

House Fiscal Advisory Staff

Budget as Enacted Fiscal Year 2027



Submitted to the 2026 House of Representatives

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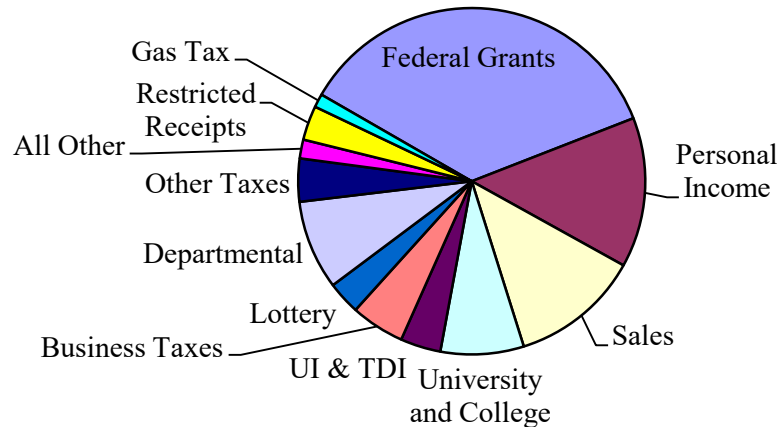
Section I

Budget at a Glance

FY 2027 Budget at a Glance

The Assembly adopted a budget with total expenditures of \$15,243.2 million, which is \$906.8 million more than the 2025 Assembly enacted for FY 2026 and \$384.1 million more than the Governor recommended. It contains \$6,079.1 million from general revenues, which is \$269.7 million more than originally enacted for FY 2026 and \$124.4 million more than the Governor recommended.

Sources of Funds



Budget Issues

- **ARPA - Fiscal Recovery.** Rhode Island received \$1.2 billion from State Fiscal Recovery and Capital Projects funds through the American Rescue Plan Act in March 2021. Funds are intended to respond to the coronavirus pandemic and its negative economic impacts. On January 4, 2022, the Assembly authorized the use of the first \$119.0 million, and six months later, allocated the remaining funds, as well as the Capital Projects Fund, for use over several years. The FY 2023 enacted budget allocated the remaining funds as well as the Capital Projects Fund for use over several years. Since FY 2024, funding for previously approved programs has always been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2025 Assembly made adjustments based on updated needs and priorities and authorized the Governor to reclassify program income or underspending to other eligible projects, reserving the right to review more significant changes with 30 days' notice. The Budget reflects all remaining unspent funds and recent reclassifications.

- **FY 2027 Gap.** House Fiscal Staff's June 2025 estimate of the FY 2027 budget gap between revenues and current services expenditures was about \$300 million. Later instructions issued by the Budget Office assumed a smaller gap, differing on caseload, education aid, and revenue assumptions. In December, the Budget Office revised the estimate downward to about \$100 million, based on available funds from FY 2025, recently adopted caseload and revenue estimates, updated education aid data, and other current-year spending trends. Notably, the new figure expressly excluded significant cost pressures expected to affect the FY 2027 budget, such as the human services rate review recommendations and the impacts of H.R. 1 not already reflected in the November consensus forecasts. The Governor's budget contains significant expenditure and revenue changes to address those items and the underlying FY 2027 gap, including some one-time items that add to the structural imbalance.

- **Out-Year Projections.** The out-years continue to be unbalanced. The forecast included in the Governor's budget estimates a roughly \$240 million gap for FY 2028, which grows to about \$540 million by FY 2031. The FY 2028 gap reflects the use of one-time surplus funds in FY 2027, budget initiatives with larger impacts in later years, and the updated economic forecast. The projections also assume the negative budget effects of federal law changes contained in H.R. 1, which grow considerably in later years. The Assembly took a different approach, adopting a complement of revenue initiatives that grow above the baseline in the out-years to reduce the sharpness of the structural deficit growth as more federal policy changes affect the budget. The Assembly also increased local and education aid support and made a long-term commitment to a public medical school. The Fiscal Staff estimates the FY 2028 budget gap at about \$260 million, growing to about \$420 million in FY 2031.

Taxes and Revenues

- **Personal Income Tax.** The Budget includes a three-year, phased-in increase in the tax rate on income over \$1.0 million, effective beginning in tax year 2027. Rhode Island currently has three tax brackets at income levels that are adjusted annually for inflation, with the highest at 5.99 percent and applicable to incomes above \$186,450 for tax year 2026. For tax year 2027, the rate for incomes over \$1.0 million will increase to 6.99 percent. The top rate will be 7.99 percent for tax year 2028 and 8.99 percent for tax year 2029. The annualized impact would grow over time to \$142.3 million by FY 2030. For FY 2027, revenues would be \$22.7 million.

- **Social Security Income Phase Out.** Under current law, taxpayers who have reached full retirement age and have incomes below \$107,000 for individuals or \$133,750 for joint filers are exempt from paying state income tax on their Social Security income. The Budget eliminates the current age threshold in 2027 and assumes a \$3.0 million revenue loss.

- **Child Tax Credit.** The Budget maintains the current dependent exemption and adds a refundable child tax credit of \$330 that would phase out at \$100,000 for single filers and \$125,000 for joint filers. This is estimated to cost \$23.1 million for FY 2027, which would annualize to \$46.6 million.

- **Research and Development Tax Provisions.** The Budget includes \$22.6 million of revenue in FY 2026 and FY 2027 from a proposal to permanently decouple from a provision in H.R. 1 regarding research and development expensing beginning with tax year 2026. The FY 2026 enacted budget proactively decoupled the state from any tax year 2025 or earlier provisions that may be enacted after the budget was adopted, requiring their analysis for future action.

- **Corporate Tax Decoupling.** The Budget decouples from two federal corporate tax deductions identified in the H.R. 1 report, effective beginning with tax year 2027. These include the Qualified Business Stock Gains, also known as QSBS, and the business interest limitation. The Budget assumes this action will result in \$5.1 million in additional revenues.

- **Tax Amnesty.** The Budget assumes \$26.3 million in one-time revenues from a 75-day tax amnesty program, during which the Division of Taxation will waive penalties and reduce interest owed by 25.0 percent for participants, and run from December 2026 through February 2027. The state's last tax amnesty was conducted in December 2017, and it collected \$22.0 million in existing and new debts. The Budget includes \$750,000 for Division of Taxation expenses, including marketing and postage.

- **Rebuild Rhode Island Tax Credit.** The Budget includes \$6.1 million from general revenues to continue funding commitments under the Rebuild Rhode Island Tax Credit program. The program provides real estate development tax credits for qualified construction, which are redeemed over time. It also increases the award cap by \$25.0 million to \$250.0 million and extends the sunset date by one year to December 31,

2027. Through FY 2026, the state has allocated \$194.7 million to satisfy commitments already made, including \$10.1 million in FY 2026.

- **Wavemaker Fellowships.** The Budget includes \$1.0 million from general revenues to fund the student loan forgiveness program enacted in 2015 that provides up to four years of loan forgiveness for employees with degrees in the fields of life, natural, or environmental sciences; computer technology; engineering; medicine; health care; and teaching, working for Rhode Island employers. The Budget extends the sunset one year to December 31, 2027. The amount is \$1.6 million below the enacted level, based on available resources from prior appropriations.
- **Marijuana Trust Fund.** The Budget transfers \$5.0 million from Marijuana Trust Fund restricted receipts to general revenues during FY 2026. Under current law, receipts may be used for program administration, public education, data collection, law enforcement support, and substance use services.
- **Low Income Housing Tax Credit Fund.** Through FY 2026, the Assembly has provided \$32.0 million from general revenues for the Low Income Housing Tax Credit Fund to pre-fund credits against an existing award maximum of \$120.0 million based on the current sunset date. The 2025 Assembly also established a non-owner occupied residential property tax of 0.5 percent annually on the portion of property value exceeding \$1.0 million, effective July 1, 2026, and dedicated all resulting revenues to supplement appropriations to the fund. The Budget assumes \$0.5 million from restricted receipts to reflect the first anticipated redemption of credits under the program in FY 2027.
- **Child Support Pass-Through.** Child support payments collected by the state on behalf of participants in federally funded Temporary Assistance for Needy Families programs are retained by the state to offset the cost of government assistance, with the exception of \$50 monthly passed through to the recipient family. The Budget increases the pass-through payment to \$100 for the first child and \$200 for families with two or more children, which is the maximum allowed by the federal government. This is estimated to reduce revenues by \$0.2 million for FY 2027.

