

FY 2025 Changes to Governor

Revenue

May Revenue Estimate. The May 2024 Revenue Estimating Conference increased the FY 2025 estimate to \$5,463.9 million based on its FY 2024 revisions and the new economic forecast. The estimate is \$9.7 million more than the November estimate and \$10.6 million more than the Governor's recommended level, adjusted for recommended changes that could not be included in the estimate.

Corporate Minimum to Current Law. The House Finance Committee does not concur with the Governor's proposal to reduce the corporate minimum tax from \$400 to \$350 effective January 1, 2025. This was last decreased from \$450 to \$400 effective January 1, 2017, and had been as high as \$500. The FY 2025 revenue loss would be \$2.5 million annualizing to \$4.7 million in FY 2026.

ENDS Tax Structure. The Governor's budget assumes \$5.3 million in revenues from transferring the regulatory authority for electronic nicotine delivery systems from the Department of Health to the Division of Taxation and subjecting these products to the 80.0 percent of wholesale tax for other tobacco products. The House Finance Committee concurs with the regulatory transfer but recommends a tax system that accounts for both volume and price and assumes a start date of January 1, 2025. This is expected to yield \$3.1 million less for FY 2025.

Eleanor Slater DSH Payment. The House Finance Committee recommends \$7.0 million in additional revenue from recognizing a payment for uncompensated care expenses at Eleanor Slater Hospital available through excess disproportionate share payments to hospital funds. There are offsetting expenditures matched by Medicaid in the Executive Office of Health and Human Services' budget.

Eleanor Slater Hospital License Fee. The House Finance Committee recommends a FY 2025 hospital license fee for Eleanor Slater Hospital at 5.25 percent of 2023 revenues. This would total \$4.0 million, which is \$2.9 million more than the Governor's recommendation to maintain the same rate and 2022 base year revenues.

Group Home Facility Improvement Fund. Subsequent to his budget submission, the Governor requested an amendment to transfer \$100,000 from general revenues to the proposed Group Home Facility Improvement Fund by July 15, 2024. The House Finance Committee concurs and adjusts available resources accordingly.

Statewide Discussion

Pension Plan Revisions. The House Finance Committee recommends a number of changes to the pension plan affecting retirees and active members. These revisions make changes to the cost-of-living adjustment, pension benefit calculation, public safety pensions, and two post-retirement employment provisions. The House Finance Committee recommends repealing the 80 percent target for the return of cost-of-living adjustments for members that retired before July 1, 2012 and decreasing the threshold for return from 80 percent to 75 percent for all others. It recommends changing the calculation for pension benefits from the highest five consecutive years of compensation to highest three consecutive years. It would also provide state employee public safety employees the same retirement benefits as local public safety and increase the employee contribution from 8.75 percent to 10.0 percent. The proposal would increase the pay that a retired teacher is able to earn without suspension of benefits from \$18,000 and \$25,000. Finally, it would extend the sunset one year to June 20, 2025 on the removal of restrictions in terms of number of days worked or earnings that a retired state employee, teacher or municipal employee may be employed or reemployed by a local educational agency without forfeiting retirement benefits and require the employer to make contributions to the retirement system as if the retiree had been hired as a new employee. All of these

changes would increase required state contributions by \$27.5 million for FY 2025. Of that amount, \$20.6 million would be from general revenues. The unfunded liability would increase by approximately \$400 million. The proposed changes would also increase local costs by \$15.1 million.

Administration

Artificial Intelligence Cybersecurity Task Force. The House Finance Committee does not concur with the Governor's recommendation to include new general revenue expenses of \$150,000 to support an Artificial Intelligence Cybersecurity Task Force that would be convened to make recommendations to minimize risks to the public and private sectors.

Capital - Cranston Street Armory. The recommended capital budget includes a total of \$7.4 million from Rhode Island Capital Plan funds from FY 2024 through FY 2029 for the Cranston Street Armory. No specific project has been identified and only \$0.1 million of the \$2.3 million included for FY 2024 has been spent as of the third quarter. The House Finance Committee recommends \$6.0 million less through FY 2026 pending a plan for use of the funds. This includes reductions of \$2.0 million for FY 2024, \$3.0 million for FY 2025 and \$1.0 million for FY 2026.

Capital - DoIT Enterprise Operations Center. The revised budget includes \$4.6 million from Rhode Island Capital Plan funds for heating, ventilation, air conditioning, server room upgrades, and asset protection for the Enterprise Operations Center in Warwick. The state purchased the building in 2009, completed a major renovation and moved in November 2011. Based on a project delay, the House Finance Committee shifts \$4.0 million from FY 2024 to FY 2025.

Capital - Old State House (GBA). The capital budget includes a total of \$2.8 million from all sources, including \$1.5 million from Rhode Island Capital Plan funds and \$1.3 million from federal funds that the Historical Preservation and Heritage Commission was awarded for accessibility projects at the Old State House. The House Finance Committee concurs with the Governor's requested amendment to add an additional \$1.5 million from Rhode Island Capital Plan funds for FY 2025 based on bids received, for total project costs of \$4.2 million.

Capital - Pastore Center Hospital Buildings Asset Protection. The recommended capital budget includes \$12.9 million from Rhode Island Capital Plan funds from FY 2024 through FY 2029, including \$10.0 million to address issues that may emerge in the buildings. The Governor subsequently requested two amendments, adding \$0.6 million for FY 2024 for renovation expenses to the Adolph Myer building for patient relocation from the Regan Building, and reducing FY 2025 recommended expenses of \$4.5 million by \$2.1 million. The House Finance Committee concurs with the requested amendments and further reduces recommended expenses in the out-years by \$1.0 million each for FY 2026 and FY 2027.

Capital - Pastore Center Infrastructure. The capital budget includes a total of \$123.5 million from Rhode Island Capital Plan funds through FY 2029, \$8.5 million more than the approved plan, to make infrastructure improvements to the Pastore Center. This includes \$58.5 million to identify and address deficiencies with respect to water supply and distribution, \$54.0 million for electrical improvements, and \$11.0 million for other expenses. Based on anticipated expenses, the Governor requested amendments to reduce expenses by \$2.4 million for FY 2024 and \$2.8 million for FY 2025. The House Finance Committee concurs and further reduces funding in the outyears by \$5.0 million each for FY 2026 and FY 2027, as the project timeline is being developed. It includes a total project cost of \$108.3 million, or \$6.7 million less than the approved plan.

Capital - Pastore Center Non-Hospital Buildings Asset Protection. The Governor's recommended capital plan includes a total of \$44.0 million from Rhode Island Capital Plan funds, including \$13.0 million for FY 2024 and \$9.6 million for FY 2025 for various projects to non-hospital buildings at the Pastore

Center. He subsequently requested amendments, adding \$0.6 million for FY 2024 and \$0.9 million for FY 2025, reflecting anticipated expenses for the Division of Motor Vehicles inspection garage and chiller and control upgrades in the Center General buildings. The House Finance Committee concurs with the amendments, and reduces expenses in the later years by \$1.4 million annually for FY 2027 through FY 2029, as specific projects have not yet been identified.

Capital - Statewide Facility Master Plan. Consistent with the approved plan, the revised budget includes \$3.0 million from Rhode Island Capital Plan funds for FY 2024 for a statewide deferred maintenance study. Subsequently, the administration indicated that it would not be pursuing the study and projects new expenses of \$0.5 million for other projects, including a security study and facility assessments for group homes. The House Finance Committee includes funding consistent with the Department's revised project costs.

DCAMM Project Managers. The House Finance Committee does not concur with the Governor's recommendation to allocate salary and benefit expenses for project managers and architects from general revenues to Rhode Island Capital Plan funds. The Governor's recommendation assumed these expenses could be absorbed within existing project authorizations. The House Finance Committee restored the general revenue funding and includes \$0.3 million of turnover savings and staffing cost allocation for a net increase of \$1.7 million.

E-Bike Rebates. The Governor's recommended budget includes new expenses of \$500,000 from general revenues for FY 2025 for the electric bike rebate program, which provides a rebate of up to \$750 on the purchase of an electric bike and each household is limited to two rebates. The program is currently supported by Executive Climate Change Coordinating Council resources. The House Finance Committee includes \$250,000 from general revenues to supplement resources for the program.

