 37.3	\$ (116.3)	\$ (6.7)
Percent Change to FY 2010	9.7%	-7.3%	24.5%	-6.2%	-0.1%

General Revenue Budget Statement

The Governor recommended an ending FY 2012 surplus of \$0.8 million, and an operating deficit of \$15.3 million. The Assembly adopted a FY 2012 budget with an ending surplus of \$0.2 million, and has an operating deficit of \$57.0 million reflecting use of the FY 2011 surplus. The FY 2012 surplus is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures. The budget reserve and cash stabilization account, the "rainy day fund" would have an FY 2012 balance of \$148.7 million.

	FY 2010	FY 2011	FY 2012
Opening Surplus			
Free Surplus	\$ (62,286,104)	\$ 17,889,522	\$ 57,202,736
Reappropriated Surplus	998,144	3,364,847	-
Subtotal	(61,287,960)	21,254,369	57,202,736
Revenues			
Enacted/Actual/Estimated	3,017,031,203	3,020,646,545	2,938,040,000
Governor	-	19,074,620	307,809,191
Assembly	-	51,261,942	(69,820,529)
Total Revenues	\$ 3,017,031,203	\$ 3,090,983,107	\$ 3,176,028,662
To Cash Stabilization Fund	(70,913,882)	(80,830,688)	(90,530,479)
Total Available Resources	\$ 2,884,829,361	\$ 3,031,406,788	\$ 3,142,700,919
Expenditures			
Actual/Enacted/Estimated	2,863,574,992	2,942,118,704	3,327,178,688
Reappropriations	-	3,364,847	-
Governor	-	19,821,403	(157,342,662)
Assembly	-	8,899,098	(27,334,838)
Total Expenditures	\$ 2,863,574,992	\$ 2,974,204,052	\$ 3,142,501,188
Total Surplus	21,254,369	57,202,736	199,731
Reappropriations	(3,364,847)	-	-
Free Surplus	\$ 17,889,522	\$ 57,202,736	\$ 199,731
<i>Operating Surplus/(Deficit)</i>	<i>83,540,473</i>	<i>39,313,214</i>	<i>(57,003,005)</i>
Rainy Day Fund	\$ 112,280,314	\$ 130,572,650	\$ 148,728,644

Structural Issues

House Fiscal Staff estimates that in preparing the FY 2012 budget, the Governor faced a projected revenue-expenditure gap of \$300 million, which would grow to about \$400 million by FY 2016. This was somewhat lower than Staff's FY 2011 forecast in the enacted FY 2011 budget, mainly because of revisions at the November 2010 Revenue and Caseload Estimating Conference.

The Governor's budget resolved this gap largely with increased revenues and one-time savings. The Budget Office projected a \$128.8 million gap for FY 2013, 3.9 percent of useable revenues, that grows to \$411.4 million in FY 2016, 12.0 percent of useable revenues. The FY 2013 gap is largely due to the Governor's proposed use of one-time items in the resolution of the current budget gap and the phase in of the business tax reductions and transportation funding increases. That amount more than triples largely because expenditure growth rates outpace the revenue growth projections with average deficits of \$294.0 million including \$480.0 million for FY 2016.

The gap narrowed by \$46.6 million for FY 2011 and \$62.7 million for FY 2012 due to stronger than expected revenue estimates and caseload changes adopted at the May 2011 Revenue and Caseload Estimating Conference.

The Assembly's budget used these additional resources along with additional expenditure reductions to close the budget gap without the significant increase in new revenues as proposed by the Governor. The enacted budget also includes a number of initiatives that do not reflect a full year's savings or revenue or do not produce savings until FY 2013 or later. This is necessary to offset the use of FY 2011 surplus funds and other one-time savings in FY 2012 without exacerbating out year deficits. Examples of this include the October 1 effective date for most of the sales tax items, the action to end new longevity payments, the school construction aid moratorium and a number of human services initiatives.

The enacted budget does not entirely resolve the out year budget gaps, though its actions provide a considerable reduction compared to the Governor's initial budget submission. The table below shows those changes excluding the impact on retirement costs based on actions taken by the Retirement Board in April and May regarding retirement assumptions and out year pension costs.

Out-Year Forecasts

<i>Excluding Retirement Board Action</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	\$ (128.8)	\$ (224.7)	\$ (342.5)	\$ (480.0)	\$ (294.0)
FY 2012 Budget as Enacted	(61.0)	(102.7)	(166.8)	(220.9)	(137.9)
Difference	\$ (67.8)	\$ (122.0)	\$ (175.7)	\$ (259.1)	\$ (156.1)
% difference	-52.7%	-54.3%	-51.3%	-54.0%	-53.1%

**As adjusted for technical correction*

Staff estimates that the Retirement Board's actions to lower investment return assumptions and other key factors affecting the unfunded liability and state contribution would add approximately \$80 million to the structural deficit annually. The Governor, Assembly and Treasurer have committed to addressing this issue before the 2012 Legislative Session. The table below shows the out-year deficits with that issue factored into both estimates. If no action is taken, the FY 2013 out year deficit would be \$142.4 million.

Out-Year Forecasts

<i>Adjusted for Retirement Board Action Impact</i>	FY 2013	FY 2014	FY 2015	FY 2016	Average
FY 2012 Budget as submitted by Governor*	(210.2)	(304.8)	(416.3)	(557.6)	(372.2)
FY 2012 Budget as Enacted	(142.4)	(182.7)	(240.7)	(298.5)	(216.1)
% difference	-32.3%	-40.0%	-42.2%	-46.5%	-42.0%