Commerce and Workforce

- **Air Service Development Fund.** The Budget includes \$2.7 million from general revenues, consistent with the enacted budget, to recapitalize the Air Service Development Fund to reimburse marketing expenses for airlines connecting to Rhode Island T.F. Green International Airport. All funding currently maintains one existing agreement with Breeze Airways; the recommendation reflects sufficient funding to continue the agreement. There is no change to the December 31, 2027, sunset date.
- **ARPA - Bioscience Investments.** The 2023 Assembly authorized \$45.0 million from State Fiscal Recovery funds to create the Rhode Island Life Science Hub, finance one or more wet lab facilities, and capitalize a new fund to promote bioscience business and workforce development. The FY 2026 final budget includes the remaining \$24.2 million; \$20.8 million was spent through FY 2025.
- **ARPA Capital - Last-Mile Broadband.** The Budget maintains the authorized \$25.8 million from Capital Projects funds to expand reliable, high-speed internet. The program provides municipalities, public housing authorities, businesses, and internet service providers with funding to expand internet access to underserved communities. Through FY 2025, \$1.1 million has been spent, and the FY 2026 final budget includes the remaining \$24.6 million.
- **Assistance to Impacted Industries.** The Budget includes \$0.5 million from general revenues for FY 2027 to continue a placemaking grant program. This program was originally supported by State Fiscal Recovery funds; through FY 2025, \$13.7 million has been spent, and the FY 2026 final budget includes the remaining \$1.3 million. The program provides funding for capital improvements to businesses, community

organizations, and municipalities to spur economic development; originally, it was intended to support businesses negatively affected by the COVID-19 pandemic.

- ***Blackstone Valley Visitor Center.*** The Budget includes the FY 2026 enacted amount of \$75,000 from general revenues to support the operation of the Blackstone Valley Visitor Center.
- ***Chafee Center at Bryant.*** The Budget includes the FY 2026 enacted amount of \$476,200 from general revenues for the Chafee Center at Bryant University. As the state's designated State International Trade Office, its consultants work with local companies to offer guidance and advice to initiate and/or develop international trade opportunities.
- ***Commerce Corporation - Operations.*** The Budget includes the FY 2026 enacted amount of \$8.5 million from general revenues to support the Rhode Island Commerce Corporation's operations.
- ***Destination Marketing.*** The Budget includes \$1.5 million from general revenues to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. This is \$0.1 million more than the FY 2026 enacted budget.
- ***East Providence Waterfront Commission.*** The Budget includes the FY 2026 enacted amount of \$50,000 from general revenues for the East Providence Waterfront Commission.
- ***Experimental Program to Stimulate Competitive Research (EPSCoR).*** The Budget includes the FY 2026 enacted amount of \$0.9 million for the National Science Foundation's Experimental Program to Stimulate Competitive Research.
- ***First Wave Closing Fund.*** The Budget extends the sunset of the First Wave Closing Fund by one year, to December 31, 2027. Prior appropriations to the Fund, net amounts recaptured, total \$20.3 million and are intended to provide flexible financing for transactions deemed critical to the state's economy. Through FY 2025, \$19.8 million has been awarded to 13 recipients, including \$7.8 million to support the redevelopment of 111 Westminster Street.
- ***I-195 Redevelopment Fund.*** The Budget extends the sunset for the I-195 Redevelopment Fund one year to December 31, 2027. The Fund received a total of \$30.0 million in recent years from general revenues to provide developers and businesses with financing for capital investments, including land acquisition, to promote the development of the former highway land administered by the I-195 Redevelopment District Commission. The Commission has active commitments of \$29.0 million as of June 2026.
- ***I-195 Redevelopment District Commission.*** The Budget includes the FY 2026 enacted amount of \$1.2 million from general revenues for operation expenses of the I-195 Redevelopment District Commission.
- ***I-195 Redevelopment Commission Capital.*** The capital plan includes \$1.0 million from Rhode Island Capital Plan funds for FY 2027 and \$0.4 million for FY 2028 for professional, legal, and engineering services related to the maintenance and marketability of the I-195 land.
- ***I-195 Park Infrastructure.*** The Budget includes \$7.6 million, including \$3.6 million from Rhode Island Capital Plan funds and \$4.0 million from general obligation bonds approved in March 2021, to develop physical infrastructure at the I-195 Redevelopment District's parks. This is \$0.5 million more than the approved plan from Rhode Island Capital Plan funds for FY 2027, reflecting an increased cost estimate. Work includes facilities for concessions, restrooms, expanded utility services, and trash receptacles.
- ***Innovation Campus Bond.*** The Budget includes the \$20.0 million from general obligation bond proceeds approved by the voters on the November 2016 ballot to construct one or more innovation

campuses affiliated with the University of Rhode Island. All funds have been awarded and are scheduled to be disbursed through FY 2029.

- ***Port of Davisville Modernization.*** The Budget includes the \$20.0 million from general obligation bond proceeds approved by the voters in March 2021 for infrastructure improvements at the Port of Davisville for its existing businesses and offshore wind projects.
- ***Quonset Port Road.*** The Budget includes the \$15.0 million from general obligation bond proceeds approved by the voters on the November 2024 ballot to prepare landside facilities and infrastructure at Quonset for offshore wind development.
- ***Quonset Infrastructure.*** The Budget includes the approved amount of \$7.5 million from Rhode Island Capital Plan funds to modernize and expand Quonset Business Park infrastructure to accommodate new tenants. The Quonset Development Corporation manages infrastructure such as roadways, water supply and distribution systems, Corporation buildings, and a wastewater treatment facility.
- ***PFAS Mitigation at Quonset Business Park.*** The FY 2026 final budget includes the approved amount of \$1.0 million from Rhode Island Capital Plan funds to finance engineering, permitting, and other pre-construction services necessary for a new potable water treatment system at Quonset Business Park.
- ***Site Development.*** The Budget authorizes \$55.0 million from general obligation bonds to go before voters on the November 2026 ballot for large-scale industrial development within the Quonset Development Corporation and land acquisition and project investments within the I-195 District. These funds are intended to supplement the existing \$40.0 million from general obligation bonds approved in March 2021.
- ***Growth Industry Infrastructure.*** The Budget authorizes \$45.0 million from general obligation bonds to go before voters on the November 2026 ballot to finance infrastructure, facilities, projects, and investments within Rhode Island's ocean, defense, life sciences, data analytics, and related industries.
- ***Innovation Initiative.*** The Budget extends the sunset by one year to December 31, 2027, for the innovation voucher and network matching grant initiatives. It also includes a new allocation of \$1.0 million from general revenues for FY 2027.
- ***Main Streets Revitalization.*** The Budget includes \$1.0 million from general revenues for the Main Street RI Streetscape Improvement Fund and extends the sunset date one year to December 31, 2027. Established in 2015, the fund supports loans, matching grants, and other forms of financing to enhance infrastructure, create an attractive environment in local business districts, and provide technical assistance. The 2025 Assembly formally established a Main Street Coordinating program to promote economic activity and development within the state, eligible for support from this fund. The Budget calls for \$150,000.
- ***Polaris Manufacturing Extension Partnership.*** The Budget includes the FY 2026 enacted level of \$500,000 from general revenues for the Polaris Manufacturing Extension Partnership to support Rhode Island manufacturers.
- ***Urban Ventures.*** The Budget includes the FY 2026 enacted amount of \$140,000 from general revenues for Urban Ventures, a 501(c)(3) urban minority business incubator. This is assumed to satisfy the state's responsibility to support a non-profit urban business incubator, pursuant to Rhode Island General Law, Section 42-64-13.1(e).
- ***Real Jobs Rhode Island.*** The Budget includes \$13.3 million for the Real Jobs Rhode Island program for FY 2027. This includes level funding of \$6.1 million from general revenues, including \$0.6 million for

direct care and support services staff, as well as \$1.0 million from federal funds and \$6.3 million from the Governor's Workforce Board restricted receipts available from Job Development Fund assessments.