Electric Leaf Blower Rebates. The House Finance Committee recommends \$250,000 from general revenues for a new electric leaf blower rebate program, which would be administered by the Office of Energy Resources. The goal is to encourage commercial landscapers to adopt zero-emissions technology which would reduce air and noise pollution and their impacts on residents and workers.

Electric Vehicles Rebate Program (GBA). Launched in July 2022, the Electric Vehicles Rebate Program provides a rebate of up to \$2,500 for the purchase or lease of new electric vehicles, \$1,500 for used battery electric vehicles, and up to \$750 for used plug-in hybrid electric vehicles. It also provides additional incentives if certain income and residency requirements are met. For FY 2024, the program is being supported with funds from the Executive Climate Change Coordinating Council. The House Finance Committee concurs with the Governor's requested amendment to include \$2.0 million from restricted receipts from the Rhode Island Infrastructure Bank Clean Energy Fund for the program for FY 2025. Funds will also be used for a new electric vehicle charging adapter pilot program for residential electric vehicle charging stations.

ERP Maintenance Expenses - Correction (GBA). The House Finance Committee concurs with the Governor's requested amendment to remove \$0.3 million of restricted receipt expenses that were inadvertently budgeted in the Department of Administration for maintenance of the Enterprise Resource Planning System. Expenses to maintain the system are included in user-agency budgets.

FEMA Contingency Reserve - From FY 2024. The revised budget includes the required reappropriation of \$5.0 million from general revenues provided as a contingency reserve for COVID-19 related expenses, in the event reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. Since FY 2020, the state has been reimbursed \$640 million; \$8.1 million of expenditures remain under review. The House Finance Committee shifts the reserve funding to FY 2025.

Garrahy Garage - Debt. The 2014 Assembly authorized the Convention Center Authority to issue up to \$45.0 million for the construction of the garage and the bonds were issued in March 2018; the garage opened in 2020. The annual debt service is \$3.0 million and operating expenditures for FY 2025 are projected at \$1.1 million, for total expenses of \$4.1 million. The Authority anticipates revenues of \$3.6 million based on occupancy and collections through March, leaving a gap of about \$0.5 million. The Governor's recommended budget includes \$0.9 million from general revenues and the House Finance Committee recommends reducing that by \$0.4 million to reflect the updated revenues.

Library Aid - Full Funding. Under current law, the state supports local libraries via grants-in-aid at a level equivalent to 25.0 percent of the amount appropriated and expended from local tax revenues in the second prior fiscal year by the municipalities in which the libraries are located, subject to appropriation. The House Finance Committee recommends \$11.9 million from general revenues for full funding. This is \$0.4 million more than the Governor's recommendation which represents 24.2 percent reimbursement.

MBE/WBE Certification. The House Finance Committee does not concur with the Governor's recommendation to include new general revenue expenses of \$500,000 for the Division of Equity, Diversity and Inclusion to expand efforts to register and certify minority-owned and women-owned businesses to increase their participation in state procurements. It appears that some of these efforts are being duplicated. The mandated annual report on the status of achieving participation requirements is due October 1, 2024, and the updated disparity study for which the budget includes a separate \$0.5 million will be conducted in FY 2025.

Wrongful Convictions Shift from FY 2024. The revised budget includes \$761,946 from general revenues for FY 2024, including \$511,946 reappropriated from FY 2023 to compensate individuals who were wrongfully convicted of crimes and incarcerated. Through the third quarter, \$200,500 has been spent and no additional expenses will be incurred. The House Finance Committee shifts \$561,446 from FY 2024 to FY 2025, reflecting a delay in settlements.

Business Regulation

Capital - Fire Academy Expansion. The Governor recommends \$8.3 million from Rhode Island Capital Plan funds, consistent with the approved plan, to expand the State Fire Academy in Exeter. Funds are programmed at \$5.7 million for FY 2024, \$1.9 million for FY 2025, and \$0.7 million for FY 2026. The House Finance Committee concurs but recommends shifting \$5.1 million from FY 2024 to FY 2025 based on updates from the Department.

Fire Academy Battery Fire Training. The House Finance Committee recommends \$60,000 from general revenues for FY 2025 for the State Fire Academy to provide additional training associated with battery fires in electric vehicles to firefighters from departments across the state.

Rate Review Program Changes (GBA). The Governor requests an amendment to split the biennial comprehensive rate and program review of social and human services programs into four annual reports, expand the Office of the Health Insurance Commissioner's discretion, and advance some due dates. Consistent with these changes, he recommends \$1.0 million for FY 2025, including \$0.7 million from general revenues and \$0.3 million from federal funds. This is \$0.5 million less than his initial recommendation and also reflects a correction to expected Medicaid matching funds. The House Finance Committee does not recommend the statutory changes but concurs with the amended spending recommendation to do the work required under current law.

Turnover Savings. The House Finance Committee recommends an additional \$0.1 million in general revenue turnover savings, which assumes a portion of the current high vacancy rate persists into FY 2025.

Vehicle Error Correction. The House Finance Committee recommends \$0.1 million less from restricted receipts for FY 2025 to correct an error in the Department’s request and Governor’s recommendation regarding one-time vehicle purchases for FY 2024.

Executive Office of Commerce

Medical Primary Care Scholarship - Wavemaker. The Governor recommends \$3.6 million from general revenues for the Wavemaker Fellowship program for student loan repayment tax credits. The House Finance Committee recommends \$0.5 million more and reserves these additional funds for awards to primary care medical doctors, nurse practitioners, and physician assistants.

Municipal Infrastructure Grant Program. The House Finance Committee recommends providing \$3.0 million from general revenues to fund grants in connection with the municipal infrastructure grant program authorized under Rhode Island General Laws, Chapter 42-11.4. This brings total state allocations to this program since FY 2022 to \$6.5 million.

Polaris. The House Finance Committee recommends \$0.5 million from general revenues, \$50,000 more than enacted and recommended, for the Polaris Manufacturing Extension Partnership to support manufacturers through training and consultation. The Executive Office indicates that increased state support makes the nonprofit a stronger contender to receive additional federal National Institute of Science and Technology funds.

Small Business Assistance Capitalization. The House Finance Committee does not concur with the Governor’s recommendation to add \$2.0 million from general revenues to capitalize the Small Business Assistance Program. From FY 2022 to FY 2024, the Assembly has appropriated \$3.3 million, including \$2.0 million by the 2023 Assembly. The Corporation indicates that \$3.5 million is still available to make additional loans. The program appears to be sufficiently capitalized.

Statewide Coastal Resilience Plan - Infrastructure Bank. The House Finance Committee recommends \$750,000 from general revenues for the Infrastructure Bank to prepare a statewide coastal resilience plan. The plan is intended to improve coordination and prepare a short- and long-term strategy for coastal climate change resilience and adaptation, which will aid in applying for Federal Emergency Management Agency preparedness funding. Work will be conducted with the Department of Environmental Management, Coastal Resource Management Council, and municipalities.

Supply RI Current Service. The FY 2024 enacted budget includes \$1.0 million from general revenues, \$0.7 million more than FY 2023, to support the small business promotion program known as Supply RI. The increase reflects one-time upgrades, a study, and expanded programming. The Governor recommends \$1.0 million for FY 2025 to continue this expanded level of support. The House Finance Committee recommends \$0.3 million less, consistent with outyear current service estimates.

Housing

ARPA - Homelessness Assistance Program (GBA). The Governor recommends the enacted amount of \$21.5 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. He subsequently requested an amendment to add \$16.6 million and proposed language to permit the Secretary of Housing to reallocate up to \$2.0 million of funds unspent as of September 30, 2024 from other Department State Fiscal Recovery Fund programs to this or the related \$45.0 million ARPA - Homelessness Infrastructure program. The House Finance Committee does not include the proposed reallocation authority and recommends adding \$17.3 million.

Housing Resources and Homelessness Fund. The Governor requested a budget amendment to eliminate the whole unit short-term rental exemption from the 5.0 percent State Hotel Tax effective January 1, 2025 and dedicate those revenues to the current Housing Resources Commission account, changing both allowable uses and oversight. The House Finance Committee does not concur with the tax change but does recommend \$10.0 million from general revenues in FY 2024 to recapitalize the account. The Committee recommends increasing spending for FY 2025 by \$5.0 million from restricted receipts and recommends that oversight be transferred to the Department with consultation from the Commission on December 31, 2024 provided that the Department has submitted a state housing organization plan, including suggested statutory revision.