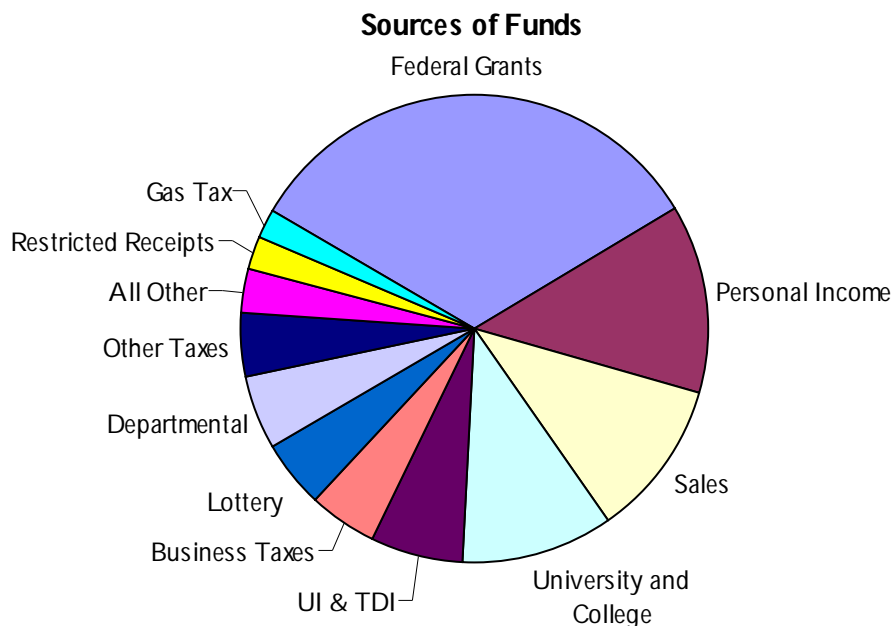
**As adjusted for technical correction*

The following table shows the calculation of these deficits under current law.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Opening Surplus	\$ 57.2	\$ 0.2	\$ -	\$ -	\$ -
Revenues	3,176.0	3,325.8	3,470.3	3,588.8	3,710.2
Cash Stabilization Fund	(90.5)	(99.8)	(104.1)	(100.5)	(103.9)
Useable Revenues	\$ 3,085.5	\$ 3,226.0	\$ 3,366.2	\$ 3,488.3	\$ 3,606.3
Expenditures	3,142.5	3,368.6	3,548.9	3,728.9	3,904.8
Total Surplus	\$ 0.2	\$ (142.4)	\$ (182.7)	\$ (240.7)	\$ (298.5)
Revenue Growth	2.8%	4.7%	4.3%	3.4%	3.4%
Useable Revenue Growth	2.5%	4.6%	4.3%	3.6%	3.4%
Expenditure Growth	5.7%	7.2%	5.4%	5.1%	4.7%
Surplus Percent of Useable Revenues	0.0%	-4.4%	-5.4%	-6.9%	-8.3%

Sources of Funds

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: Revenue Changes*.



- *Federal funds* continue to be the single largest source, accounting for approximately 33.0 percent of all revenues in FY 2012. Expenditures from federal sources of \$2,606.5 million are \$297.0 million less than enacted for FY 2011, a 10.2 percent decrease, and are from 301 different federal programs. Excluding federal funds for unemployment benefits, the total is \$2,556.1 million.

Medicaid is the single largest source of federal funds. The Budget includes \$1,126.0 million from Medicaid, 50.4 percent of all federal funds, and 14.6 percent of all revenues. Supplemental Nutrition (Food Stamps) funding of \$298.3 million is the second largest category, 13.4 percent of federal funds.

The table below shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 75.4 percent of all federal funds expenditures, with the remaining 273 programs accounting for the other 24.6 percent.

Top Ten Federal Sources	<i>Amount</i>	<i>Percent of Total</i>	<i>Cumulative Percent</i>
Medicaid	\$ 1,126,009,910	50.4%	50.4%
Supplemental Nutrition (Food Stamps)	298,251,738	13.4%	63.8%
Temporary Assistance to Needy Families (TANF)	71,231,923	3.2%	67.0%
Title I Grants to Local Education Agencies	50,508,817	2.3%	69.2%
Special Education Grants to States	44,049,860	2.0%	74.0%
Low Income Heating Assistance	32,669,719	1.5%	70.7%
National School Lunch Program	29,223,834	1.3%	72.0%
SCHIP Children's Health Insurance	27,131,736	1.2%	73.2%
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	26,287,008	1.2%	74.4%
Race to the Top Education Funds	22,316,744	1.0%	75.4%

- *Sales and personal income taxes* combine for 24.0 percent of all revenues in FY 2012 and 58.5 percent of all general revenues. Combined with federal funds, they total over half, 57.0 percent.
- *Personal Income taxes* for FY 2012 are estimated at \$1,010.0 million, which are \$72.1 million more than the FY 2011 enacted budget estimates, or 7.7 percent.
- *Sales tax* revenues of \$846.5 million are the third largest of all revenue sources and second largest general revenues source. That amount is \$59.5 million more than enacted for FY 2011, or 7.6 percent.
- *University and College Funds* are \$803.0 million and 10.4 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 the Pell grants. These would increase \$67.9 million or 9.2 percent over FY 2011 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments, including those from federal stimulus sources, are estimated at \$496.8 million, which are \$253.3 million less than the levels estimated for the FY 2011 enacted budget.
- *Business taxes* of \$367.1 million account for 4.7 percent of total revenues and 11.6 percent of general revenues for FY 2012. They increase \$5.8 million or 1.6 percent from the enacted estimate. 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 \$361.1 million, which is 4.7 percent of all revenues and 11.4 percent of general revenues, the fourth largest source.
- *Departmental Revenues* of \$343.5 million include \$144.0 million from extending the hospital licensing fee another year. Departmental revenues would be 4.4 percent of all revenues and 10.8 percent of general revenues.
- *Other taxes* include motor vehicle, cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$235.3 million in the FY 2012 budget and comprise 3.0 percent of all sources and 7.4 percent of general revenues.

- The *gas tax*, currently 33 cents per gallon, not including the one half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.25 million from each cent in FY 2012 for a total of \$140.3 million.
- The remaining sources, estimated at \$386.4 million, constitute 5.0 percent of all FY 2012 sources and include sources dedicated to specific purposes (restricted receipts), unclaimed property and miscellaneous other items. They constitute 0.4 percent of general revenues.

The table below shows FY 2012 sources with items contributing to general revenues in bold type. It shows the total percent it contributes to all funds and general revenues for each source.

All Sources	All Funds	Contribution	General Revenue	Contribution
Federal Grants	\$ 2,556.1	33.0%	\$ -	0.0%
Personal Income	1,010.0	13.1%	1,010.0	31.8%
Sales	846.5	10.9%	846.5	26.7%
University and College	803.0	10.4%	-	0.0%
UI & TDI	496.8	6.4%	-	0.0%
Business Taxes	367.1	4.7%	367.1	11.6%
Lottery	361.1	4.7%	361.1	11.4%
Departmental	343.5	4.4%	343.5	10.8%
Other Taxes	235.3	3.0%	235.3	7.4%
All Other	386.4	5.0%	12.5	0.4%
Restricted Receipts	189.6	2.5%	-	0.0%
Gas Tax	140.3	1.8%	-	0.0%
Total	\$ 7,735.8	100.0%	\$ 3,176.0	100.0%

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues; \$3,176.0 million, 41.5 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.

Available general revenues also include a balance forward from FY 2011 of \$57.2 million minus transfer of \$80.8 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. Two and six tenths percent of the opening surplus plus all revenues must be deposited in the account in FY 2011. The percents increase 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 increase to a maximum of 5.0 percent in 0.4 percent increments to FY 2013. Amounts above the maximum amount transfer to the Rhode Island Capital Plan Fund for use for capital projects. The table below 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 2012 Expenditures

The Assembly enacted expenditures of \$7,702.2 million, which 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.

The presentation of expenditure by function and category discussed below reflects the data in the budget. However, prior year comparisons using the functional breakdown are distorted by the enacted budget's inclusion of statewide personnel and operating savings as a negative entry within the general government function. The budget treats retirement savings for state employees the same way.

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 \$3,112.8 million are 40.4 percent of all expenditures and 40.0 percent of those funded from general revenues. These expenditures are \$9.1 million less than enacted for FY 2011 by the 2010 Assembly. Those funded from general revenues are \$183.5 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, historical preservation and heritage, and public television. Aid to local units of government represents 13.1 percent, \$1,009.0 million of the \$2,167.2 million. Education aid is discussed in detail in Section VI of this volume, Special Reports: Education Aid. Education expenditures comprise 28.1 percent of total expenditures, but 33.1 percent of general revenue funded ones. They increase by \$66.0 million over the enacted FY 2011 budget, and those funded from general revenues increase by \$9.1 million.
- The Budget includes \$474.5 million for *Public Safety* expenditures, \$42.7 million more than the enacted budget, primarily from the shift of expenditures for the Sheriffs from general government. They comprise 6.2 percent of all expenditures and 12.6 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$102.8 million, which is \$3.8 million more than enacted for FY 2011. They are 1.3 percent of total expenditures and 1.2 percent of those from general revenues.
- *Transportation* programs account for 5.5 percent of expenditures and include the state's highway and transit programs. Funding of \$427.0 million, none from general revenues, is \$1.9 million less than enacted for FY 2011.
- The remaining 18.4 percent of expenditures, \$1,417.9 million, are for the *General Government* programs. These include those 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. The expenditures also include all the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds.