- ***Small Business Development Center.*** The Budget includes the FY 2026 enacted amount of \$700,000 from general revenues for the Small Business Development Center at the University of Rhode Island.
- ***Unemployment Benefits.*** The Budget assumes \$282.9 million for unemployment benefit payments from employer contributions for FY 2027. This is \$45.7 million more than the enacted budget assumed and \$25.6 million more than the FY 2026 final budget. As of January 1, 2026, the taxable wage base for most employers is \$30,800 or 3.4 percent above calendar year 2025. The lower Tax Schedule F also came into effect on January 1, 2026, based on the trust fund balance; the new employer rate remains unchanged at 1.21 percent.
- ***Temporary Insurance Payments.*** The Budget assumes \$286.0 million for benefit payments from employee contributions for FY 2027. It includes \$240.0 million for disability benefits and \$46.0 million for caregiver benefits. This is \$11.0 million more than the FY 2026 final budget, including \$5.0 million more for disability and \$6.0 million more for caregiver benefits. As of January 1, 2026, the program allows eligible claimants up to eight weeks of benefits to care for an eligible family member or to bond with a new child. For calendar year 2026, the contribution rate is 1.1 percent for taxable wages up to \$100,000; the taxable wage base is 12.1 percent higher than 2025.

Housing (See Section VI, Special Reports: Housing)

- ***Affordable Housing.*** The Budget authorizes \$120.0 million from new general obligation bond funds to be placed before the voters on the November 2026 ballot for housing development, infrastructure, redevelopment, property acquisition, and homeownership programs. Of these funds, at least \$25.0 million must support production of housing intended for homeownership and up to \$10.0 million may be used to support a program for public housing development. The Budget also includes \$138.8 million from general obligation bonds approved by voters in March 2021 and November 2024 to increase the availability of housing programmed for FY 2026 through FY 2028.
- ***ARPA - Affordable Housing Development.*** The final budget includes the remaining \$40.0 million of the \$100.0 million authorized from State Fiscal Recovery funds to provide enhanced gap financing for affordable housing developments. This creates an additional directed subsidy that matches multiple sources of financing.
- ***ARPA - Home Repair and Community Revitalization.*** The final budget includes the remaining \$9.7 million of \$24.5 million authorized from State Fiscal Recovery funds to support critical home repairs, redeveloping residential or commercial properties, and public and community spaces.
- ***ARPA - Site Acquisition.*** The final budget includes the remaining \$900 of the \$25.0 million authorized from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing that began in 2020. The program subsidizes developers in acquiring property to develop into long-term, affordable, and supportive housing for people experiencing homelessness.
- ***ARPA - Workforce Housing.*** The final budget includes the remaining \$8.3 million of the \$20.0 million authorized from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income.
- ***ARPA - Homelessness Infrastructure.*** The final budget includes the remaining \$4.2 million of the \$45.0 million authorized from State Fiscal Recovery funds to increase facility capacity for individuals

experiencing homelessness. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs.

- ***ARPA - Homelessness Assistance Program.*** The final budget includes the remaining \$9.0 million of the \$38.8 million from State Fiscal Recovery funds authorized to provide housing navigation, stabilization, and mental health services for people experiencing homelessness.
- ***ARPA - Housing Strategic Plan.*** The final budget includes the remaining \$1.0 million of the \$2.0 million from State Fiscal Recovery funds authorized for a statewide comprehensive housing plan to assess current and future housing needs, consider homeownership and affordability barriers, and identify services needed to support increased investments for disproportionately impacted individuals and communities. Funds also support municipal planning efforts.
- ***ARPA - Targeted Housing Development.*** The final budget includes the remaining \$18.0 million of the \$26.0 million from State Fiscal Recovery funds authorized to allow the Secretary of Housing to target priority housing development projects. Of this amount, \$4.0 million supports transit-oriented housing.
- ***ARPA - Housing Related Infrastructure.*** The final budget includes the remaining \$1.9 million of the \$3.0 million from State Fiscal Recovery funds authorized for the Infrastructure Bank to support infrastructure necessary for affordable housing development.
- ***ARPA - Municipal Homelessness Support Initiative.*** The final budget includes the remaining \$0.7 million of the \$2.2 million from State Fiscal Recovery funds authorized to award grants to municipalities to help pay for community services, such as trash collection, ambulance, or outreach that support homeless individuals. On June 8, after the House passed the budget, the Governor requested that \$0.2 million in unspent funds be reclassified to operating support for the Enterprise Resource Planning System.
- ***ARPA - Municipal Planning.*** The final budget includes the remaining \$1.7 million of an initial \$2.3 million from State Fiscal Recovery funds authorized to award grants to support municipal planning efforts, including \$1.3 million for a municipal fellows program and \$1.0 million for transit- and zoning-related grants to municipalities. In October 2025, \$0.6 million in transit-oriented development awards were announced; the Governor subsequently requested that the remaining \$0.4 million be reclassified to operating support for the Enterprise Resource Planning System. On June 8, after the House passed the budget, the Governor requested reclassification of an additional \$0.1 million for the same purpose.
- ***ARPA - Proactive Housing Development.*** The final budget includes the remaining \$0.7 million of the \$1.4 million from State Fiscal Recovery funds authorized to create a new, proactive development subsidiary of RI Housing. The subsidiary was formally established in January 2024, and a president was appointed that September.
- ***Livable Home Modification Grant Program.*** The Budget includes the FY 2026 enacted amount of \$0.5 million from general revenues for the Livable Home Modification Grant Program, which provides 50.0 percent of the total retrofit costs to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The grant amount is capped at \$4,500.
- ***Sojourner House.*** The Budget includes \$200,000 from general revenues for Sojourner House for supportive housing and rapid rehousing activities.
- ***State-Owned Shelters.*** The Budget includes \$0.5 million for FY 2026 and \$3.4 million for FY 2027 from general revenues, Housing Resources and Homelessness restricted receipts, and Rhode Island Capital Plan funds for operating costs and asset protection for three state-owned homelessness shelters in

Providence. These properties were acquired over the past few years, and expenses were previously supported from State Fiscal Recovery funds.

- ***Statewide Mandatory Rental Registry.*** The FY 2026 final budget includes the \$364,000 reappropriated from unused FY 2025 general revenues to fund the required statewide publicly accessible online database of all rental units, including information on their compliance with lead laws.

Health Insurance

- ***Marketplace Affordability Program.*** The Assembly created a premium subsidy program to assist individuals who purchase health insurance on the Exchange, effective January 1, 2027. The program must prioritize individuals under 200 percent of the federal poverty level who are no longer receiving the enhanced federal subsidies that expired at the end of December 2025. The Budget provides \$22.0 million from general revenues, which is expected to cover premium costs for over 20,000 individuals and represents a 15.8 percent increase in overall support.
- ***Health Insurance Market Integrity Fund.*** The Budget includes \$17.3 million to make reinsurance payments to health insurance carriers and \$0.7 million for program administration. This is supported by \$12.2 million from federal funds and \$5.8 million from the Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions.
- ***HealthSource RI.*** The Budget includes \$14.4 million from all sources, including \$1.5 million from general revenues, to support ongoing operating expenses for HealthSource RI. Total expenses are \$1.0 million more than enacted, reflecting updated costs for its share of the Unified Health Infrastructure Project, and operations. The budgets include general revenue savings of \$0.5 million in FY 2027 and \$0.8 million in FY 2026, reflecting the use of agency sources.
- ***RI REACH.*** The Budget includes \$0.7 million mostly from general revenues for contracted services for the Office of the Health Insurance Commissioner for the Rhode Island Parent Information Network to operate a consumer assistance helpline, including navigation assistance for Medicare and Medicaid dual eligibles.
- ***Dental Insurance Loss Ratio Report.*** The 2024 Assembly required the Office of the Health Insurance Commissioner to provide comprehensive dental health plan recommendations and a minimum percentage of dental premium dollars to be spent on patient care by October 1, 2026. The Budget includes \$0.1 million from general revenues in FY 2026 to complete the work, funded by an equivalent levy on dental insurers as authorized by statute.
- ***Pharmacy Benefit Manager Study.*** The Budget requires new disclosures from Pharmacy Benefit Managers and requires the Office of the Health Insurance Commissioner to analyze this data and produce an associated report by October 1, 2027. It authorizes the Office to levy up to \$175,000 on health insurance companies for contractors to produce the report and provides \$0.5 million from general revenues and 2.0 new positions for anticipated regulatory work.

The Assembly subsequently passed 2026-H 8579, Substitute A, as amended, which supersedes this authority and includes more extensive provisions for the certification and regulation of pharmacy benefit managers, as well as an annual reporting requirement.

- ***Health Spending Accountability and Transparency Program.*** The Budget includes \$350,000 from general revenues, \$50,000 more than enacted, for contracted technical assistance and data analysis of healthcare claims and spending. It also empowers the Health Insurance Commissioner to set mandatory healthcare cost growth and primary care investment targets, with penalties for noncompliance.