Labor and Training

Executive Climate Change Coordinating Council Projects (GBA). The House Finance Committee concurs with the Governor's requested budget amendment to shift \$75,000 from Regional Greenhouse Gas Initiative restricted receipt funds from FY 2025 to FY 2024 based on the timing of planned expenditures. The Governor's recommended budget includes \$75,000 in each FY 2024 and FY 2025 for the Governor's Workforce Board to establish a grant program related to environmental education, professional development, and youth apprenticeships or internships.

Workers' Compensation System Study. The House Finance Committee does not concur with the Governor's proposal for new general revenue expenditures of \$200,000 for FY 2025 for the Department of Labor and Training to produce a study of the components of the state's workers' compensation system. The Workers' Compensation Administrative Fund is supported by an annual assessment on insurance companies, self-insured employers, and municipalities covered under the Workers' Compensation Act. The fund supports workers' compensation administrative, investigatory, and data collections costs; its education unit; and the rehabilitation services provided by the Arrigan Rehabilitation Center; as well as the actuarial analyses and administrative adjudication costs.

Revenue

Capital - Lottery Building Renovations. The House Finance Committee recommends shifting \$690,000 from Rhode Island Capital Plan funds for lottery building renovations from FY 2024 to FY 2025 based on an updated project schedule. Total funding of \$850,000 from Rhode Island Capital Plan funds is as recommended.

Taxation Staffing Capacity. The Governor's recommended budget includes \$24.9 million for salary and benefit costs for 227.0 full-time equivalent positions for the Division of Taxation. This includes \$2.3 million of turnover savings equivalent to 32.4 vacant positions. The House Finance Committee recommends adding \$950,000 from general revenues to allow for increased staffing capacity to maintain current service revenue expectations.

Warwick Airport Audit. The House Finance Committee recommends \$500,000 from general revenues for the city of Warwick in accordance with Section 1-2-17 of the General Laws that requires such a payment in the event the Federal Aviation Administration disapproves municipal compensation services paid by the Rhode Island Airport Corporation. A recently completed audit disallowed certain payments made by the airport to Warwick, thus triggering the statutory \$500,000 payment.

Secretary of State

Capital - RI Archives and History Center. The Governor recommends \$101.7 million, including \$60.0 million from new general obligation bond funds to go before the voters in November 2024, \$10.0 million from Rhode Island Capital Plan funds, and \$31.7 million from unidentified private funding to build a new

State Archives and History center, the site for which is not determined yet. The current archives is in leased space. The House Finance Committee recommends providing \$500,000 from Rhode Island Capital Plan funds in FY 2025 for further analysis and options including site selection and options for a facility that could be expanded in phases over time. The recommendation also maintains \$4.5 million for FY 2027 pending the outcome of that study.

Elections Expenses. The Governor’s recommendation for cyclical election expenses is lower than the Secretary of State estimated as required. This was based on prior spending and omitted increases requested for printing, postage and voter outreach. The House Finance Committee recommends adding \$140,000 from general revenues to fund the original request.

Semiquincentennial Commission. The Governor recommends \$174,410 from general revenues to support staff and programming for the Semiquincentennial Commission created by the 2021 Assembly to prepare celebrations for the 250th anniversary of the country’s founding. While this is \$74,410 more than enacted to cover staff support, it is \$400,000 less than requested for additional programming needs of the Commission. The House Finance Committee recommends adding \$150,000 to provide a total of \$324,410 for FY 2025. It also recommends increasing the staffing authorization by 1.0 position to accommodate the proper classification of the current staff support.

Office of the General Treasurer

Medical Debt Purchase. The House Finance Committee recommends a new one-time appropriation of \$1.0 million from general revenues to discharge certain medical debt for eligible Rhode Islanders. To be eligible, residents would need to have outstanding medical debt that equals 5.0 percent or more of their annual income and more than \$600 or have a household income that is more than 400 percent of federal poverty. The General Treasurer would enter into an agreement with a qualified nonprofit to purchase the medical debt of Rhode Island residents that have gone into collections and are being sold by the original or any subsequent creditor.

Board of Elections

Voting Equipment Contract (GBA). The 2023 Assembly enacted legislation requiring the Board of Elections, in consultation with the Secretary of State, to submit the specifications for new equipment. Subsequent to the Governor’s budget recommendation, which reduced enacted expenses, it was reported that the Board had signed a new four-year equipment contract totaling \$2.1 million, of which \$0.3 million is due for FY 2024. The Governor requested an amendment to add \$0.3 million from general revenues for the new contract in FY 2024 and \$0.5 million in FY 2025. The House Finance Committee concurs.

Ethics Commission

Centralized IT Services Correction (GBA). The House Finance Committee concurs with the Governor’s requested budget amendment to reduce general revenue funding for the Ethics Commission’s case management system by \$64,835 to correct an inadvertent overstatement. The adjusted funding level would be sufficient to complete the full case management system, including financial disclosure and advisory opinions.

Public Utilities Commission

Commission Financial Analyst (1.0 FTE). The House Finance Committee recommends adding \$0.2 million from restricted receipts and 1.0 full-time equivalent chief financial analyst position for the Public Utilities Commission to assist in the evaluation and analyses that support the Commissioners’ review of

cases. The Commission cited the rapid growth and complexity in the utility cases it reviews as the reason for requesting this position which the Governor did not recommend.

Executive Office of Health and Human Services

Adult Dental into MC Plans. The House Finance Committee recommends \$1.5 million, including \$11,460 less from general revenues, to shift adult dental services to the managed care plans. This change would be effective January 1, 2025 and allow adults access to the same dental package currently provided to children and young adults through the RIte Smiles program.

Ambulatory Dental Rates. The House Finance Committee recommends \$0.8 million, including \$0.4 million from general revenues, to increase Medicaid reimbursements rates for dental procedures performed in an ambulatory surgical center to 95 percent of the rates included in the Medicare Part B Hospital Outpatient Prospective Payment System as of January 1, 2024. The reimbursement rates will be annually updated starting January 1, 2025.

Chiropractic Rates. The House Finance Committee recommends \$0.6 million, including \$0.2 million from general revenues, to increase chiropractic rates through the Medicaid program.

DSH Payment - ESH. The House Finance Committee recommends \$7.0 million, including \$3.1 million from general revenues, for uncompensated care payments for services provided at Eleanor Slater Hospital. There is an offsetting revenue adjustment.

Home and Community Based Services - ARPA (GBA). The House Finance Committee concurs with the Governor's requested amendment to adjust expenses to reflect the current plan for projects funded from the time-limited program that allows for the enhanced Medicaid reimbursement on eligible home- and community-based services included in the American Rescue Plan Act to be reinvested to expand services with spending by March 31, 2025. The amendment reduces funding for FY 2024 by \$2.3 million, including \$7.3 million less from restricted receipts and \$5.0 million more from federal funds. For FY 2025, expenses increase by \$9.0 million, including \$5.7 million from federal funds and \$3.3 million from restricted receipts.

Hospital Care Transitions Initiative. The House Finance Committee recommends \$0.5 million from all sources, subject to Medicaid approval, for the Hospital Care Transitions for the Rhode Island Parents Information Network to provide certified community health workers to discharge teams at three hospitals: South County, Kent and Rhode Island Hospital. The intent is to prevent Medicaid-financed extended stays in skilled nursing facilities. Funding for the program was through a two-year \$1.0 million federal Money Follows the Person grant through the Executive Office of Health and Human Services.

Initiative Implementation Support. The House Finance Committee recommends \$6.0 million, including \$1.5 million from general revenues, for expenses such as system changes and contractor support associated with implementing the several budget initiatives recommended for FY 2025.

Ladders to Licensure. The House Finance Committee recommends \$1.0 million from general revenues for the first year of a three-year Ladders to Licensure grant program totaling \$5.0 million. The program was included in the Executive Office's budget request to support partnerships between healthcare and education providers to develop career ladders that address critical workforce shortages and increase the supply and diversity of the health professional workforce. While not included in the Governor's budget recommendation, it was developed as part of the Rhode Island Health and Human Services Workforce Initiative.