Expenditures for General Government are \$263.5 million or 15.7 percent less than the enacted budget. However, that is skewed due to inclusion of certain undistributed statewide savings in the Department of Administration's enacted budget, which is part of General Government. There are major changes in expenditures for unemployment benefits as well as federal stimulus funding and the shift of the Sheriffs program to the public safety function also contributing to that variance.

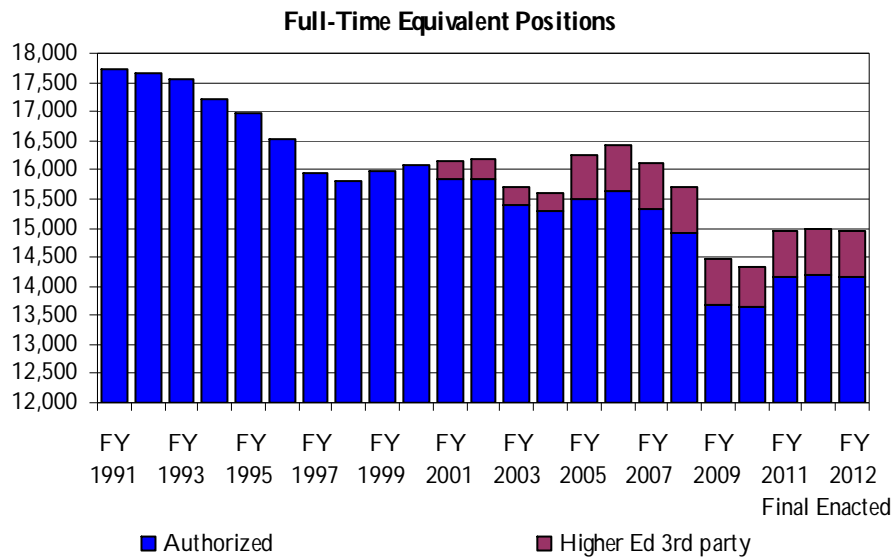
Expenditures by Category

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.

The Budget includes \$1,475.9 million for total salaries and benefits for 14,942.2 full-time equivalent positions and contracted services expenditures of \$235.5 million. Salary and benefit expenditures are \$36.3 million more than the enacted budget; contracted services expenditures increase \$13.1 million, primarily from new education initiatives. Salaries and benefits account for 19.2 percent of total expenditures and 24.7 percent of those funded from general revenues.

Expenditures for contracted services account for 3.1 percent of the total recommended 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 \$669.8 million for *other state operations*, which constitute 8.7 percent of FY 2012 expenditures from all sources and 4.2 percent of those funded with 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 \$1,076.2 million for aid to local units of government that includes \$1,009.0 million in education aid and \$67.1 million in general state aid. Education aid increases \$16.3 million while general aid is \$6.0 million more than enacted for FY 2011 by the 2010 Assembly. These expenditures comprise 14.0 percent of all expenditures. However, they comprise 28.4 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$893.7 million consist of \$827.5 million in education aid and \$66.2 million in general state aid. General revenue funded education aid increases \$11.9 million; general aid is \$6.0 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 \$255.8 million, or 3.3 percent of all expenditures; debt service of \$242.0 million is 3.1 percent. Capital expenditures would be \$11.1 million less than enacted for FY 2011 and debt service \$8.2 million more. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they also include capital purchases that had formerly been included as capital outlays within state operations 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.

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 shows the major grants in human services.

OHHS-Human Services Grants	All Funds				General Revenues			
	FY 2010 Reported	FY 2011 Final	FY 2012 Enacted	Change	FY 2010 Reported	FY 2011 Final	FY 2012 Enacted	Change
Human Services								
Supplemental Nutrition Assistance	\$ 225.1	\$ 271.3	\$ 298.2	\$ 27.0	\$ -	\$ -	\$ -	\$ -
Women, Infants and Children	-	17.7	23.6	5.9	-	-	-	-
Rhode Island Works Program	43.8	39.0	37.2	(1.7)	-	-	-	-
SSI State Program	22.2	20.8	18.0	(2.8)	22.2	20.8	18.0	(2.8)
Child Care	46.8	39.8	39.3	(0.5)	7.1	9.3	9.7	0.4
Subtotal: Cash Assistance	\$ 337.9	\$ 388.5	\$ 416.3	\$ 27.8	\$ 29.4	\$ 30.1	\$ 27.7	\$ (2.4)
Long Term Care	\$ 394.9	\$ 405.2	\$ 415.3	\$ 10.1	\$ 141.7	\$156.6	\$ 195.5	\$ 38.9
Hospitals	242.6	250.4	240.4	(10.0)	101.2	112.6	114.3	1.8
Managed Care	546.5	594.0	620.3	26.3	197.8	223.0	290.0	67.0
Rhody Health	155.6	179.9	191.2	11.3	56.1	67.9	91.1	23.3
Pharmacy	39.3	40.3	56.1	15.9	31.2	37.9	51.0	13.1
Other	108.8	121.6	118.0	(3.6)	30.7	40.2	44.0	3.7
Subtotal: Medical Assistance	\$1,487.7	\$1,591.3	\$1,641.4	\$ 50.0	\$ 558.7	\$638.2	\$ 786.0	\$147.7
HIV/AIDS	\$ -	\$ -	\$ 8.6	\$ 8.6	\$ -	\$ -	\$ 2.6	\$ 2.6
Division of Elderly Affairs								
RIPAE/Supplemental Pharm.	\$ -	\$ -	\$ 0.5	\$ 0.5	\$ -	\$ -	\$ 0.4	\$ 0.4
Medical Assistance	-	-	8.8	8.8	-	-	4.2	4.2
Grants to Providers	-	-	14.7	14.7	-	-	4.2	4.2
Behavioral Healthcare, Developmental Disabilities and Hospitals								
Developmental Disabilities	\$ 205.8	\$ 193.3	\$ 172.3	\$(21.0)	\$ 74.1	\$ 73.5	\$ 81.8	\$ 8.3
Behavioral Health	78.2	102.6	103.9	1.2	28.9	39.5	33.5	(6.0)
Substance Abuse	30.0	-	-	-	11.3	-	-	-
Children, Youth and Families								
Child Welfare	\$ 129.7	\$ 122.3	\$ 102.7	\$(19.6)	\$ 80.2	\$ 78.9	\$ 68.8	\$(10.2)
Children's Behavioral Health	19.1	19.0	18.4	(0.6)	8.4	8.9	8.2	(0.7)
Juvenile Corrections	8.8	9.2	8.5	(0.8)	6.6	7.0	6.5	(0.5)
Higher Ed. Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Elderly Affairs*								
RIPAE	\$ 1.6	\$ 1.6	\$ -	\$(1.6)	\$ 0.9	\$ 0.9	\$ -	\$(0.9)
Medical Assistance	8.4	8.2	-	(8.2)	3.0	3.1	-	(3.1)
Grants to Providers	13.1	18.9	-	(18.9)	3.5	4.2	-	(4.2)
Health								
Women, Infants and Children	\$ 22.3	\$ 5.9	\$ -	\$(5.9)	\$ -	\$ -	\$ -	\$ -
HIV/AIDS	9.1	7.2	0.0	(7.2)	1.3	1.8	-	(1.8)
Tobacco and Smoking Cessation	0.2	1.9	1.0	(0.9)	0.1	0.3	0.1	(0.1)
Grants to Providers	18.1	33.3	20.7	(12.6)	4.7	3.5	1.8	(1.7)

