

Governor's FY 2017 Budget: Articles

Staff Presentation to the House Finance
Committee
February 24, 2016

Introduction

- Article 19 – Division of Motor Vehicles
- Article 22 – State Budget

Article 19 – License Plate Issuance Delay

- Delays the mandatory reissuance of fully reflective license plates
 - July 1, 2016 to April 1, 2017
- Delay proposed for administrative ease
 - New system will make issuing plates easier
- DMV Information Technology Modernization project to complete in December 2016

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Article 19 – License Plate Issuance Delay

- Fourth postponement
 - 2011 Assembly postponed to 2013
 - 2013 Assembly postponed to 2015
 - 2015 Assembly postponed to 2016
- Estimated 876,000 plates to be reissued
- No change to issuance plan:
 - At the time of initial registration
 - Upon registration renewal

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Article 19 – License Plate Issuance Delay

- Expenditures expected to be \$11.2 million over two years
 - Cost is partially funded by \$5.2 million in charges for new plates
 - No change to \$6.00 per set cost in statute
- Budget shifts both expected revenues and expenditures to coincide with the new schedule

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Article 22 – State Budget

- Article 22
 - Budget Submission Date
 - Changes to Revenue Estimating Conference and Caseload Estimating Conference
- Similar to proposal last year

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Article 22 – State Budget

- Delays statutory budget submission date 3 weeks
 - From 3rd Thursday in January to 2nd Thursday in February
 - A new Governor would have 5 more weeks until the 2nd Thursday in March
 - They currently have 2 more weeks

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Article 22 – State Budget

- 2004 General Assembly changed date from 3rd Wednesday in February
 - For new Governors: on or before 1st Thursday in February
- Assembly has granted extensions for differing reasons

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Article 22 – State Budget

Governor Submits Budget to Legislature States with Fiscal Year Beginning July 1

Gov. Submits	Frequency of Budget		Total	
	Annual	Biennial		
Prior to January	5	8	13	28%
January	12	7	19	41%
February or later	10	4	14	30%
Total	27	19	46	100%
	59%	41%	100%	
<i>Prior to February</i>	17	15	32	70%

Corrected from prior version

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Article 22 – State Budget

- Makes changes to the Revenue and Caseload Estimating Conferences
 - Timing
 - Scope
 - Process and Participants

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Article 22 – State Budget

- Revenue Estimating Conference
 - 1990 Assembly established Conference
 - Consists of House Fiscal Advisor, Senate Fiscal Advisor and Budget Officer
 - To determine “official estimates of anticipated state revenues upon which the executive budget shall be based and beyond which appropriations by the legislature and expenditures by the state shall not exceed”

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Article 22 – State Budget

- Revenue Estimating Conference
 - Chair rotates among principals
 - None presides for two meetings in a row
 - They do not vote
 - Principals must agree and are bound to the Conference recommendations
 - Must adopt consensus economic forecast
 - Retain outside entity to produce forecast

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Article 22 – State Budget

- Revenue Estimating Conference
 - Principals hear testimony from Labor and Training, Taxation, Lottery, Treasurer and others as needed
- Principals each develop estimates using this data
- Consensus reached on each estimate
- Proceedings occur in open public meetings

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Article 22 – State Budget

- Timing
 - Conference meets twice
 - Within first 10 days of November & May
 - Considers current & budget year revenues
 - Nov. forms basis for executive budget
 - Any revisions to the estimates must represent proposed law or policy changes
 - May estimate must be included in final Assembly enactment
 - Baseline for estimating or re-estimating new proposals

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Article 22 – State Budget

- Timing
 - Current law allows for any principal to call an additional meeting if s/he feels existing estimates need revision
 - Article 22 changes the conference that occurs in November to the last 10 days of January

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Article 22 – State Budget

- Scope
 - Removes cash assistance from estimating purview of Caseload Estimating Conference

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Article 22 – State Budget

- Process and Participants (CEC)
 - Allows for meetings between department testimony and adoption of consensus estimates
 - Principals, Budget Office, fiscal staffs, EOHHS
 - Review testimony, propose changes to estimates, and reach provisional consensus estimate

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Article 22 – State Budget

- Process and Participants (CEC)
 - Estimates become officially adopted if unanimously ratified by principals
 - Gives EOHHS opportunity to rebut estimates in the event of disagreement
 - Principals will take those objections into account prior to adopting final estimates

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Article 22 – State Budget

- Technical Changes (CEC)
 - Specifies integrated care and Medicaid expansion in Medicaid scope
 - Currently included in caseload but not specified
 - Replaces Dept. of Human Services with Executive Office of Health & Human Services
 - Clarifies one of the types of data that must be presented at the conference

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Article 22 – State Budget

- November Conference forms the basis for the Governor's budget submission
 - 1991 Assembly established Conference to mirror the Revenue Estimating Conference
 - For producing official estimates of anticipated medical assistance and public assistance caseloads
 - Entitlements based on income or other criteria
 - Operates similar to Revenue Estimating Conference

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Article 22 – State Budget

Cash Assistance	Medical Assistance
RI Works	Hospitals /DSH
Child Care	Long Term Care
Supplemental Security Income	Managed Care
General Public Assistance	Rhody Health Partners /Options
	Other Medical Services
	Medicaid Expansion
	Pharmacy

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Article 22 – State Budget

FY 2017 CEC Estimate			
	General Revenues	Federal/ Other	Total
Cash Assistance	\$35.9	\$80.3	\$116.2
Medical Assistance	\$919.6	\$1,402.9	\$2,322.5
Total (in millions)	\$955.5	\$1,483.2	\$2,438.7

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Article 22 – State Budget

- Staffs track trends in utilization and costs from monthly reports
 - Fluctuations: monthly, seasonally, yearly
- Staffs use Dept. testimony, data and assumptions along with economic forecast and proven data trends to create estimates

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Article 22 – State Budget

- Cash Assistance estimate includes:
 - average number of people per month/year
 - average cost per month/year
 - additional expenses: transportation, work supports, tax intercepts, transaction fees
 - All have a state cost/risk
- Medical assistance not done on per person basis
 - Built on utilization and growth trends

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