May Caseload Conference - Medicaid. The House Finance Committee recommends decreasing medical assistance expenses by \$98.9 million for FY 2025 to reflect the May Caseload Estimating Conference

estimate. This includes updated expenses that reflect rate increases, projected utilization, and delayed initiatives. Accounting for the remaining changes already assumed in the Governor's budget, FY 2025 spending is estimated to be \$59.8 million less from federal funds, \$38.9 million less from general revenues, and \$0.2 million less from restricted receipts.

MMIS -Volume Decline. The House Finance Committee recommends savings of \$4.0 million, including \$1.0 million from general revenues, to reflect an anticipated reduction in transactions and claim processing through the Medicaid Management Information System from the public health unwinding. A portion of the billings are linked to volume and this adjustment recognizes the decrease in overall enrollment in the Medicaid program and associated decline in claims processing activity.

Nursing Facilities Conversion Assistance. The House Finance Committee recommends \$225,000 from general revenues to support nonprofit nursing facilities that are converting licensed capacity from nursing home beds to assisted living ones.

Nursing Facilities Rate Revisions - Completed. The Governor's recommendation retains the one-time amount of \$345,000, including \$172,500 from general revenues, needed in FY 2024 to complete the statutorily required rate revision for nursing facilities. The review was completed and formally submitted in April and the House Finance Committee excludes the funding in FY 2025.

OHIC Rate Increase Full. The House Finance Committee recommends fully funding the results of the rate review and adds \$103.2 million, including \$40.3 million from general revenues. This would bring total funding to \$163.4 million, of which \$41.6 million is from general revenues. The Governor's recommendation includes \$57.0 million for the first year of a three-year plan to increase reimbursement rates.

Opioid Funds (GBA). The House Finance Committee concurs with the Governor's requested amendments to reduce restricted receipt expenses from opioid settlement funding by \$3.2 million, for a total of \$22.0 million, to reflect updated payment schedules for state settlements with pharmaceutical companies and planned uses. This includes shifting \$0.3 million to the Department of Health.

School District Medicaid Rate Increases. The House Finance Committee recommends \$9.5 million from federal funds to increase rates paid, consistent with the rate review process recommendations, to the local school districts for direct services provided through Individual Education Plans that are reimbursed through the Medicaid program.

Skilled Home Care Services - Rates. The House Finance Committee recommends \$0.2 million, including \$0.1 million more from general revenues, to increase rates paid to home care providers for skilled professional services, including physical therapy, that were omitted from the Office of the Health Insurance Commissioner's final rate review report.

The Work Number Shift from DHS. The House Finance Committee concurs with the Governor's requested amendment to add \$2.9 million, of which \$0.7 million is from general revenues, related to expenses for the income verification tool known as The Work Number. The Governor's recommendation also included funding in the Department of Human Services; his subsequent amendment removes those and expenses will only appear in the budget of the Executive Office of Health and Human Services.

Children, Youth and Families

Adoption and Foster Care. The House Finance Committee recommends adding \$5.5 million, including \$5.0 million from general revenue, to provide clinic treatment, therapeutic and other supports for children

in foster and kinship care. This is consistent with updated information regarding provider contract renewals underway.

ARPA - Provider Workforce Stabilization Payments. The House Finance Committee concurs with the Governor's requested amendment to add \$1.2 million from State Fiscal Recovery funds to continue provider workforce stabilization payments into FY 2025 while the long-delayed contract procurement is completed.

Comprehensive Needs Study. The House Finance Committee recommends \$0.2 million, including \$0.1 million from general revenues, for the Department to hire a consultant to conduct a comprehensive needs assessment.

Congregate Care Programs and Services. The House Finance Committee recommends adding \$2.1 million, including \$1.6 million from general revenue, to expand group home services to prevent an out-of-state placement and provide other supports so youth can leave a group home setting and reside in a less restrictive setting. The Department will also create specialized group homes and independent living programs for other vulnerable populations. This is consistent with updated information regarding provider contract renewals underway.

Home Based Programming Expansion. The House Finance Committee recommends adding \$21.9 million, including \$14.0 million from general revenue, to increase funding to stabilize families, support crisis response services to meet a child's need 24/7 and other behavioral healthcare supports to prevent hospitalization or the need for a residential treatment facility. This is consistent with updated information regarding provider contract renewals underway.

Rate Setting Consultant. The House Finance Committee recommends \$1.5 million, including \$1.0 million from general revenues, for the Department to hire a consultant to assist with establishing rates for Medicaid and non-Medicaid funded programs, including home-based services and congregate care.

Turnover Restoration. The House Finance Committee recommends \$4.6 million, including \$3.7 million from general revenues, to maintain funding for staffing at the FY 2024 enacted level. This assumes lower turnover savings than the Governor's recommendation which assumed that some elevated vacancy level would persist into FY 2025.

Health

Capital - New Health Lab Building (GBA). The recommended capital budget includes \$97.7 million from all sources through FY 2026, including \$11.6 million from Rhode Island Capital Plan funds, \$4.4 million from restricted receipts and \$81.7 million from federal funds awarded by the Centers for Disease Control and Prevention, to construct a new 80,000 square foot facility to house the Health Laboratories Program. The House Finance Committee concurs with the Governor's subsequent amendments to advance \$1.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2024 for the owner's project manager expenses, and to include federal fund expenses of \$11.1 million for FY 2025.

Health Equity Zone. The recommended budget for FY 2025 does not include any funding for the Health Equity Zones, which are geographical areas designed to achieve health equity by eliminating health disparities. There are currently 15 zones, providing services to 26 cities and towns. Subsequently, the Department indicated that it has repurposed existing resources and estimated the shortfall to be \$0.9 million. The House Finance Committee recommends \$0.9 million from available indirect cost recovery restricted receipts to fund the shortfall. Currently, receipts from indirect cost surcharges are higher than projected and expenses are less than budgeted.

Opioid Settlement Funds (GBA). The Governor’s recommended budget includes \$3.4 million from Opioid Settlement funds for opioid treatment, rescue, recovery, and prevention programs. He subsequently requested an amendment to include an additional \$0.3 million from restricted receipts, reflecting an updated allocation plan, for FY 2025 expenses of \$3.8 million. The House Finance Committee concurs.

Primary Care Training Sites. The House Finance Committee recommends \$2.7 million from general revenues to support an Office of Primary Care Training within the Department. The Primary Care Training Sites program would be established to provide training for physicians, nurse practitioners and physician assistants; each site would be awarded no more than \$90,000. The Office is tasked with providing oversight of grant recipients and to establish evidence-based standards to measure the success.

Human Services

Capital - Veterans Cemetery Asset Protection (GBA). The House Finance Committee concurs with the Governor’s requested amendment to add \$250,000 from Rhode Island Capital Plan funds for FY 2025 to reflect updated costs for asset protection projects at the Veterans Cemetery in Exeter. This brings funding to \$2.7 million for the FY 2024 through post-FY 2029 period, including \$0.5 million for FY 2025.

Child Care Eligibility Increase to 261%. The House Finance Committee recommends \$3.3 million from federal funds to increase eligibility for subsidized child care from 200 percent to 261 percent of poverty. This includes system upgrades and a January 1, 2025 start date to accommodate those changes. The current law income level to exit the program would remain at 300 percent of poverty.

Child Care for Childcare Workers Pilot Extension. The House Finance Committee recommends \$2.5 million from federal funds to extend the child care for childcare workers pilot program one year to July 31, 2024. The required report on the pilot is due in November.

Child Care Rate. The House Finance Committee recommends increasing payments for center-based child care providers across all age groups and tiers by five percent for a total of \$3.4 million from federal funds for the Department of Human Services.

Day One. The Governor recommends the enacted level of \$267,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault. The House Finance Committee recommends increasing that to \$300,000.

Elderly Transportation Services (GBA). The House Finance Committee concurs with the Governor’s requested amendment to reduce FY 2025 transportation expenses through the Office of Healthy Aging by \$0.2 million, including \$14,530 from general revenues to correct overfunding in the Governor’s recommended budget. Total funding would be \$5.4 million and supports elderly access to medical appointments and treatment, adult day care, and congregate meal sites, among other essential services.

Hardship Program. The House Finance Committee excludes \$90,000 from general revenues for the hardship program reflecting a decrease in utilization for the short-term program. FY 2023 expenses were less than \$400.