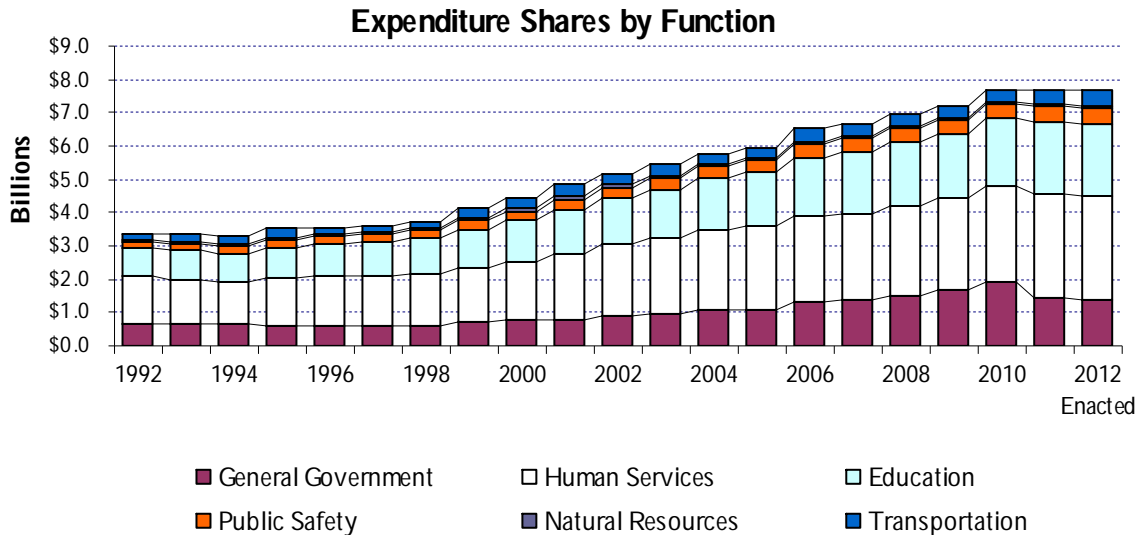
*FY 2012 enacted budget merges DEA into DHS

Assistance, grants, and benefits total \$3,605.2 million and constitute the largest category, 46.8 percent of all expenditures and 35.6 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 \$258.8 million less than the enacted budget considering all sources, and \$173.8 million more from general revenues, primarily from the loss of stimulus funding.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. These include transfers from general revenues to quasi-public agencies, such as the transfer to the Economic Development Corporation. They total \$141.7 million and constitute 1.8 percent of the total budget. The general revenues portion is \$6.6 million, 0.2 percent of general revenue funded expenditures.

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, scholarships and grants for all higher education, arts, historical preservation and heritage, and public television.

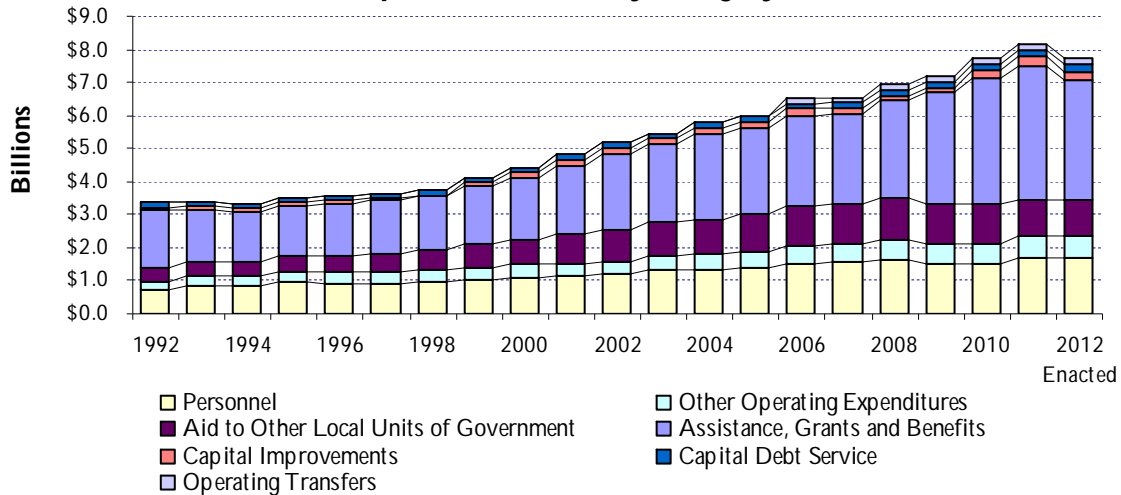
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

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; and capital.

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, property tax circuit breaker expenditures, 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 Economic Development Corporation.

Staff presents 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 and the Assembly's concurrence or changes to those recommendations. These analyses are presented in the next section. 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 2010 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	200.0 <i>2.6%</i>	296.8 <i>3.8%</i>	449.7 <i>5.8%</i>	295.9 <i>3.8%</i>	44.7 <i>0.6%</i>	53.5 <i>0.7%</i>	\$ 1,340.6 <i>17.4%</i>
Contracted Services	15.9 <i>0.2%</i>	61.8 <i>0.8%</i>	46.1 <i>0.6%</i>	14.6 <i>0.2%</i>	4.8 <i>0.1%</i>	44.2 <i>0.6%</i>	187.3 <i>2.4%</i>
Other State Operations	275.2 <i>3.6%</i>	77.5 <i>1.0%</i>	196.2 <i>2.5%</i>	39.7 <i>0.5%</i>	8.4 <i>0.1%</i>	18.0 <i>0.2%</i>	615.0 <i>8.0%</i>
Aid to Local Units of Government	168.8 <i>2.2%</i>	- <i>0.0%</i>	995.0 <i>12.9%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	1,163.8 <i>15.1%</i>
Assistance, Grants & Benefits	1,025.9 <i>13.3%</i>	2,435.7 <i>31.6%</i>	261.2 <i>3.4%</i>	41.7 <i>0.5%</i>	4.2 <i>0.1%</i>	69.3 <i>0.9%</i>	3,838.1 <i>49.8%</i>
Capital	29.9 <i>0.4%</i>	6.5 <i>0.1%</i>	21.7 <i>0.3%</i>	29.7 <i>0.4%</i>	9.5 <i>0.1%</i>	118.9 <i>1.5%</i>	216.1 <i>2.8%</i>
Debt Service	168.9 <i>2.2%</i>	- <i>0.0%</i>	37.3 <i>0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	206.1 <i>2.7%</i>
Operating Transfers	54.1 <i>0.7%</i>	9.4 <i>0.1%</i>	5.9 <i>0.1%</i>	0.3 <i>0.0%</i>	0.1 <i>0.0%</i>	72.1 <i>0.9%</i>	141.8 <i>1.8%</i>
Total	\$ 1,938.8 <i>25.2%</i>	\$ 2,887.7 <i>37.5%</i>	\$ 2,013.0 <i>26.1%</i>	\$ 421.9 <i>5.5%</i>	\$ 71.6 <i>0.9%</i>	\$ 375.9 <i>4.9%</i>	\$ 7,708.9 <i>100.0%</i>