- ***Hospital Financing Support.*** The Assembly adopted separate legislation, contained in 2026-H 7408, Substitute A, as amended, authorizing the State Controller to transfer \$18.0 million from the Supplemental State Budget Reserve Account to general revenues for FY 2026. The funds were appropriated to the Rhode Island Health and Educational Building Corporation to fund a debt service reserve as financing support to assist in the sale of the Roger Williams Medical Center and Our Lady of Fatima Hospital.

Local Government (*See Section VI, Special Reports: State Aid to Local Governments*)

- ***Distressed Communities Relief Fund.*** The Budget includes \$15.8 million from general revenues for the Distressed Communities Relief Fund. Redistribution of funding among qualifying communities is based on updated tax levies and reflects East Providence as a newly qualified community. In the first qualification year, a community receives a transition payment of half its proportional share. This is \$0.9 million more than the FY 2026 enacted level to accommodate the addition of East Providence without reducing other communities.
- ***Motor Vehicle Excise Tax.*** The Budget includes \$244.3 million for the Motor Vehicle Excise Tax Phase-out program. This is \$4.8 million more than FY 2026 and reflects the current law requirement that municipal reimbursement increases based on the annual change in sales tax collections, subject to a cap of 2.0 percent per year. The Governor had proposed repealing that.
- ***Payment in Lieu of Taxes Program.*** The Budget includes \$49.0 million from general revenues to fully fund the Payment in Lieu of Taxes program that reimburses cities and towns for property taxes that would have been due on real property exempted from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. This is \$2.3 million less than the enacted budget, which also fully funded the program, based on updated local data on forgone revenues.
- ***Tangible Tax Exemption.*** The Budget includes \$25.9 million from general revenues for the tangible tax reimbursement in both FY 2026 and FY 2027 based on finalized 2025 data. The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax, effective January 1, 2024, and to reimburse municipalities and fire districts for the lost revenue, subject to some limitations.
- ***Library Resource Sharing Aid.*** The Budget includes \$12.5 million from general revenues to fully fund state support of public libraries. Current law allows for a 25.0 percent reimbursement of expenditures from the second prior year, subject to appropriation.
- ***Library Construction Aid.*** The Assembly provided \$2.1 million from general revenues to fully fund library construction aid requirements. The state reimburses libraries up to half the total costs for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the project's completion, acceptance, and audit.
- ***Property Valuation Reimbursement.*** The Budget includes \$0.8 million from general revenues for FY 2027 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years, with statistical updates every third and sixth year following a full revaluation. This reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations.
- ***Airport Impact Aid.*** The Budget includes the enacted amount of \$1.0 million from general revenues for FY 2027 to the Commerce Corporation so that the Airport Corporation can provide impact aid payments to the seven communities that host the six state airports. Community payments are made in proportion to the total number of landings and takeoffs.

- **Warwick Airport Audit.** The Budget includes the enacted amount of \$500,000 from general revenues for the City of Warwick, under state law requiring such payment if the Federal Aviation Administration disapproves municipal compensation services paid by the Rhode Island Airport Corporation. A 2023 audit disallowed certain payments, thus triggering the statutory payment.
- **CPF - Community Learning Center Municipal Grants.** The FY 2026 final budget includes \$70.8 million from Capital Projects funds to cities and towns seeking to renovate or build community centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. Combined with prior year expenses of \$12.5 million, the total is \$83.2 million, which is \$1.5 million above the previous approved amount, reflecting additional funds that became available. A total of 18 municipalities are building 21 learning centers. Six municipalities are partnering to build four shared projects.
- **E-Permitting.** The Budget includes \$1.2 million from general revenues, \$0.2 million more than enacted for FY 2026, to support uniform permitting for all Rhode Island municipalities. Municipalities were required to provide online construction permitting by July 2024 and online land use and zoning permitting by October 2025. The 2025 Assembly required further integration with the Coastal Resources Management Council and the Departments of Transportation and Environmental Management, permitting by October 2026. The Budget also requires the Department to submit a report with its FY 2028 budget request, that includes an analysis of the program and suggested statutory revisions.
- **Structural Remodeling Licensing.** The Budget includes \$0.2 million from restricted receipts for 2.0 new positions for the Department of Business Regulation to implement a new licensing program required by the 2025 Assembly for contractors performing structural work on residential buildings with one to four units.

Education Aid (See Section VI, Special Reports: Education Aid)

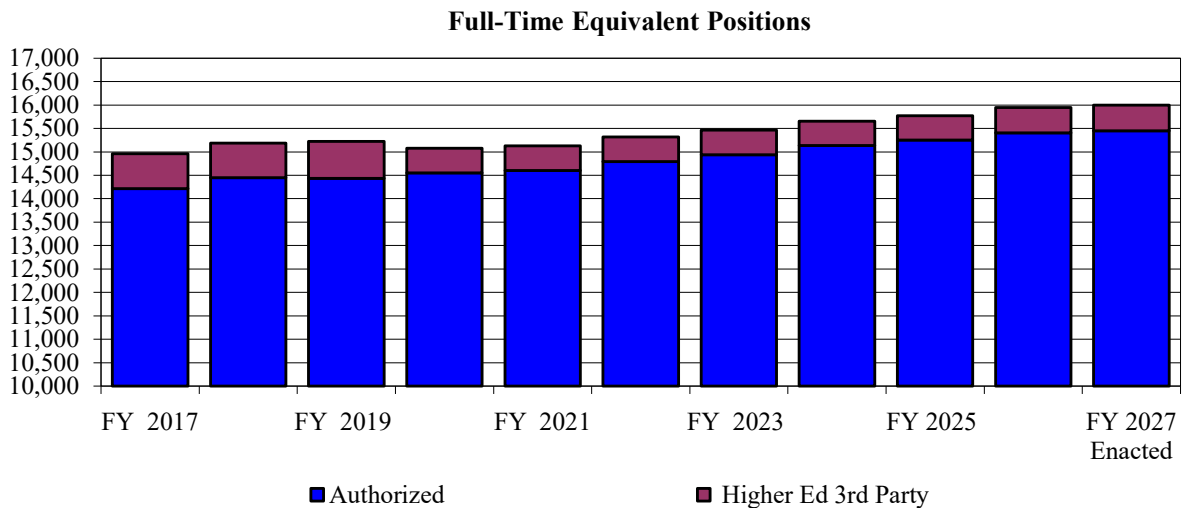
- **FY 2027 Formula Education Aid.** The Budget includes \$1,332.4 million for education aid for local school districts, including state schools and Central Falls, pursuant to the funding formula. This is \$42.1 million and 3.3 percent more than the FY 2026 enacted amount.
- **Funding Formula Assumptions.** The calculation of education aid uses March 15, 2026 student enrollment data, including projected charter school enrollments, a per-pupil core instruction amount of \$13,859, and state share ratio variables updated using June 30, 2025, data. The Budget includes the Governor's proposal to increase the student success factor from 40.0 percent to 43.0 percent for all local education agencies. The effect of this change to the current law formula is \$15.6 million.
- **Enrollment Loss Transition Fund.** The 2023 Assembly created an enrollment loss transition fund that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The Budget includes \$13.0 million, based on updated data; this includes \$2.7 million for the second year of the FY 2026 calculation and \$10.3 million related to this year's new losses.
- **Poverty Loss Stabilization Fund.** The 2023 Assembly created a poverty loss stabilization fund to help districts adjust to significant changes in state aid by giving them more time to align their budgets. This fund is triggered when the foundation formula aid produces less than the prior year, and the state share ratio decreases by more than 2.0 percent. Payments equate to half the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio. The Budget includes \$3.7 million for FY 2027 based on updated data, which is \$1.1 million less than FY 2026.