Higher Ground International. The Governor recommends the enacted level of \$75,000 from general revenues for immigrant and refugee support services through Higher Ground International. The House Finance Committee recommends adding \$50,000 to bring total funding to \$125,000 for Higher Ground International.

May Caseload Conference - Cash Assistance. The House Finance Committee recommends reducing expenditures for cash assistance caseloads by \$3.6 million, including \$0.2 million from general revenues,

to reflect the May Caseload Estimating Conference estimates for Rhode Island Works, subsidized child care, supplemental security income, and general public assistance bridge programs.

OHA Medicaid Program Correction (GBA). The House Finance concurs with the Governor's requested amendment to add \$2.6 million, including \$1.3 million from general revenues to correct expenses that were inadvertently underfunded. This would bring total funding to \$6.6 million, of which \$2.9 million is from general revenues, for Medicaid-funded home care, adult day care, and case management services.

OHA/RIPTA - Gas Tax at Current Law. The House Finance Committee does not concur with the Governor's proposal to codify the current practice on the treatment of the 1-cent for elderly/disabled transportation services in state law by altering the distribution of that one cent. The current practice is for the Department of Human Services through the Office of Healthy Aging to retain 21.0 percent of the funds for non-emergency transportation expenses, and 79.0 percent is provided to the Rhode Island Public Transit Authority for some of the services provided. Effectively, expenses of \$3.4 million to the Authority are reflected in the Department of Human Services' budget; it requires that the Authority be reimbursed no later than 15 days after a payment is requested.

OHIC Rate Increase Full. The House Finance Committee recommends fully funding the rate review increase and adds \$2.8 million, including \$1.1 million from general revenues for services provided through the Office of Healthy Aging. This would bring total funding to \$4.1 million, of which \$1.7 million is from general revenues. The Governor's recommendation includes \$0.4 million for the first year of a three-year plan to increase reimbursement rates in the Office's programs.

ORS - CNOM Eligibility Expansion. The House Finance recommends increasing eligibility from 300 percent to 400 percent of poverty for three Medicaid funded programs through the Office of Rehabilitation Services, adding \$240,000 for personal care attendants, home modifications and social services for the blind programs. This expansion allows some services currently paid entirely through general revenues to be matched by Medicaid. Federal funds account for most of the adjustment and there is \$0.1 million in savings from general revenues.

OVS - Digitization Project. The FY 2024 enacted budget includes a one-time general revenue expense of \$250,000 for a new digitization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The Governor's budget repeats the funding unnecessarily for FY 2025. The House Finance Committee recommends excluding the funding for FY 2025 and includes language to reappropriate any unspent funds from FY 2024 to FY 2025.

RI Works - Benefits. The House Finance Committee recommends increasing the monthly cash assistance payment made through the Rhode Island Works program by 20 percent and adds \$4.7 million for the payments and \$0.1 million for system changes entirely from federal funds. The current monthly payment of \$825 for a family of four would increase \$990 starting July 1, 2024. The Committee also recommends increasing the income disregard from \$300 to \$525 and adds \$600,000 from federal funds.

RI Works - Full Family Sanction Elimination. The House Finance Committee recommends eliminating the full family sanction penalty and includes \$0.1 million from federal funds for the change. The penalty occurs when there is non-compliance with required activities, such as following an employment plan, so that the portion of the family benefit that is withheld is only the parent's payment. Payment, or payments, will still be made for any children in the household.

The Work Number to EOHHS. The House Finance Committee concurs with the Governor's requested amendment to exclude \$2.8 million, of which \$1.6 million is from general revenues, recommended for the Department's portion of expenses related to the income verification tool known as The Work Number.

Expenses will be shifted to and shown exclusively in the Executive Office of Health and Human Services' FY 2025 budget.

United Way - 211. The House Finance Committee recommends \$200,000 from general revenues to help support the United Way's 211 free, confidential service to provide information and referrals for food, housing, job training, and other community resources.

BHDDH

Capital - DD Residential Support (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$0.1 million annually from Rhode Island Capital Plan funds for FY 2024 through FY 2029 for the residential support project. This corrects the recommended five-year capital budget which inadvertently shifted the previously approved expenses to general revenues, but excluded them from the operating budget.

CFCM Technology Expenses (GBA). The House Finance Committee concurs with the Governor's requested amendments to reduce funding by \$122,892 from general revenues for FY 2024 and FY 2025 for conflict-free case management activities that were overfunded in both years.

Consent Decree - Independent Facilitators (18.0 FTE) (GBA). Expenses for conflict-free case management services are budgeted in the Executive Office of Health and Human Services as part of the Medicaid caseload, including those for adults with developmental disabilities receiving services through the Department. There is a related consent decree requirement for that population for which the implementation deadline was FY 2024. Execution of planned contracts for these services has been delayed again and now will be phased-in through FY 2026. To ensure compliance with the consent decree, the Governor requested an amendment to add state staff to serve as independent facilitators in the interim for FY 2024 and FY 2025. The House Finance Committee recommends adding 18 positions and \$1.9 million, including \$1.0 million from general revenues for FY 2025 and \$84,000, including \$42,000 from general revenues for FY 2024.

Eleanor Slater Hospital - License Fee. The House Finance Committee recommends \$4.0 million for the FY 2025 hospital license fee payment for Eleanor Slater Hospital. The 5.25 percent fee is based on updated 2023 revenues and is \$2.9 million more than the Governor's recommendation. There is also a corresponding revenue adjustment.

ESH - Fence Construction from FY 2024 (GBA). The House Finance Committee concurs with the Governor's requested amendment to shift \$344,000 from general revenues to FY 2025 to account for a delay in the project to install a fence at the state hospital.

ESH Vehicles Shift from FY 2024 (GBA). The House Finance Committee concurs with the Governor's requested amendment to shift \$107,346, including \$47,501 from general revenues, to FY 2025 for vehicles ordered for the state hospital that will not be delivered until FY 2025.

Group Home Facility Improvement Fund (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$100,000 from restricted receipts for the initial capitalization the Group Home Facility Improvement Fund. Article 2 includes the necessary changes to create the new fund to allow the deposit of any proceeds from the sale of state-owned group homes or community residences licensed by the Department or rents collected from agencies providing services in those homes. The proceeds will be used for the ongoing upkeep and maintenance of state-owned facilities at the discretion of the Department.

May Caseload Conference - Private Services for Individuals with Developmental Disabilities. The House Finance Committee recommends decreasing expenses for community-based services for individuals with developmental disabilities by \$38.3 million for FY 2025 to reflect the results of the May Caseload Estimating Conference estimate and adjusted for FY 2024 utilization. Accounting for the remaining changes already assumed in the Governor’s budget, FY 2025 spending is estimated to be \$16.2 million less from general revenues and \$22.1 million less from federal funds.

OHIC Rate Increase Full. The House Finance Committee recommends fully funding the rate review increase and adds \$0.4 million, including \$0.2 million from general revenues for services provided to adults with disabilities. This would bring total funding to \$1.2 million, of which \$0.6 million is from general revenues. The Governor’s recommendation includes \$0.4 million for the first year of a three-year plan to increase reimbursement rates in the Department’s program.

Out-of-State Facility Contract - Expired. The Governor’s recommendation includes \$1.5 million from general revenues for an agency in South Carolina to provide services for up to five forensic patients on an as-needed basis. The contract has expired and the House Finance Committee excludes funding accordingly.

RICLAS Vehicles Shift from FY 2024 (GBA). The House Finance Committee concurs with the Governor’s requested amendment to shift \$0.3 million, including \$0.2 million from general revenues, from FY 2024 for vehicles ordered for the state-run residential system that will not be delivered until FY 2025.

RISPH - Equipment. The FY 2024 enacted budget includes \$268,000 from general revenues for one-time purchases at the state psychiatric hospital that were delayed from FY 2023. The House Finance Committee does not concur with the Governor’s recommendation to maintain \$150,000 in FY 2025 for these completed purchases and reduces funding accordingly.

Student Assistance Funds Correction (GBA). The Governor’s recommendation includes \$60,000 from restricted receipts for student assistance programs; however, the funds are not available. He subsequently requested an amendment to correct this overstatement. The House Finance Committee concurs.