FY 2011 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	221.0 <i>2.8%</i>	321.0 <i>4.1%</i>	471.3 <i>6.0%</i>	313.5 <i>4.0%</i>	47.0 <i>0.6%</i>	65.7 <i>0.8%</i>	\$ 1,439.6 <i>18.3%</i>
Contracted Services	19.9 <i>0.3%</i>	73.0 <i>0.9%</i>	54.9 <i>0.7%</i>	17.1 <i>0.2%</i>	14.4 <i>0.2%</i>	43.1 <i>0.5%</i>	222.5 <i>2.8%</i>
Other State Operations	257.9 <i>3.3%</i>	78.4 <i>1.0%</i>	203.8 <i>2.6%</i>	39.2 <i>0.5%</i>	10.8 <i>0.1%</i>	43.1 <i>0.5%</i>	633.2 <i>8.1%</i>
Aid to Local Units of Government	61.2 <i>0.8%</i>	- <i>0.0%</i>	992.8 <i>12.6%</i>	- <i>0.0%</i>	0.0 <i>0.0%</i>	- <i>0.0%</i>	1,053.9 <i>13.4%</i>
Assistance, Grants & Benefits	854.6 <i>10.9%</i>	2,621.0 <i>33.3%</i>	281.1 <i>3.6%</i>	42.0 <i>0.5%</i>	8.1 <i>0.1%</i>	57.1 <i>0.7%</i>	3,864.1 <i>49.1%</i>
Capital	34.2 <i>0.4%</i>	23.0 <i>0.3%</i>	51.4 <i>0.7%</i>	20.0 <i>0.3%</i>	18.5 <i>0.2%</i>	119.8 <i>1.5%</i>	266.9 <i>3.4%</i>
Debt Service	191.0 <i>2.4%</i>	- <i>0.0%</i>	42.8 <i>0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	233.8 <i>3.0%</i>
Operating Transfers	41.6 <i>0.5%</i>	5.4 <i>0.1%</i>	3.0 <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	100.1 <i>1.3%</i>	150.1 <i>1.9%</i>
Total	\$ 1,681.4 <i>21.4%</i>	\$ 3,121.9 <i>39.7%</i>	\$ 2,101.2 <i>26.7%</i>	\$ 431.8 <i>5.5%</i>	\$ 98.9 <i>1.3%</i>	\$ 428.9 <i>5.5%</i>	\$ 7,864.1 <i>100.0%</i>

Expenditures from All Funds

FY 2012 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	218.6 <i>2.9%</i>	330.4 <i>4.3%</i>	481.7 <i>6.3%</i>	350.4 <i>4.6%</i>	50.4 <i>0.7%</i>	71.3 <i>0.9%</i>	\$ 1,502.8 <i>19.6%</i>
Contracted Services	19.4 <i>0.3%</i>	70.5 <i>0.9%</i>	72.3 <i>0.9%</i>	16.5 <i>0.2%</i>	15.9 <i>0.2%</i>	37.1 <i>0.5%</i>	231.7 <i>3.0%</i>
Other State Operations	278.2 <i>3.6%</i>	80.4 <i>1.0%</i>	217.5 <i>2.8%</i>	41.7 <i>0.5%</i>	10.9 <i>0.1%</i>	41.2 <i>0.5%</i>	669.8 <i>8.7%</i>
Aid to Local Units of Government	85.9 <i>1.1%</i>	- <i>0.0%</i>	1,011.3 <i>13.2%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	1,097.2 <i>14.3%</i>
Assistance, Grants & Benefits	494.6 <i>6.5%</i>	2,599.9 <i>33.9%</i>	310.6 <i>4.1%</i>	51.3 <i>0.7%</i>	7.8 <i>0.1%</i>	68.6 <i>0.9%</i>	3,532.8 <i>46.1%</i>
Capital	27.7 <i>0.4%</i>	32.6 <i>0.4%</i>	32.9 <i>0.4%</i>	15.4 <i>0.2%</i>	18.8 <i>0.2%</i>	116.5 <i>1.5%</i>	244.0 <i>3.2%</i>
Debt Service	199.4 <i>2.6%</i>	- <i>0.0%</i>	41.3 <i>0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	240.7 <i>3.1%</i>
Operating Transfers	33.4 <i>0.4%</i>	5.9 <i>0.1%</i>	2.5 <i>0.0%</i>	- <i>0.0%</i>	0.1 <i>0.0%</i>	100.4 <i>1.3%</i>	142.3 <i>1.9%</i>
Total	\$ 1,357.2 <i>17.7%</i>	\$ 3,119.6 <i>40.7%</i>	\$ 2,170.1 <i>28.3%</i>	\$ 475.4 <i>6.2%</i>	\$ 104.0 <i>1.4%</i>	\$ 435.0 <i>5.7%</i>	\$ 7,661.3 <i>100.0%</i>

FY 2012 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	(2.4) <i>1.2%</i>	9.4 <i>-4.6%</i>	10.4 <i>-5.1%</i>	36.9 <i>-18.2%</i>	3.4 <i>-1.7%</i>	5.6 <i>-2.8%</i>	\$ 63.2 <i>-31.2%</i>
Contracted Services	(0.5) <i>0.2%</i>	(2.6) <i>1.3%</i>	17.4 <i>-8.6%</i>	(0.6) <i>0.3%</i>	1.5 <i>-0.8%</i>	(6.0) <i>2.9%</i>	9.3 <i>-4.6%</i>
Other State Operations	20.3 <i>-10.0%</i>	2.0 <i>-1.0%</i>	13.7 <i>-6.7%</i>	2.5 <i>-1.3%</i>	0.1 <i>0.0%</i>	(1.9) <i>0.9%</i>	36.6 <i>-18.1%</i>
Aid to Local Units of Government	24.7 <i>-12.2%</i>	- <i>0.0%</i>	18.5 <i>-9.1%</i>	- <i>0.0%</i>	(0.0) <i>0.0%</i>	- <i>0.0%</i>	43.2 <i>-21.3%</i>
Assistance, Grants & Benefits	(360.0) <i>177.5%</i>	(21.1) <i>10.4%</i>	29.4 <i>-14.5%</i>	9.3 <i>-4.6%</i>	(0.3) <i>0.1%</i>	11.4 <i>-5.6%</i>	(331.3) <i>163.3%</i>
Capital	(6.5) <i>3.2%</i>	9.6 <i>-4.7%</i>	(18.5) <i>9.1%</i>	(4.5) <i>2.2%</i>	0.3 <i>-0.1%</i>	(3.4) <i>1.7%</i>	(23.0) <i>11.3%</i>
Debt Service	8.4 <i>-4.1%</i>	- <i>0.0%</i>	(1.5) <i>0.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	6.9 <i>-3.4%</i>
Operating Transfers	(8.2) <i>4.0%</i>	0.5 <i>-0.2%</i>	(0.5) <i>0.2%</i>	- <i>0.0%</i>	0.1 <i>0.0%</i>	0.3 <i>-0.1%</i>	(7.9) <i>3.9%</i>
Total	\$ (324.2) <i>159.8%</i>	\$ (2.2) <i>1.1%</i>	\$ 68.9 <i>-34.0%</i>	\$ 43.6 <i>-21.5%</i>	\$ 5.0 <i>-2.5%</i>	\$ 6.1 <i>-3.0%</i>	\$ (202.8) <i>100.0%</i>