- **Central Falls.** The Budget includes \$55.2 million from general revenues for the Central Falls School District, including \$43.6 million in formula aid and \$11.7 million in stabilization funding to assist the city in paying its local share. This is \$0.7 million more than enacted. The Budget also includes legislation that returns the district to local governance and defines the city's local share. It makes no changes to stabilization funding.
- **Davies Career and Technical Center.** The Budget includes \$21.1 million from general revenues for education aid to the Davies Career and Technical Center, including \$10.7 million from formula aid and \$10.4 million from stabilization funds. This is \$2.6 million more than enacted, almost entirely stabilization funds, which reflects increases for statewide transportation and a placeholder for the upcoming teacher contract renewal.
- **Metropolitan Career and Technical School.** The Budget includes \$15.0 million from general revenues for education aid to the Metropolitan Career and Technical School. This includes \$11.4 million from funding formula aid and \$3.6 million from stabilization funding. Funding is \$2.0 million above enacted levels, including \$0.4 million from stabilization funding.
- **Early Childhood Funds/Prekindergarten.** The education funding formula has an early childhood education category of aid that allows the state to provide additional resources to increase access to voluntary, free, high-quality prekindergarten programs. The Budget includes \$28.9 million from general revenues. This is consistent with the enacted budget and will maintain the current seats.
- **Career and Technical Education.** The Budget includes \$5.5 million for the FY 2027 separate allocation of career and technical funds, as allowed by the funding formula, \$1.0 million more than the enacted budget to provide more support to these high cost programs.
- **Special Education Excess Costs.** The funding formula allows the state to assume the costs for high-cost special education students when those costs exceed four times the district's combined per-pupil core instruction and student success factor amounts, subject to appropriation. The Budget includes \$20.0 million for FY 2027, \$2.5 million above FY 2026. This represents 78.7 percent of eligible expenses, an increase from the 56.0 percent represented in the FY 2026 enacted budget. This reflects updated data, the increased appropriation, and the increase in the student success factor.
- **Non-Public School Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students to out-of-district non-public schools. The Budget includes \$6.7 million for FY 2027, \$2.0 million more than the enacted budget to fully fund this category of aid.
- **Regional District Transportation.** The funding formula allows the state to provide resources to mitigate the excess costs of transporting students within regional school districts. The Budget includes \$8.3 million for FY 2027, \$0.5 million more than the enacted budget to fully fund this category of aid. The Governor's budget represents 94.1 percent of full funding.
- **School Construction Aid.** The Budget includes \$122.1 million to fund the projected costs of the traditional school housing aid reimbursement to local districts for FY 2027. This is \$2.2 million more than enacted and maintains the current practice of single-year reimbursements for debt service and projects funded from capital reserve funds for FY 2027 only. The Budget assumes the School Building Authority will use a different interpretation of when payments are made beginning in FY 2028.
- **School Building Authority Capital Fund.** The Budget repeals the requirement that any current year difference between appropriations and entitlements under the traditional housing aid program be transferred to the School Building Authority Capital Fund, effective in FY 2026.

- **Central Falls School Project.** The Budget includes general revenue expenses of \$10.7 million for FY 2026 and \$10.8 million for FY 2027 for debt service associated with the construction of a new high school for the Central Falls School District. This arrangement is designed to achieve an overall cost reduction and differs from the traditional process used by districts in that the state issues all the debt, and the city reimburses its share. The state's share of the \$144.0 million project cost is \$138.2 million.
- **Teacher Retirement.** The Budget includes \$130.2 million from general revenues for the estimated cost of the state's share of teacher retirement costs in FY 2027. This is \$7.8 million less than enacted for FY 2026, reflecting both lower rates and updated payroll information. The state funds 40.0 percent of the employer's share of retirement contributions for members of the teacher retirement system.
- **Textbook Reimbursement.** The Budget includes \$60,000 for current law reimbursements allowed under the textbook reimbursement program, which is consistent with the enacted budget. The state covers districts' costs of providing textbooks to non-public school students in English/language arts and history/social studies in kindergarten through 12th grade.
- **School Breakfast.** The Budget includes the enacted level of \$270,000 from general revenues for the administrative cost reimbursements to districts for the school breakfast program. Most food is paid for from federal sources.
- **Reduced Price Breakfast and Lunch Subsidy.** The Budget includes \$0.8 million from general revenues to provide free breakfast and lunch to all public school students eligible for reduced-price meals through the federal program. This is consistent with the FY 2026 enacted budget.

State Government (See Section VI, Special Reports: State Government Personnel and Staffing)

- **FTE Authorization.** The Assembly authorized 15,997.2 full-time equivalent positions for FY 2027, including 544.8 higher education positions supported by third-party funds. This is 75.4 positions more than the FY 2026 enacted level. It added 200.0 new full-time equivalent positions for the University, and included a separate cap of 450.0 positions that support auxiliary operations. It also removed 225.0 long-standing vacancies statewide. For FY 2025, the state averaged 14,268.0 filled full-time equivalent positions, with 1,504.8 vacancies. In FY 2024, it averaged 13,934.7 filled full-time equivalent positions, and 1,718.1 vacancies.



- **Office of Inspector General.** The Budget includes \$1.3 million and 12.0 full-time equivalent positions for initial funding of a new Office of Inspector General to investigate the management and operations of agencies related to the prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds.
- **FEMA Contingency Reserve.** The Budget includes \$1.9 million from general revenues for FY 2026 as a contingency reserve for COVID-19-related expenses, in the event that reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions.
- **Group Home Replacement and Rehabilitation.** The Budget includes \$5.0 million in new funding from Rhode Island Capital Plan funds in FY 2027 to construct or renovate group homes. This would provide a total of \$20.0 million in funding since FY 2024.
- **Group Homes Consolidation/Maintenance.** A prior approved plan consolidated five maintenance and asset protection projects into a single Group Homes Consolidation project in the Department of Administration's budget. The facilities were managed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals until their transfer in FY 2020. The capital budget transfers the project back and includes \$30.0 million from FY 2027 through FY 2031, \$4.8 million more than the previously approved plan.
- **State House Renovations.** The capital budget includes \$101.2 million from Rhode Island Capital Plan funds from FY 2027 through FY 2031 for State House interior and exterior renovations and asset protection, including the building's mechanical, electrical, and plumbing systems. This is \$27.6 million more than the previously approved plan, which adds \$20.0 million for the systems' workup from the original estimate of \$41.8 million based on a recently completed study.
- **Wrongful Conviction Awards.** The Budget includes \$0.9 million from general revenues in FY 2027, for wrongful conviction awards. This is \$0.1 million less than the FY 2026 enacted level, reflecting updated estimates. The 2021 Assembly adopted legislation to compensate individuals who were wrongfully convicted of crimes and incarcerated. Compensation for each year served is up to \$50,000. Through FY 2025, \$1.2 million in payments have been made.
- **Tort Court Awards - Settlements.** The budgets include a total of \$3.4 million from general revenues for updated estimates of settlements and legal fees related to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities. This includes \$1.5 million for FY 2026 and \$1.9 million for FY 2027.
- **Transition Costs for General Officers.** The Budget includes \$464,000 from general revenues for transition expenses for newly elected general officers. Current law requires that, prior to taking office, all newly elected general officers be given space for transition staff and adequate funds to hire transition staff and obtain office supplies and equipment.
- **Police and Fire Relief Fund.** The Budget includes \$3.7 million from general revenues for the Police and Fire Relief program for the estimated costs of annuity payments and in-state tuition to eligible spouses, domestic partners, and dependents of certain injured or deceased police officers and firefighters. This is \$49,212 more than enacted, reflecting increased tuition rates and other minor adjustments.
- **Semiquincentennial Commission.** The FY 2026 final budget includes the enacted amount of \$0.4 million from general revenues to continue support for preparations for commemorative celebrations of the 250th anniversary of the founding of the United States. Through FY 2025, the state has allocated \$0.9 million from general revenues. The Budget provides \$0.2 million for FY 2027.