Office of the Child Advocate

Staffing Expansion (3.0 FTE). The House Finance Committee recommends \$250,000 from general revenues for three new full-time equivalent positions for the Office of the Child Advocate, which includes an investigator, case manager, and attorney. This assumes the new positions start after September 1, 2024.

Governor's Commission on Disabilities

Holiday Pay Correction (GBA). The recommended budget inadvertently omitted requested expenses for staff members who work on election days. The House Finance Committee concurs with the Governor’s requested amendment to add \$1,424 from general revenues for the expense.

Statewide Independent Living Program (GBA). The Governor’s original recommendation includes \$85,000 of known federal funds for the Statewide Independent Living program pending notice of awards for the federal FY 2025 through FY 2027 plan. The House Finance Committee concurs with the Governor’s requested amendment to include an additional \$255,000 from federal funds to account for likely funding that will be available

Elementary & Secondary Education

Capital - Davies School Health Care Classroom Improvements. Based on an updated project schedule, the House Finance Committee recommends shifting \$6.9 million from Rhode Island Capital Plan funds for

the health career classrooms renovation project at Davies Career and Technical School from FY 2024 to FY 2025. This work is being coordinated with the wing renovation project.

Capital - Davies School HVAC. The House Finance Committee recommends shifting \$1.0 million from Rhode Island Capital Plan funds from FY 2024 to FY 2025 based on a revised project schedule for repairs to the heating, ventilation and air conditioning system at the Davies Career and Technical School in order to integrate the remaining work with the wing renovation project.

Capital - Davies School Wing Renovation. The House Finance Committee recommends shifting \$2.0 million from Rhode Island Capital Plan funds from FY 2024 to FY 2025 based on a revised project schedule for the wing renovation project at the Davies Career and Technical School. The school has hired an owner's project manager and is in the process of awarding the construction contract for the work, which is being coordinated with other active projects.

Career and Technical Education (1.0 FTE). The Governor recommends \$4.5 million from general revenues for career and technical education aid categorical funding for FY 2025 which is the same level since FY 2017. He also recommends \$150,051 from general revenues and authorization for one new position to support these programs. The funding formula allows the state to provide resources to help meet the initial capital investment needs to transform existing or create new comprehensive career and technical education programs and career pathways in critical and emerging industries and to help offset the higher than average costs associated with facilities, equipment, maintenance, repairs and supplies necessary for maintaining the quality of highly specialized programs. The House Finance Committee recommends adding \$2.0 million for the aid category for a total of \$6.5 million and \$0.1 million and authorization for a second new position to support the continued growth of these programs.

Davies Personnel Correction (GBA). The House Finance Committee concurs with the Governor's requested budget amendment to add \$0.7 million from general revenues to the Davies Career and Technical School for anticipated personnel costs related to its employee contract agreement that were not included in the recommended budget. The House Finance Committee also recommends \$0.5 million in FY 2024 for this purpose.

Early Childhood Support (-1.0 FTE). The Governor recommends \$239,058 from general revenues and authorization to convert two temporary, partially federally funded positions to permanent full-time equivalent positions. Prior to FY 2024, these positions were completely funded from federal Preschool Development Grants. The House Finance Committee recommends \$119,529 for one position.

Education Aid - Core Instruction to Current Law. The funding formula uses a core instruction amount that is calculated using average expenditure and enrollment data from Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. The Governor's budget includes a proposal to cap the increase in the per-pupil core instruction amount to the average five-year annual percentage change in the consumer price index. For FY 2025, this results in a 3.9 percent increase from the FY 2024 enacted amount of \$11,876. This change sets the core instruction amount to \$12,335 for the Governor's recommended budget compared to \$12,617 under current law. The House Finance Committee does not concur and recommends a general revenue increase of \$26.3 million to maintain the current law core instruction amount.

Education Aid - ELL to 20%. The Governor recommends \$36.1 million to support English language learners that are in the most intensive programs, \$16.6 million more than enacted. This reflects the Governor's proposal to increase the weight from 15.0 percent of the core instruction amount to 25.0 percent and uses the core instruction amount of \$12,335. The FY 2024 enacted budget increased that calculation to 15.0 percent from 10.0 percent and removed the allowance for a ratable reduction, requiring full funding. The House Finance Committee recommends using a weight of 20.0 percent which is \$6.6 million less than

the Governor's recommendation and \$10.1 million more than enacted. The budget shifts this from categorical into the funding formula. The budget also changes the language from English learner to multilingual learner and clarifies the proficiency levels for which this funding applies.

Education Aid March Update. The House Finance Committee recommends adding \$13.4 million from general revenues for education aid to districts, charter schools, and state schools based on updated March 2024 enrollment data. This change reflects an increase of 1,147 students from the October 2023 enrollment data used in the Governor's recommendation, including 1,195 students in districts and 42 students in charter and state schools. Additionally, there are 1,539 more students in poverty, including 1,585 more in districts and 32 less in charter and state schools.

Educator Preparation Site Visits. The Governor recommends \$150,000 from general revenues to hire a vendor to complete site visits for the Performance Review for the Educator Preparation (PREP-RI) program. The vendor would support the Department in ensuring reliable results during visits to evaluate educator preparation programs at colleges and universities. These programs are reviewed to determine if they meet the department standards for educator preparation. The Department notes that this was previously funded with a private grant and that it has not had that source of funding for a couple of years. The House Finance Committee does not recommend this new expense from general revenues.

ESSER Funds Correction. Congress authorized a total of \$190.3 billion for emergency pandemic relief to elementary and secondary schools through three separate acts from which Rhode Island received a total of \$646.3 million. All funds were awarded to states in proportion to the distribution of Title I-A formula grants, of which at least 90 percent must be distributed to local education agencies, including charter and state schools. The Governor's budget exceeds available resources by \$21.9 million, based on the Department's request which overstated the FY 2024 total by \$28.8 million and understated its FY 2025 request by \$5.1 million. The House Finance Committee recommends correcting the errors in both years consistent with the Department's intent.

Healthy Environments Advance Learning Grant (3.0 FTE). The Department of Elementary and Secondary Education received a new federal Healthy Environments Advance Learning Program grant to support school infrastructure improvements. The focus of this five-year grant is to provide support to Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. These local education agencies were identified by the Department as having the highest needs based on academic outcomes, health outcomes, and status of school facilities. The House Finance Committee recommends adding \$1.0 million from federal funds and for state staff through the School Building Authority and \$0.6 million for consulting services and direct support for district facilities directors.

Math and English Language Arts Coaches. The Governor recommends a new one-time commitment of \$15.0 million from general revenues for FY 2025 to provide coaching services to local education agencies. The Department of Elementary and Secondary Education has been unable to provide additional information about current utilization of coaches. The House Finance Committee recommends providing \$5.0 million for a smaller scale initiative.

Recovery High School Closure. The Governor's recommendation includes \$0.5 million from general revenues for FY 2025 for recovery high school support. The state's only recovery high school, Anchor Learning Academy, closed on August 1, 2023. The House Finance Committee recommends removing the funding for FY 2025 as there has been no update on the future status of the program.

School for the Deaf Transformation Grants (GBA). The House Finance Committee concurs with the Governor's requested budget amendment to reduce Permanent School funds by \$59,000 for the School for the Deaf as requested by the Department of Elementary and Secondary Education. In its FY 2025 request, the Department eliminated funding from the permanent school fund as it no longer has sufficient funding.

The Governor's budget included \$59,000 more from general revenues to cover the loss of this fund source. This amendment would eliminate this source of funding as initially requested.

Higher Education

Affordability Study Correction. The Governor's FY 2025 recommendation includes the Office of Postsecondary Commissioner's request to maintain the enacted amount of \$0.2 million from general revenues for its higher education affordability study, expected to be a one-time expense. The work involves contracted research services to examine affordability and provide recommendations on state-funded scholarship programs, and begin to develop a predictable funding policy for consideration by the Assembly. This budget would provide a total of \$0.4 million over FY 2024 and FY 2025, but the Office has indicated that the work will cost \$0.3 million. Based on that, the House Finance Committee recommends removing \$0.1 million from FY 2025.