Expenditures from All Funds

FY 2012 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	214.5 2.8%	325.5 4.2%	475.5 6.2%	344.2 4.5%	49.6 0.6%	66.5 0.9%	\$ 1,475.9 19.2%
Contracted Services	23.2 0.3%	71.5 0.9%	71.5 0.9%	16.6 0.2%	15.7 0.2%	37.1 0.5%	235.5 3.1%
Other State Operations	279.4 3.6%	80.6 1.0%	216.9 2.8%	41.9 0.5%	10.8 0.1%	40.4 0.5%	669.8 8.7%
Aid to Local Units of Government	67.1 0.9%	- 0.0%	1,009.0 13.1%	- 0.0%	- 0.0%	- 0.0%	1,076.2 14.0%
Assistance, Grants & Benefits	570.7 7.4%	2,596.9 33.7%	309.8 4.0%	51.6 0.7%	7.7 0.1%	68.6 0.9%	3,605.2 46.8%
Capital	28.9 0.4%	32.6 0.4%	40.6 0.5%	20.1 0.3%	19.0 0.2%	114.6 1.5%	255.8 3.3%
Debt Service	200.7 2.6%	- 0.0%	41.3 0.5%	- 0.0%	- 0.0%	- 0.0%	242.0 3.1%
Operating Transfers	33.4 0.4%	5.8 0.1%	2.5 0.0%	- 0.0%	0.1 0.0%	99.9 1.3%	141.7 1.8%
Total	\$ 1,417.9 18.4%	\$ 3,112.8 40.4%	\$ 2,167.2 28.1%	\$ 474.5 6.2%	\$ 102.8 1.3%	\$ 427.0 5.5%	\$ 7,702.2 100.0%

FY 2012 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	(6.5) 4.0%	4.6 -2.8%	4.2 -2.6%	30.7 -19.0%	2.6 -1.6%	0.8 -0.5%	\$ 36.3 -22.4%
Contracted Services	3.3 -2.0%	(1.6) 1.0%	16.6 -10.2%	(0.5) 0.3%	1.3 -0.8%	(6.0) 3.7%	13.1 -8.1%
Other State Operations	21.5 -13.3%	2.1 -1.3%	13.1 -8.1%	2.7 -1.7%	(0.1) 0.0%	(2.7) 1.7%	36.7 -22.6%
Aid to Local Units of Government	6.0 -3.7%	- 0.0%	16.3 -10.1%	- 0.0%	(0.0) 0.0%	- 0.0%	22.2 -13.7%
Assistance, Grants & Benefits	(284.0) 175.4%	(24.2) 14.9%	28.6 -17.7%	9.6 -5.9%	(0.4) 0.2%	11.4 -7.1%	(258.8) 159.8%
Capital	(5.3) 3.3%	9.6 -5.9%	(10.8) 6.7%	0.2 -0.1%	0.4 -0.3%	(5.2) 3.2%	(11.1) 6.9%
Debt Service	9.7 -6.0%	- 0.0%	(1.5) 0.9%	- 0.0%	- 0.0%	- 0.0%	8.2 -5.1%
Operating Transfers	(8.2) 5.1%	0.4 -0.3%	(0.5) 0.3%	- 0.0%	0.1 0.0%	(0.2) 0.1%	(8.4) 5.2%
Total	\$ (263.5) 162.7%	\$ (9.1) 5.6%	\$ 66.0 -40.8%	\$ 42.7 -26.3%	\$ 3.8 -2.4%	\$ (1.9) 1.2%	\$ (161.9) 100.0%

Expenditures from All Funds

FY 2012 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	(4.1) -9.9%	(4.8) -11.8%	(6.2) -15.1%	(6.2) -15.0%	(0.9) -2.1%	(4.8) -11.8%	\$ (26.9) -65.8%
Contracted Services	3.7 9.1%	1.0 2.4%	(0.8) -1.9%	0.1 0.2%	(0.3) -0.7%	- 0.0%	3.8 9.2%
Other State Operations	1.2 2.9%	0.2 0.4%	(0.6) -1.4%	0.1 0.3%	(0.1) -0.3%	(0.8) -2.0%	0.0 0.0%
Aid to Local Units of Government	(18.7) -45.8%	- 0.0%	(2.3) -5.5%	- 0.0%	- 0.0%	- 0.0%	(21.0) -51.3%
Assistance, Grants & Benefits	76.1 186.0%	(3.1) -7.5%	(0.8) -2.0%	0.3 0.8%	(0.1) -0.2%	- 0.0%	72.4 177.0%
Capital	1.2 2.9%	(0.0) -0.1%	7.7 18.9%	4.7 11.5%	0.2 0.4%	(1.9) -4.6%	11.8 29.0%
Debt Service	1.3 3.2%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	1.3 3.2%
Operating Transfers	- 0.0%	(0.1) -0.2%	- 0.0%	- 0.0%	- 0.0%	(0.4) -1.1%	(0.5) -1.2%
Total	\$ 60.7 148.4%	\$ (6.8) -16.6%	\$ (2.9) -7.0%	\$ (0.9) -2.3%	\$ (1.2) -2.9%	\$ (8.0) -19.5%	\$ 40.9 100.0%

FY 2012 Change to FY 2010	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	14.5 -215.7%	28.8 -428.8%	25.8 -384.7%	48.3 -720.3%	4.9 -73.5%	12.9 -192.3%	\$ 135.2 -2015.3%
Contracted Services	7.3 -108.9%	9.6 -143.6%	25.4 -379.1%	2.1 -30.5%	10.9 -161.8%	(7.1) 106.0%	48.2 -718.0%
Other State Operations	4.2 -61.9%	3.0 -45.2%	20.7 -308.2%	2.2 -33.1%	2.3 -34.7%	22.3 -333.0%	54.8 -816.2%
Aid to Local Units of Government	(101.7) 1515.1%	- 0.0%	14.1 -209.7%	- 0.0%	- 0.0%	- 0.0%	(87.6) 1305.4%
Assistance, Grants & Benefits	(455.2) 6783.6%	161.1 -2401.0%	48.5 -723.3%	9.9 -147.7%	3.5 -52.5%	(0.7) 10.6%	(232.9) 3469.8%
Capital	(1.0) 15.3%	26.1 -389.1%	19.0 -282.9%	(9.6) 142.8%	9.5 -141.9%	(4.3) 63.7%	39.7 -592.2%
Debt Service	31.9 -474.6%	- 0.0%	4.1 -60.4%	- 0.0%	- 0.0%	- 0.0%	35.9 -535.0%
Operating Transfers	(20.7) 309.1%	(3.6) 53.2%	(3.3) 49.6%	(0.3) 4.9%	(0.0) 0.3%	27.9 -415.5%	(0.1) 1.5%
Total	\$ (520.9) 7761.9%	\$ 225.1 -3354.6%	\$ 154.3 -2298.6%	\$ 52.6 -784.0%	\$ 31.1 -464.1%	\$ 51.0 -760.6%	\$ (6.7) 100.0%