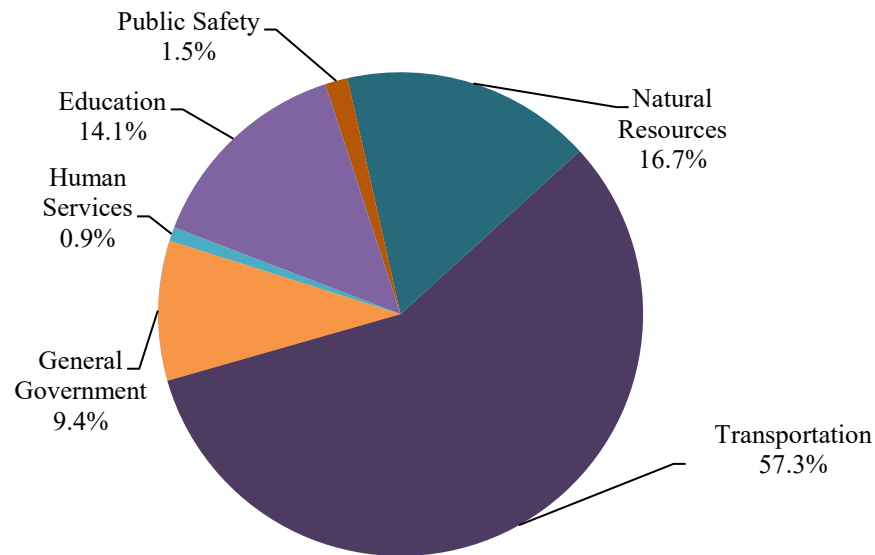
- ***Rhode Island Historical Society.*** The Budget includes the FY 2026 enacted amount of \$125,000 in general revenue support for the Rhode Island Historical Society.
- ***Newport Historical Society.*** The Budget includes the FY 2026 enacted amount of \$18,000 in general revenue support for the Newport Historical Society.
- ***Rhode Island Black Heritage Society.*** The Budget includes the FY 2026 enacted amount of \$25,000 from general revenues to support the Rhode Island Black Heritage Society.
- ***State History Facility.*** The capital budget includes \$45.0 million from general obligation bonds to go before the voters in November 2026 to develop a new State History Center facility on Capitol Hill in Providence, to permanently display the state’s founding documents, and to provide space for rotating exhibits and rooms for events, functions, and programming. The Budget also includes \$4.5 million from Rhode Island Capital Plan funds for FY 2028 for this purpose. It assumes continued use of leased facilities for additional storage space for the State Archives collection beyond the Center’s capacity.
- ***Public Financing of Elections.*** The Budget includes \$3.0 million from general revenues for the public financing of elections required by Rhode Island General Law. General officers are elected every four years, and the Board of Elections is responsible for administering and carrying out the mandates of the Campaign Contributions and Expenditures Act and the state’s Matching Public Funds program.
- ***Elections Expenses.*** The Budget includes \$5.4 million from general revenues for the Board of Elections and Secretary of State for anticipated costs associated with the 2026 election cycle, including ballot printing and delivery.
- ***Secretary of State Office Space.*** The Budget includes \$275,000 from general revenues for FY 2027 for renovations to the Secretary of State’s office at 148 West River Street, including consolidating the Elections and Civics division into a single, secure space to enhance staff members’ physical security. It also includes funding and approval for the long-term lease renewal of that location.
- ***Contingency Fund.*** The Budget includes the FY 2026 enacted amount of \$150,000 from general revenues for the Governor’s Contingency Fund.

Capital (See Section IV: Capital Budget)

- ***Outlays and Funding.*** The FY 2027 through FY 2031 plan includes \$9,390.2 million of outlays on \$20,624.0 million of project estimates. Average outlays would be \$1,878.0 million per year for the five-year period, with \$675.6 million required at the end of the period to complete the projects.
- ***General Obligation Bonds Referenda.*** Financing the five-year plan is based on \$986.3 million of general obligation bond debt issuances. This includes \$600.0 million from new general obligation bonds to be put before voters in November 2026. It includes \$275.0 million for higher education, \$120.0 million for housing and home ownership, \$100.0 million for economic development, \$45.0 million for a new state history center, and \$60.0 million for environment and other projects. The average bond referendum over the past five elections was \$347.7 million, including \$345.5 million approved by voters in November 2024. The proposed 2026 bond is approximately 75 percent more than 2024.
- ***Other Debt Approvals.*** The plan includes \$55.0 million approved by the 2026 Assembly under the Public Corporation Debt Management Act. This includes \$20.6 million for Rhode Island College residential life renovations, \$20.0 million for University of Rhode Island repaving and hardscape improvements, and \$14.4 million for the University’s automotive and administrative services project.

- **Financing.** Paying for the five-year outlays includes \$1,934.2 million from debt financing and \$7,456.0 million from current or pay-go sources. Pay-go accounts for 79.4 percent, with debt funding accounting for 20.6 percent.

FY 2027 - FY 2031 Capital Projects by Function



- **Debt Levels.** Total net tax-supported debt increases during the period through FY 2031 by \$341.4 million from \$2,041.7 million to \$2,383.1 million. Past practice indicates that debt levels will likely change as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax-supported debt would decrease from 2.3 percent of personal income reported for FY 2025 to 2.1 percent in FY 2028, assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to change with new projects and revised economic data.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$1,307.0 million.

Debt Service

- **Convention Center Authority.** The Budget includes \$24.5 million from general revenues for FY 2026 and \$22.8 million for FY 2027 for the Convention Center Authority to cover debt service requirements.
- **Garrahy Parking Garage.** The final budget includes \$0.5 million from general revenues for FY 2026 for debt service for the Garrahy Parking Garage; no state support is included beyond that.
- **Historic Tax Credit Trust Fund Debt Service.** The Assembly provided \$9.9 million from general revenues for both FY 2026 and FY 2027 to fund debt service for historic tax credits.

Public Health

- **ARPA - Public Health Response Warehouse Support.** The final budget includes \$1.0 million for FY 2026 from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. A total of \$4.2

million was provided; through FY 2025, \$3.2 million has been spent. The Assembly also provided \$0.7 million from general revenues for warehouse operations in FY 2026 and \$1.5 million in FY 2027. On June 8, after the House passed the budget, the Governor requested that \$16,011 in unspent funds be reclassified to operating support for the Enterprise Resource Planning System.

- ***New State Health Laboratory.*** The capital budget adds \$0.5 million from Rhode Island Capital Plan funds to provide a total of \$98.1 million, including \$81.7 million from federal funds, \$16.4 million from Rhode Island Capital Plan funds, and \$33,368 from restricted receipts to construct a new State Health Laboratory facility that opened in the fall of 2025. The Budget also includes \$2.4 million from all sources for related operating expenses in FY 2026 and \$1.9 million in FY 2027.
- ***Kratom Consumer Protection.*** The Budget includes \$0.3 million from general revenues for a new position and associated costs to implement the Rhode Island Kratom Act. The legislation, signed into law in 2025, requires the Department of Health to monitor, license, and regulate kratom product sales, effective April 1, 2026.
- ***Medical Equipment Maintenance.*** The Budget includes \$500,000 from general revenues for the contracted storage, maintenance, repair, and deployment of the state's durable medical equipment, acquired during the COVID-19 emergency. The contract is currently funded by federal COVID-19 funding, which will be exhausted in 2026. The contract covers all preventive and corrective maintenance, replacement of used, damaged, or expired supplies, and deployment of assets to any location in Rhode Island.
- ***Opioid Funds - Treatment and Prevention.*** The Budget includes \$50.2 million for FY 2026 and \$14.3 million for FY 2027 for the Department of Corrections and health and human services agencies, derived from assessments and lawsuit settlements related to the opioid epidemic. Expenditures support prevention and treatment programs, recovery housing, new treatment facilities, and outreach and education programs. FY 2025 spending totaled \$17.9 million.
- ***Professional Licensing System Upgrade.*** The Budget includes \$2.1 million from general revenues to replace the Department of Health's current professional medical licensing software in FY 2027. To prevent any lapses in the professional medical licensing process, the new software will be purchased and implemented as an enterprise-wide license by 2027, when the old system will receive no further support, updates, or security protection.
- ***MomsPRN and PediPRN.*** The MomsPRN and PediPRN programs are teleconsultation services used by medical professionals to obtain timely referrals for mothers and children with mental health concerns. The Budget includes \$1.2 million from general revenues to fully fund the MomsPRN and PediPRN programs. This is \$450,000 more than enacted from general revenues to replace federal funds that expire September 30, 2026.
- ***Maternal, Infant, and Early Childhood Home Visiting Match.*** The Maternal, Infant, and Early Childhood Home Visiting Program is a federal initiative that supports pregnant women and parents of young children through home visits and other services. In addition to a base amount, the federal Health Resources and Services Administration also offers a voluntary three-to-one state match. The Budget includes a new appropriation of \$377,000 from general revenues to access an additional \$1.1 million from federal funds for a total of \$10.9 million for FY 2027.
- ***RISE Tuberculosis Clinic.*** The Budget includes \$315,000 from general revenues to continue support for the Miriam Hospital's Tuberculosis Clinic.