ARPA - Foster Care Youth Scholarship (GBA). The House Finance Committee concurs with the Governor's requested amendment to add \$1.0 million from State Fiscal Recovery funds in the Office of the Postsecondary Commissioner for a last dollar scholarship program for foster care youth exiting the Department's care to attend Rhode Island College. Recipients would receive tuition, room and board and/or support services, including during summer months. Funding would be distributed through the Rhode Island College Foundation.

Capital - CCRI Data Cabling and Power Infrastructure. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Community College's data, cabling and power infrastructure project based on updated plans. This includes removing \$2.8 million from FY 2024 and adding \$0.5 million to each FY 2025, FY 2026, and FY 2027, and \$1.3 million to FY 2028. Total funding of \$18.0 million is as recommended.

Capital - RIC Clarke Science Building (GBA). The approved capital plan totals \$53.0 million, including \$15.0 million from Rhode Island Capital Plan funds to modernize and rehabilitate Clarke Science building. The House Finance Committee concurs with the Governor's requested amendment to remove \$5.0 million inadvertently added in his budget. This would be consistent with the approved plan which provides \$10.0 million for FY 2024 and \$5.0 million for FY 2025.

CCRI Insurance and Janitorial Rebase. The House Finance Committee recommends adding \$1.0 million from general revenues for increased insurance and janitorial costs for the Community College of Rhode Island. The Community College reports that its general revenue supported insurance costs have increased \$1.0 million between FY 2019 and FY 2024. Additionally, state law requiring prevailing wage rates paid for workers performing work on state or municipal funded projects became effective as of July 1, 2023. This led to an increase in the college's janitorial contract.

Institute for Labor Studies and Research. The House Finance Committee recommends adding \$25,000 from general revenues to provide a total of \$125,000 to the Institute for Labor Studies and Research. The Institute for Labor Studies and Research is a nonprofit educational institution that provides education and training to Rhode Islanders. The 2022 Assembly provided support to the institute for the first time since FY 2016.

Onward We Learn. The House Finance Committee recommends a total of \$4.8 million for FY 2025 to support the operations and scholarship programs offered by Onward We Learn, formerly named the College Crusade, including \$455,000 from general revenues and \$4.3 million from the GEAR-UP federal grant. This is \$100,000 more from general revenues than enacted. GEAR-UP provides grants to states and partnerships for support and commitment to eligible low-income students including students with disabilities, to help the students obtain a secondary school diploma and to prepare for and succeed in

postsecondary education. Onward We Learn and the Office of Postsecondary Commissioner recently submitted the federal application for the next round of seven-year funding.

Promise May Update. Based on historical spending, the House Finance Committee recommends \$7.4 million from general revenues to support the Promise Scholarship program in FY 2025. While this is \$0.5 million less than the Governor recommended, it would provide six percent growth over FY 2024 to account for increased tuition rates and more student participation. It should be noted that funding in FY 2024 was adjusted downward twice to account for more accurate data.

URI - Operating Support. The Governor recommends \$142.2 million in general revenue operating support for the University of Rhode Island for FY 2025. This is \$3.4 million more than enacted and \$28.9 million less than requested. The House Finance Committee recommends adding \$2.0 million more from general revenues. This would provide \$144.2 million for FY 2025, which represents a 4 percent increase over the enacted level. The House Finance Committee also recommends authorization for 20.0 new full-time equivalent positions based on University hiring over the past year.

Attorney General

Health Care Litigation. The House Finance Committee recommends \$0.2 million from non-multistate initiative restricted receipts for costs associated with healthcare experts needed for litigation within the Civil Division of the Office of the Attorney General.

Judicial

Coalition Against Domestic Violence. The Governor's budget includes the enacted amount of \$230,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project as identified in Article 1 of the appropriations act. At its House Finance Subcommittee budget hearing, the Judiciary advocated for the state to provide a total of \$500,000 to the Coalition because of an expected decrease in federal support. The House Finance Committee recommends an additional \$270,000 from general revenues for the Coalition.

Turnover. The Governor's budget includes \$1.8 million of turnover savings, which is equivalent to 19.2 vacancies. As of the beginning of May, the Judiciary had 24.1 vacancies. The House Finance Committee recommends additional general revenue turnover savings of \$200,000, which is equivalent to 1.4 positions.

Military Staff

Active Duty Funeral Honors (GBA). The Military Staff's FY 2025 budget request added \$169,665 from general revenues for costs associated with putting two members of the guard on permanent funeral honors duty. The Governor did not include this in his budget, but subsequently requested an amendment to add the funding. The House Finance Committee concurs with the amended recommendation.

Public Safety

ARPA - Support for Survivors of Domestic Violence from FY 2024. The House Finance Committee recommends shifting \$10.0 million from State Fiscal Recovery funds from FY 2024 to FY 2025 to reflect projected spending. The 2022 Assembly provided a total of \$10.5 million to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault. The Governor recommends the entire \$10.5 million for FY 2024. Through the end of March, the Department has obligated \$10.2 million and only spent \$15,314.

Body - Worn Camera Project Shift from FY 2024. The House Finance Committee recommends shifting \$11.5 million from general revenues to purchase body cameras for the State Police and municipalities from FY 2024 to FY 2025 to reflect an updated spending plan. The enacted budget includes \$13.5 million from general revenues to purchase body-worn cameras for the State Police and municipalities. While the enacted budget provides that any unspent funds will be reappropriated, this adjustment recognizes most of the likely shift.

Capital - Asset Protection. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for asset protection projects based on updated construction plans for the Department's administration and radio buildings. This includes shifting \$1.3 million from FY 2024 to FY 2025; total funding is as recommended.

Capital - New Southern Barracks. The Governor requested an amendment to add \$3.1 million from Rhode Island Capital Plan funds to FY 2026 for the design and construction of a new Southern Barracks in West Greenwich. Total project costs would be \$41.4 million, including \$39.8 million for the FY 2024 through FY 2026 period. This is based on updated design estimates that were unavailable at the time of the Department's budget submission. The amendment also shifts \$1.0 million of funding from FY 2024 to FY 2026. The House Finance Committee concurs with the amended recommendation and shifts an additional \$1.5 million from FY 2024 to FY 2025 to reflect more recent updates.

Capital - Training Academy Upgrades. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for training academy upgrades based on the Department's updated schedule. This includes shifting \$0.3 million from FY 2024 to FY 2025 primarily to reflect delays for the project's two feasibility studies. Total funding is as recommended.

GO Team Support. The House Finance Committee recommends \$0.4 million from general revenues to support the Family Service of Rhode Island's GO Team. These are trauma experts who are able to co-respond on the scene with Rhode Island State Police to support children who are victims of violence and other traumas. Funding will address a gap in Victims of Crime Act (VOCA) formula grants that historically support these efforts.

State Police - State Fleet Replacement Revolving Loan Fund. The Governor recommends \$0.8 million from general revenues for repayments to the State Fleet Replacement Revolving Loan Fund for State Police vehicles. This includes \$0.6 million for the third annual payment for 36 vehicles acquired in FY 2022. It also reflects \$0.2 million for the first annual payment for 5 vehicles acquired in FY 2024. The Department projects that the payment for vehicles acquired in FY 2024 will be \$0.1 million less than recommended. The Governor subsequently requested a budget amendment to reduce general revenues accordingly. The House Finance Committee concurs.

State Police Training Academy (GBA). The House Finance Committee concurs with the Governor's requested budget amendment to recognize \$1.2 million of additional general revenue turnover savings to fund a FY 2025 State Police Training Academy class of 20 candidates. Recent academy classes have been every two years with 30 to 40 trainees. As of early May, the Department's FY 2024 training academy has 29 trainees, 11 fewer than anticipated.

Public Defender

Legal Staff Enhancement. The House Finance Committee recommends adding \$750,000 from general revenues to assist the Office of the Public Defender with competitive wages to ensure adequate staffing. These increases will help the Office with retention by reducing the difference in compensation for its attorneys compared to the Office of the Attorney General.

Emergency Management Agency

Assistant Director Communications (-1.0 FTE). The Governor recommends \$0.2 million from general revenues and 1.0 new full-time equivalent position for an assistant director of communications to work in the Emergency Management Agency's public information branch. The new position would be a senior staff member who would supervise the two current public information staff at the agency. This would provide 3.0 communications positions for a staff of 39.0. The House Finance Committee does not recommend the position.