Expenditures from General Revenues

FY 2010 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	131.6 4.6%	143.0 5.0%	123.2 4.3%	264.9 9.3%	27.5 1.0%	- 0.0%	\$ 690.1 24.1%
Contracted Services	6.2 0.2%	16.6 0.6%	8.4 0.3%	11.5 0.4%	0.8 0.0%	- 0.0%	43.5 1.5%
Other State Operations	36.2 1.3%	19.6 0.7%	28.7 1.0%	30.4 1.1%	6.3 0.2%	- 0.0%	121.2 4.2%
Aid to Local Units of Government	168.2 5.9%	- 0.0%	765.6 26.7%	- 0.0%	- 0.0%	- 0.0%	933.8 32.6%
Assistance, Grants & Benefits	13.6 0.5%	820.8 28.7%	28.2 1.0%	28.0 1.0%	0.8 0.0%	- 0.0%	891.3 31.1%
Capital	1.1 0.0%	0.4 0.0%	3.8 0.1%	0.9 0.0%	0.2 0.0%	- 0.0%	6.4 0.2%
Debt Service	119.5 4.2%	- 0.0%	17.3 0.6%	- 0.0%	- 0.0%	- 0.0%	136.8 4.8%
Operating Transfers	35.4 1.2%	4.7 0.2%	0.3 0.0%	- 0.0%	- 0.0%	- 0.0%	40.4 1.4%
Total	\$ 511.7 17.9%	\$ 1,005.1 35.1%	\$ 975.4 34.1%	\$ 335.6 11.7%	\$ 35.6 1.2%	\$ - 0.0%	\$ 2,863.6 100.0%

FY 2011 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	141.7 4.8%	160.8 5.5%	124.1 4.2%	291.0 9.9%	29.5 1.0%	- 0.0%	\$ 747.0 25.4%
Contracted Services	7.8 0.3%	18.8 0.6%	7.6 0.3%	12.5 0.4%	1.2 0.0%	- 0.0%	47.8 1.6%
Other State Operations	40.7 1.4%	22.0 0.7%	30.5 1.0%	32.3 1.1%	6.2 0.2%	- 0.0%	131.6 4.5%
Aid to Local Units of Government	60.2 2.0%	- 0.0%	815.6 27.7%	- 0.0%	- 0.0%	- 0.0%	875.8 29.8%
Assistance, Grants & Benefits	16.1 0.5%	871.3 29.6%	31.3 1.1%	26.8 0.9%	0.8 0.0%	- 0.0%	946.4 32.2%
Capital	1.8 0.1%	1.1 0.0%	2.1 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	6.0 0.2%
Debt Service	138.6 4.7%	- 0.0%	19.6 0.7%	- 0.0%	- 0.0%	- 0.0%	158.2 5.4%
Operating Transfers	27.7 0.9%	0.9 0.0%	0.6 0.0%	- 0.0%	- 0.0%	- 0.0%	29.3 1.0%
Total	\$ 434.6 14.8%	\$ 1,074.9 36.5%	\$ 1,031.3 35.1%	\$ 363.5 12.4%	\$ 37.8 1.3%	\$ - 0.0%	\$ 2,942.1 100.0%

Expenditures from General Revenues

FY 2012 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	137.3 4.3%	175.2 5.5%	127.8 4.0%	324.1 10.2%	31.3 1.0%	- 0.0%	\$ 795.8 25.1%
Contracted Services	7.6 0.2%	18.0 0.6%	7.8 0.2%	11.6 0.4%	0.9 0.0%	- 0.0%	46.0 1.5%
Other State Operations	38.1 1.2%	20.6 0.6%	31.9 1.0%	35.5 1.1%	5.9 0.2%	- 0.0%	132.0 4.2%
Aid to Local Units of Government	65.6 2.1%	- 0.0%	829.7 26.2%	- 0.0%	- 0.0%	- 0.0%	895.3 28.2%
Assistance, Grants & Benefits	14.0 0.4%	1,044.6 33.0%	35.8 1.1%	29.9 0.9%	0.8 0.0%	- 0.0%	1,125.2 35.5%
Capital	3.1 0.1%	0.9 0.0%	1.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	6.8 0.2%
Debt Service	143.4 4.5%	- 0.0%	18.8 0.6%	- 0.0%	- 0.0%	- 0.0%	162.3 5.1%
Operating Transfers	5.1 0.2%	1.3 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	6.6 0.2%
Total	\$ 414.4 13.1%	\$ 1,260.6 39.8%	\$ 1,053.7 33.2%	\$ 402.2 12.7%	\$ 39.0 1.2%	\$ - 0.0%	\$ 3,169.8 100.0%

FY 2012 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	(4.3) -1.9%	14.4 6.3%	3.7 1.6%	33.2 14.6%	1.8 0.8%	- 0.0%	\$ 48.8 21.4%
Contracted Services	(0.1) -0.1%	(0.8) -0.4%	0.2 0.1%	(0.9) -0.4%	(0.3) -0.1%	- 0.0%	(1.9) -0.8%
Other State Operations	(2.6) -1.1%	(1.4) -0.6%	1.4 0.6%	3.3 1.4%	(0.3) -0.1%	- 0.0%	0.3 0.1%
Aid to Local Units of Government	5.4 2.4%	- 0.0%	14.1 6.2%	- 0.0%	- 0.0%	- 0.0%	19.5 8.6%
Assistance, Grants & Benefits	(2.0) -0.9%	173.3 76.1%	4.5 2.0%	3.1 1.4%	(0.0) 0.0%	- 0.0%	178.8 78.5%
Capital	1.3 0.6%	(0.1) -0.1%	(0.3) -0.2%	(0.0) 0.0%	0.0 0.0%	- 0.0%	0.8 0.4%
Debt Service	4.9 2.1%	- 0.0%	(0.7) -0.3%	- 0.0%	- 0.0%	- 0.0%	4.1 1.8%
Operating Transfers	(22.6) -9.9%	0.4 0.2%	(0.5) -0.2%	- 0.0%	- 0.0%	- 0.0%	(22.7) -10.0%
Total	\$ (20.2) -8.9%	\$ 185.7 81.5%	\$ 22.3 9.8%	\$ 38.6 17.0%	\$ 1.2 0.5%	\$ - 0.0%	\$ 227.7 100.0%