Health and Human Services

- ***Biennial Rate Increase.*** The FY 2027 budget provides \$115.7 million, including \$45.8 million from general revenues, to fully fund the Governor's proposed rate increase rather than spreading it over two years. The rates based on the Office of Health Insurance Commissioner biennial rate review are not to exceed those paid by Medicare and are effective October 1, 2026.
- ***Human Service Programs Rates and Benefit Analysis.*** The Budget includes \$1.0 million for FY 2027 for the Office of the Health Insurance Commissioner's comprehensive review of social and human service programs contracted or licensed by the state. Every odd-numbered year, the Office must produce an assessment of rate adjustments by September 1. The most recent report, submitted in August 2025, notes the exclusion of rates for Department of Children, Youth and Families programs, which is currently developing a new fee schedule.
- ***Primary Care Rate Review.*** The 2025 Assembly required the Office of the Health Insurance Commissioner to produce a one-time report on primary care reimbursement rates due by September 1, 2026. The report must include Medicaid, Medicare, commercial, and alternative contracted payments. The Governor's recommendation includes a total of \$0.5 million across FY 2026 and FY 2027, from general revenues and Medicaid matching funds, to perform this work.
- ***Rural Health Transformation Grant.*** The Budget includes \$142.7 million from federal funds and nine new positions for the first year of the state's award from the Rural Health Transformation Program. Three health and human service agencies, and the Departments of Business Regulation, Elementary and Secondary Education, and Labor and Training received the funding for workforce development, technology innovation, improved health for rural residents, innovative access, and sustainable access to care.
- ***Nursing Facilities.*** The Budget includes \$438.7 million, of which \$204.5 million is from general revenues, for fee-for-service reimbursements to nursing facilities, and maintains the October 1, 2026, rate increase, consistent with current law.
- ***Home and Community Based Services.*** The Budget includes \$340.1 million, of which \$144.3 million is from general revenues, for fee-for-service reimbursement of long-term care community-based services, including raising the behavioral health daily rate. This includes \$9.2 million to increase the resource limit for individuals and couples, allowing greater access to services. It also includes an increase to Tier C assisted living rates.
- ***Hospital Payments.*** The Budget includes \$384.7 million, of which \$120.4 million is for state-directed payments to the community hospitals, along with regular and supplemental payments.
- ***Newport Hospital's Noreen Drexel Birthing Center.*** The Budget includes \$1.6 million from general revenues to support the birthing center.
- ***Hospitals - Uncompensated Care Payments.*** The Budget includes \$26.0 million for disproportionate share payments to community hospitals, \$25.0 million more than enacted, to pay for the expected increase in uncompensated care costs incurred by hospitals serving individuals who lose health coverage because of recent federal changes.
- ***988 Crisis and Suicide Lifeline.*** The Budget includes \$4.6 million, of which \$1.0 million is from general revenues, to support the 988 crisis and suicide hotline operated by Horizon Healthcare Partners.
- ***Hillsgrove Clubhouse Program.*** The Budget includes \$500,000 from federal funds to support activities at Thrive Behavioral Health's clubhouse program.

- ***Zambarano Long-Term Care Facility.*** The capital budget includes the approved amount of \$107.1 million from Rhode Island Capital Plan funds for a new 100-patient long-term care facility at the Zambarano Campus of Eleanor Slater Hospital to replace the Beazley building programmed through FY 2031, only \$2.0 million in FY 2027.
- ***Nursing Facilities Minimum Staffing.*** The Budget includes \$200,000 from general revenues to implement the Nursing Home Staffing and Quality Care Act as amended in 2025. The amended provisions require the Department of Health to enforce staffing requirements for all nursing homes in the state. The funding will support contracted services to collect and analyze data to calculate penalties for noncompliant nursing home facilities.
- ***Gloria Gemma Breast Cancer Resource Foundation.*** The Budget includes the FY 2026 enacted amount of \$50,000 from general revenues to support the Gloria Gemma Breast Cancer Resource Foundation's new survivorship and well-being center in Lincoln.
- ***Health Professional Loan Repayment.*** The Budget includes \$400,000 from general revenues for the state match for the Health Professional Loan Payment program for FY 2027. This program pays a portion of an eligible healthcare professional's student loans if the participant agrees to work for two years in a healthcare shortage area. The funds will be used to provide loan repayment assistance to primary care physicians and pediatricians. The FY 2026 final budget excludes the \$200,000 enacted for FY 2026, recognizing a delay in the federal application process.
- ***H.R. 1 - Call Center Accuracy and Modernization Improvements.*** The Budget includes \$4.9 million from all sources for FY 2027, including \$3.0 million from general revenues, for technology improvements and increased staffing at the Department of Human Services call center to manage an expected increase in call volume resulting from new eligibility requirements.
- ***H.R. 1 - Community Engagement.*** The Budget includes \$2.0 million from federal funds over FY 2026 and FY 2027 to support statewide interagency initiatives to meet the new work-aligned activity requirements outlined in H.R. 1 in FY 2027.
- ***H.R. 1 - Enhanced Training.*** The Budget includes \$1.2 million from all sources, including \$0.7 million from general revenues, for technology modernization and increased staffing to build out a statewide training program for all Department of Human Services staff who process applications through RIBridges.
- ***H.R. 1 - SNAP Administration Cost Share.*** H.R. 1 increases the state's administrative cost share for the Supplemental Nutrition Assistance Program from 50 percent to 75 percent beginning in October 2026. The Budget includes \$9.3 million from general revenues to account for the increased cost share.
- ***H.R. 1 - Office of Program Integrity.*** The Budget includes \$0.9 million from all sources, including \$0.5 million from general revenues, to create an Office of Program Integrity within the Department of Human Services to audit programs and staff who process applications in RIBridges.
- ***Veterans' Home Census.*** The Budget includes \$3.1 million, including \$3.0 million from general revenues, to begin a phased opening of the Foxtrot neighborhood at the Rhode Island Veterans' Home. It anticipates that the Home will increase its capacity by 16 beds each in FY 2027 and 2028, reaching a maximum capacity of 192 residents.
- ***ARPA - Child Care Support.*** The Assembly previously authorized a total of \$42.0 million in State Fiscal Recovery funds to provide retention bonuses to staff who provide direct child care. Funds would also be used to waive fees for new family child care providers and to implement quality improvements, a

workforce directory, and educational opportunities for direct care staff. The FY 2026 final budget assumes the use of the remaining \$1.0 million.

- ***Hospital Care Transition Initiative.*** The Budget includes \$500,000 from general revenues to support the Hospital Care Transition Initiative through the Office of Healthy Aging. The Rhode Island Parent Information Network, which runs this program, notifies patients of less expensive home- and community-based alternatives to institutional placements, such as nursing homes, and ensures they have access to the necessary services and support systems.

Children and Families

- ***Psychiatric Residential Treatment Facility.*** The Budget includes \$28.1 million from Rhode Island Capital Plan funds in FY 2026 and FY 2027 for a new project to renovate the former St. Mary's Home for Children property in North Providence for use as a psychiatric residential treatment facility. The state purchased the property in December 2025 and plans to renovate three buildings to expand in-state capacity for youth requiring this level of placement. The previous plan included \$6.5 million from State Fiscal Recovery Funds, which have since been reclassified for the Exeter female residential treatment facility project. The Budget also includes \$1.0 million from general revenues in FY 2027 for property maintenance.
- ***Female Residential Treatment Facility.*** The Budget includes \$42.1 million from Rhode Island Capital Plan funds and State Fiscal Recovery funds for the construction of the new female residential treatment facility in Exeter. The Department of Children, Youth and Families has selected a vendor, and the facility is expected to open by fall 2027. The FY 2027 Budget includes \$7.1 million from all sources, including \$3.0 million from general revenues for the first year of operations.
- ***DCYF Consent Decree.*** The Budget includes \$5.4 million, including \$4.4 million from general revenues, for FY 2027 to continue implementing the multi-year remedial plan related to the children's behavioral health consent decree. Funding will be used to add 6.0 new full-time equivalent positions to provide continued consultant support, additional in-home supports for individuals with intellectual and developmental disabilities, independent care management services for youth at risk of hospitalization, and other community-based supports. It also adds \$75,000 from general revenues for the required court monitor, bringing the total to \$250,000.
- ***Foster Youth Benefits.*** The Budget includes \$1.3 million, including \$1.0 million from general revenues, to replace social security and other benefits previously used for foster care payments and other services for youth, thereby conserving those benefits.
- ***DCYF Independent Rate Model Provider Support.*** The Budget includes \$4.0 million, including \$2.0 million from general revenues, to support providers transitioning to Medicaid direct billing, which is now estimated to begin July 1, 2027. The transition to an independent rate model began in response to Department of Justice findings, which led to the consent decree, and was initially anticipated to be completed by July 1, 2025. This funding would support providers who need the most assistance to ensure the continuation of services throughout the implementation of the new rate model. Most infrastructure expenses appear to be eligible for a 50.0 percent Medicaid reimbursement.
- ***RICHIST System Replacement.*** The Budget includes \$49.7 million, including \$23.1 million from federal funds, for the approved project to create a new information system to replace the current Rhode Island Children's Information System. The state match includes \$24.1 million from state Large Systems Initiative Funds and \$2.5 million from general revenues to be paid from the Department of Children, Youth and Families' operating budget over FY 2026 and FY 2027.