Public Safety Warehouse (GBA). The House Finance Committee concurs with the Governor's requested budget amendment to add \$36,000 from general revenues for the Emergency Management Agency public safety warehouse. This corrects an inadvertent reduction in the Governor's original recommendation and would provide \$579,448 for FY 2025.

Environmental Management

Capital - Dam Repair. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for dam repair projects based on updated design plans for Curran Lower. This includes shifting \$4.8 million from FY 2025 to FY 2026 based on an updated schedule. Total funding is as recommended.

Capital - Galilee Piers. The House Finance Committee recommends revising the programming of Rhode Island Capital Plan funds for the Galilee Piers project based on an updated schedule, primarily for utility upgrades at the port. This includes shifting \$1.8 million from FY 2024 to FY 2025. Total funding is as recommended.

Capital - Marine Infrastructure/Pier Development. The recommended capital budget includes a total of \$1.3 million from Rhode Island Capital Plan funds for FY 2024 and FY 2025 for the redevelopment of Chase Marina in Tiverton. This includes the creation of Port Sakonnet that will support infrastructure for commercial harvesters and shellfish farmers. The House Finance Committee recommends shifting \$0.3 million from FY 2024 to FY 2025 based the Department's updated schedule. Total funding is as recommended.

Conservation Districts. The House Finance Committee recommends adding \$80,000 from general revenues to the \$100,000 in the enacted budget for regional conservation districts, which were formally established under Rhode Island General Law, Chapters 2-4, as amended in 1990. Funding supports the Eastern, Northern, and Southern Rhode Island Conservation Districts that assist landowners and municipalities on issues concerning land and water. The Districts are quasi-public subdivisions of state government, governed by a volunteer Board of Directors from the communities. Increasing funding would leverage additional federal funds that support municipal resiliency initiatives, particularly in chronically flooded areas.

Forestry Staffing (2.0 FTE). The House Finance Committee recommends adding \$0.2 million from general revenues and 2.0 full-time equivalent forest ranger positions to support efforts in woodlands, forests, and forestry projects. Rhode Island's forests have become vulnerable to brush fires, as demonstrated by the 2023 Exeter fire. The Department reports it does not currently have adequate staff to support preventative measures, such as controlled burning. Additional positions would help maintain the health of the forest, coordinate responses to forest fires, and improve the stewardship of state management areas.

Local Agriculture and Seafood Base Grant. The House Finance Committee recommends \$200,000 less from general revenues for the Local Agriculture and Seafood Act grant program to provide annual ongoing support of \$500,000. The 2022 Assembly provided \$700,000 for FY 2023, which included \$200,000 of

annual ongoing support and an additional \$500,000 in one-time funding for FY 2023, meant to address a backlog in the program. The FY 2024 enacted budget included an additional \$500,000 for another year. The Governor's FY 2025 recommendation includes \$700,000 for a third year. This program provides grants to local agriculture and food businesses to support the growth, development, and marketing of local food and seafood in the state. It is funded from general revenues and private contributions from the van Beuren Charitable Foundation, the Henry P. Kendall Foundation, and the Rhode Island Foundation.

Transportation

ARPA - Municipal Roads Grants Program. The recommended budget includes \$5.0 million from State Fiscal Recovery funds for FY 2025 for the Municipal Roads Grant Program for the construction and maintenance of roads, sidewalks and bridges. A municipal match of 67.0 percent is required. The House Finance Committee recommends an additional \$2.0 million for a total of \$7.0 million. Funds will be distributed equally and each municipality will receive \$179,487.

ARPA - RIPTA Operating Grant. The Governor recommends \$10.0 million from State Fiscal Recovery funds to assist the Authority with its projected operating deficit of \$18.1 million for FY 2025. The recommendation requires the Authority review all operations, including ridership and administration to identify efficiencies. The study must summarize the findings and include recommendations for sustainable and effective transit operations. The House Finance Committee recommends an additional \$5.0 million for a total of \$15.0 million.

ARPA - Washington Bridge Project (GBA). The Governor requested amendments to provide \$20.0 million from State Fiscal Recovery funds for FY 2025 as partial state match for the Washington Bridge Project. The total project cost is \$455.2 million; with a state share of \$83.6 million. He also proposed legislation authorizing \$334.6 million of new debt through the Grant Anticipation Revenue Vehicles (GARVEE) and \$40.0 million through Motor Fuel Revenue bonds for the project. His proposal leaves a source for \$23.6 million unidentified. The House Finance Committee provides pay-go funding for the state share, including \$35.0 million from State Fiscal Recovery funds and \$45.0 million from Rhode Island Capital Plan funds.

Capital - Highway Improvement Program. Subsequent to his budget submission, the Governor requested an amendment authorizing new debt issuance of \$40.0 million through Motor Fuel Revenue bonds for partial state match for the Washington Bridge Project. The House Finance Committee does not concur and includes pay-go funding, including \$45.0 million from Rhode Island Capital Plan funds, \$20.0 million for FY 2025 and \$25.0 million for FY 2026.

DOT - HMA and Gas Tax DOT Yield. Based on an upward revision to the gas tax yield and updated estimates to highway maintenance funds, the Department will receive an additional \$14.4 million over FY 2024 and FY 2025, compared to the Governor's recommended budgets. The House Finance Committee recognizes the additional resources to fill a projected funding gap for the Washington Bridge for which the Governor's proposal leaves a source for \$23.6 million unidentified.

Gantries - Maintenance and Operations. The recommended budget includes the enacted amount of \$1.5 million supported from toll revenues; however, no expenses were anticipated for FY 2025. The House Finance Committee removes these expenses and concurs with the Governor's recommendation to include a total of \$5.2 million for FY 2024 for a settlement with the tolling vendor for outstanding payments for work and claims related expenses.

Gas Tax - GARVEE Bonds Yield. The House Finance Committee recommends increasing expenditures for existing GARVEE bonds debt service, which is paid for with the equivalent of two cents of the gasoline tax, by \$114,604 to reflect an upward revision of the gasoline tax yield estimate.

Gas Tax - Turnpike and Bridge Authority Yield. The House Finance Committee recommends adjusting available gasoline tax in the Department of Transportation based on an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.2 million to reflect an upward revision to the gasoline tax yield estimate. The FY 2025 enacted budget would include \$15.0 million to the Authority.

HMA - 5% to General Fund Adjustment. Currently, 5.0 percent of fees from highway maintenance funds are retained to offset the cost of collections at the Division of Motor Vehicles. Based on updated estimates, the House Finance Committee adjusts the value by \$0.4 million, for a total of \$5.6 million.

Lease Expense - 288 Allens Avenue. The Governor's recommended budget for FY 2025 inadvertently retained \$300,000 from gasoline tax proceeds for lease expenses associated with 288 Allens Avenue. The sale of the property to the Department occurred in August 2023. The House Finance Committee excludes this unnecessary expense.

OHA/RIPTA - Gas Tax at Current Law. The House Finance Committee does not concur with the Governor's proposal to codify the current practice on the treatment of the 1-cent for elderly/disabled transportation services in state law by altering the distribution of that one cent. The current practice is for the Department of Human Services through the Office of Healthy Aging to retain 21.0 percent of the funds for non-emergency transportation expenses, and 79.0 percent is provided to the Rhode Island Public Transit Authority for some of the services provided. Effectively, expenses of \$3.3 million to the Authority are reflected in the Department of Human Services' budget; it requires that the Authority be reimbursed no later than 15 days after a payment is requested.

RIPTA - Gas Tax Yield and HMA. The House Finance Committee recommends a transfer of \$52.0 million from gasoline tax proceeds and highway maintenance funds to the Rhode Island Public Transit Authority. This is \$0.9 million more than the recommended budget, including \$0.6 million more to reflect an upward revision to the gasoline tax yield estimate and \$0.3 million for the Authority's share of the highway maintenance account based on updated estimates.

RIPTA URI Mobility Hub Technical Correction. The approved capital plan included \$0.5 million in FY 2023 from the Department of Transportation's share of highway maintenance funds toward a \$9.1 million project for the construction of a new bus hub at the University of Rhode Island Kingston Campus. The funds were not expended because of delays and are assumed in the Governor's recommended capital budget for the Authority; however, they were excluded from the operating budget. The House Finance Committee includes \$0.5 million, consistent with the recommended capital budget for the Authority and reduces the Department's share of the funds by a like amount.