Expenditures from General Revenues

FY 2012 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	132.9 4.2%	173.9 5.5%	121.6 3.9%	317.5 10.1%	30.5 1.0%	- 0.0%	\$ 776.3 24.7%
Contracted Services	8.0 0.3%	18.4 0.6%	7.0 0.2%	11.5 0.4%	0.7 0.0%	- 0.0%	45.6 1.5%
Other State Operations	38.1 1.2%	20.6 0.7%	31.3 1.0%	35.0 1.1%	5.8 0.2%	- 0.0%	130.8 4.2%
Aid to Local Units of Government	66.2 2.1%	- 0.0%	827.5 26.3%	- 0.0%	- 0.0%	- 0.0%	893.7 28.4%
Assistance, Grants & Benefits	13.9 0.4%	1,043.3 33.2%	32.4 1.0%	29.9 1.0%	0.7 0.0%	- 0.0%	1,120.2 35.6%
Capital	2.1 0.1%	0.9 0.0%	1.7 0.1%	1.0 0.0%	0.0 0.0%	- 0.0%	5.8 0.2%
Debt Service	144.7 4.6%	- 0.0%	18.8 0.6%	- 0.0%	- 0.0%	- 0.0%	163.6 5.2%
Operating Transfers	5.1 0.2%	1.3 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	6.6 0.2%
Total	\$ 411.1 13.1%	\$ 1,258.5 40.0%	\$ 1,040.5 33.1%	\$ 394.8 12.6%	\$ 37.6 1.2%	\$ - 0.0%	\$ 3,142.5 100.0%

FY 2012 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	(8.8) -4.4%	13.1 6.5%	(2.5) -1.2%	26.5 13.2%	1.0 0.5%	- 0.0%	\$ 29.3 14.6%
Contracted Services	0.3 0.1%	(0.4) -0.2%	(0.5) -0.3%	(1.0) -0.5%	(0.5) -0.3%	- 0.0%	(2.2) -1.1%
Other State Operations	(2.6) -1.3%	(1.4) -0.7%	0.8 0.4%	2.8 1.4%	(0.4) -0.2%	- 0.0%	(0.8) -0.4%
Aid to Local Units of Government	6.0 3.0%	- 0.0%	11.9 5.9%	- 0.0%	- 0.0%	- 0.0%	17.8 8.9%
Assistance, Grants & Benefits	(2.2) -1.1%	171.9 85.8%	1.1 0.6%	3.0 1.5%	(0.1) -0.1%	- 0.0%	173.8 86.7%
Capital	0.3 0.1%	(0.1) -0.1%	(0.3) -0.2%	(0.0) 0.0%	0.0 0.0%	- 0.0%	(0.2) -0.1%
Debt Service	6.1 3.1%	- 0.0%	(0.7) -0.4%	- 0.0%	- 0.0%	- 0.0%	5.4 2.7%
Operating Transfers	(22.6) -11.3%	0.4 0.2%	(0.5) -0.3%	- 0.0%	- 0.0%	- 0.0%	(22.7) -11.3%
Total	\$ (23.5) -11.7%	\$ 183.5 91.6%	\$ 9.1 4.6%	\$ 31.3 15.6%	\$ (0.1) -0.1%	\$ - 0.0%	\$ 200.4 100.0%

Expenditures from General Revenues

FY 2012 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	(4.5) <i>16.3%</i>	(1.3) <i>4.8%</i>	(6.2) <i>22.7%</i>	(6.7) <i>24.3%</i>	(0.9) <i>3.1%</i>	- <i>0.0%</i>	\$ (19.5) <i>71.2%</i>
Contracted Services	0.4 <i>-1.5%</i>	0.4 <i>-1.6%</i>	(0.8) <i>2.8%</i>	(0.1) <i>0.4%</i>	(0.3) <i>1.0%</i>	- <i>0.0%</i>	(0.3) <i>1.2%</i>
Other State Operations	0.0 <i>0.0%</i>	0.1 <i>-0.2%</i>	(0.6) <i>2.3%</i>	(0.5) <i>1.7%</i>	(0.1) <i>0.5%</i>	- <i>0.0%</i>	(1.2) <i>4.2%</i>
Aid to Local Units of Government	0.6 <i>-2.2%</i>	- <i>0.0%</i>	(2.3) <i>8.3%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(1.7) <i>6.1%</i>
Assistance, Grants & Benefits	(0.1) <i>0.4%</i>	(1.3) <i>4.9%</i>	(3.4) <i>12.3%</i>	(0.1) <i>0.3%</i>	(0.1) <i>0.3%</i>	- <i>0.0%</i>	(5.0) <i>18.2%</i>
Capital	(1.0) <i>3.7%</i>	(0.0) <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(1.0) <i>3.7%</i>
Debt Service	1.3 <i>-4.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	1.3 <i>-4.7%</i>
Operating Transfers	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>
Total	\$ (3.3) <i>12.0%</i>	\$ (2.2) <i>7.9%</i>	\$ (13.2) <i>48.4%</i>	\$ (7.3) <i>26.8%</i>	\$ (1.3) <i>4.9%</i>	\$ - <i>0.0%</i>	\$ (27.3) <i>100.0%</i>

FY 2012 Change to FY 2010	General Government	Human Services	Education	Public Safety	Natural Resources	Transportation	Total
Salaries & Benefits	1.3 <i>0.5%</i>	30.9 <i>11.1%</i>	(1.6) <i>-0.6%</i>	52.6 <i>18.9%</i>	3.0 <i>1.1%</i>	- <i>0.0%</i>	\$ 86.2 <i>30.9%</i>
Contracted Services	1.9 <i>0.7%</i>	1.8 <i>0.6%</i>	(1.4) <i>-0.5%</i>	0.0 <i>0.0%</i>	(0.2) <i>-0.1%</i>	- <i>0.0%</i>	2.2 <i>0.8%</i>
Other State Operations	1.9 <i>0.7%</i>	1.1 <i>0.4%</i>	2.5 <i>0.9%</i>	4.7 <i>1.7%</i>	(0.6) <i>-0.2%</i>	- <i>0.0%</i>	9.6 <i>3.4%</i>
Aid to Local Units of Government	(102.0) <i>-36.6%</i>	- <i>0.0%</i>	61.9 <i>22.2%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(40.1) <i>-14.4%</i>
Assistance, Grants & Benefits	0.4 <i>0.1%</i>	222.4 <i>79.7%</i>	4.2 <i>1.5%</i>	1.9 <i>0.7%</i>	(0.1) <i>0.0%</i>	- <i>0.0%</i>	228.9 <i>82.0%</i>
Capital	1.0 <i>0.4%</i>	0.5 <i>0.2%</i>	(2.0) <i>-0.7%</i>	0.0 <i>0.0%</i>	(0.2) <i>-0.1%</i>	- <i>0.0%</i>	(0.7) <i>-0.2%</i>
Debt Service	25.3 <i>9.1%</i>	- <i>0.0%</i>	1.5 <i>0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	26.8 <i>9.6%</i>
Operating Transfers	(30.3) <i>-10.9%</i>	(3.4) <i>-1.2%</i>	(0.2) <i>-0.1%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(33.8) <i>-12.1%</i>
Total	\$ (100.6) <i>-36.1%</i>	\$ 253.3 <i>90.8%</i>	\$ 65.0 <i>23.3%</i>	\$ 59.2 <i>21.2%</i>	\$ 2.0 <i>0.7%</i>	\$ - <i>0.0%</i>	\$ 278.9 <i>100.0%</i>