- ***ARPA - Provider Workforce Stabilization.*** The Assembly authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, resulting in capped or reduced capacity. As of the end of FY 2025, \$23.9 million has been spent. The FY 2026 final budget includes the remaining \$0.3 million.
- ***Child Support Enforcement Case Management Transition.*** The Budget includes \$156,000 from all sources, including \$102,960 from federal funds and \$53,040 from restricted receipts, for ongoing planning expenses to transition the Child Support Services Case Management System off the mainframe platform in FY 2027. There is no funding for a new system.
- ***Child Care - Infant Rates.*** The Budget adds \$0.4 million from federal funds to increase the infant rates for center-based child care providers by five percent beginning on July 1, 2026.
- ***Child Care Eligibility.*** The Budget adds \$2.6 million from federal funds for FY 2027 to increase eligibility for subsidized child care from 261 percent to 285 percent of the federal poverty level effective January 1, 2027. Exit eligibility will increase from 300 to 325 percent of the federal poverty level.
- ***Early Intervention Services.*** The Budget includes legislation to extend early intervention services so that children can remain until September 1 after their third birthday. Given the planning, policy, and program changes, this will take effect in May 2028. The Budget provides \$200,000, including \$50,000 from general revenues, for initial work.

Community Services and Advocacy

- ***Veterans' Programs and Services.*** The Budget includes the enacted level of \$350,000 from general revenues for grants to organizations that provide veteran, active-duty military, and family support services. This includes \$50,000 for Operation Stand Down, \$100,000 to support the Veterans Services Officers Program, and \$200,000 for entities to be determined by the Office of Veterans Services.
- ***Rhode Island Alliance of Boys and Girls Clubs.*** The Budget includes the FY 2026 enacted level of \$450,000 from general revenues for the Boys and Girls Club Project Reach program, which provides homework assistance and afterschool activities.
- ***Day One.*** The Budget includes the FY 2026 enacted level of \$300,000 from general revenues for Day One to provide outreach and supportive service programs relating to sexual assault.
- ***Substance Use and Mental Health Leadership Council.*** The Budget includes the FY 2026 enacted level of \$150,000 from general revenues for the Substance Use and Mental Health Leadership Council, which provides a coordinated system of comprehensive community-based mental health and substance use prevention and treatment services.
- ***Domestic Violence Prevention Activities.*** The Budget includes the FY 2026 enacted level of \$400,000 from general revenues for domestic violence prevention activities contracted through the Rhode Island Coalition Against Domestic Violence and distributed to domestic violence shelters in the state.
- ***Institute for the Practice and Study of Non-Violence.*** The Budget includes the FY 2026 enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program.
- ***United Way - 211.*** The Budget includes \$300,000 from general revenues for United Way's 211 system, which is a free, confidential service that provides information and referrals for food, housing, job training, and other community resources. This is \$100,000 more than the FY 2026 enacted level of \$200,000.

- ***Rhode Island Community Food Bank.*** The Budget includes \$3.0 million from general revenues for food collection and distribution through the community food bank. This is \$2.0 million more than the FY 2026 enacted budget, all of which is intended to be one-time, and includes \$0.3 million for subawards to other community food banks.
- ***Community Action Agencies.*** The Budget includes the FY 2026 enacted level of \$600,000 from general revenues to support services provided by the state's community action agencies.
- ***Crossroads.*** The Budget includes the FY 2026 enacted level of \$500,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues.
- ***Refugee Services.*** The Budget includes \$200,000 from general revenues for immigrant and refugee support services. This includes \$150,000 for Higher Ground International and \$50,000 for the Refugee Dream Center.
- ***Oasis International.*** The Budget includes \$25,000 for Oasis International, a nonprofit organization that promotes cultural exchange, economic literacy, and civil engagement in southwest Providence's immigrant and low-income communities.
- ***New Bridges for Haitian Success.*** The Budget includes \$25,000 for New Bridges for Haitian Success, a nonprofit organization that provides adult education, immigration, and supportive services to Rhode Island's Haitian and Afro-Caribbean communities.
- ***Senior Services Support.*** The Budget includes \$1.8 million from general revenues for senior support services through a grant process, which is \$0.2 million more than enacted for FY 2026.
- ***Meals on Wheels/Elderly Nutrition Services.*** The Budget includes \$730,000 from general revenues for elderly nutrition services, which includes \$680,000 for Meals on Wheels.
- ***Farm Fresh Rhode Island.*** The Budget includes new funding of \$200,000 from general revenues for Farm Fresh Rhode Island's Bonus Bucks Program, which provides a 100 percent matching bonus at farmers' markets across the state to shoppers who receive Supplemental Nutrition Assistance Program benefits.
- ***Respite Care.*** The Budget includes the FY 2026 enacted level of \$325,000 from general revenues to support the respite care program through the Diocese of Providence, also known as CareBreaks.
- ***Long Term Care Ombudsman.*** The Budget includes \$100,000 from general revenues for the long term care ombudsman. The Alliance for Better Long Term Care advocates on behalf of residents of nursing homes, assisted living residences, and certain other facilities, as well as recipients of home care services. This is \$60,000 more than the FY 2026 enacted level of \$40,000.
- ***Eat Well Be Well.*** The Budget includes \$4.1 million from general revenues to extend the Eat Well Be Well program. The initial appropriation is expected to be exhausted by the end of FY 2026; the additional funding is expected to extend the program through the end of FY 2027.

Higher Education

- ***Public Higher Education.*** The Budget includes \$1,636.1 million for Public Higher Education, including debt service. This includes \$19.1 million more from general revenues than enacted for FY 2026. The Budget includes \$346.4 million from general revenues and \$631.0 million from all other unrestricted sources, including tuition and fees.

- **Public Higher Education Tuition and Fees.** The Council of Postsecondary Education approved a 3.5 percent tuition increase and a \$60 fee increase at Rhode Island College, and a 3.9 percent tuition increase and a \$4 fee increase at the Community College of Rhode Island. The University of Rhode Island's Board of Trustees approved a 3.0 percent tuition increase and a \$46 fee increase for FY 2027.
- **Rhode Island Promise Scholarship.** The Budget includes \$8.1 million from general revenues to support the Rhode Island Promise Scholarship at the Community College of Rhode Island, which is \$0.8 million more than enacted, based on updated enrollment projections; FY 2026 revised costs are estimated to be \$7.5 million. The Assembly extended the timeframe for graduating high school seniors by one semester, provided the student enrolls immediately after graduation in a postsecondary institution and at the Community College in the first spring after high school graduation, or upon submitting an approved written request.
- **Hope Scholarship.** The Budget includes \$7.1 million from general revenues for the fifth year of the Hope Scholarship Pilot Program at Rhode Island College. The FY 2026 final budget includes \$5.0 million. This program provides awards to students during their third and fourth years at the College for those on track to graduate within four years. The current pilot covers qualifying students who begin their junior year by the fall of 2029. The Assembly extended the pilot program for three additional years and advanced the evaluation date by two years to 2028 to align with recruitment considerations.
- **Last Dollar Scholarship.** The Budget includes \$9.9 million for the Last Dollar Scholarship Program, consistent with the FY 2026 enacted level. This includes \$6.5 million from general revenues and \$3.4 million from tuition savings fees.
- **Dual and Concurrent Enrollment.** Consistent with the FY 2026 enacted budget, the Budget includes \$2.9 million from general revenues for FY 2027 expenses for the dual and concurrent enrollment program, which allows qualified high school students to earn college credit at no cost to the student. The FY 2025 budget initially provided \$2.3 million from general revenues to replace exhausted federal loan reserve funds.
- **Higher Education Affordability Study.** The Budget includes \$0.1 million from general revenues for contracted research services to continue funding work related to the two-year study, initially funded in FY 2024, to examine the affordability of higher education, including recommendations on the implications of expanding state-funded scholarship programs. The original report is still not complete.
- **URI Medical School.** The Budget includes \$5.0 million for the first year of planning and startup costs for the opening of a medical school at the University of Rhode Island. The University has indicated that it would also need \$7.0 million for FY 2028 and \$8.0 million for FY 2029.
- **URI Integrated Health Building.** The Budget includes \$165.0 million of general obligation bonds to be submitted to voters on the November 2026 ballot to build a facility to advance health education, clinical training, and workforce development on the Kingston Campus.
- **RIC Adams Library.** The Budget includes \$50.0 million of general obligation bonds to be submitted to voters on the November 2026 ballot to build a student success and career readiness center in Adams Library.
- **CCRI Workforce Innovation Center.** The Budget includes \$60.0 million of general obligation bonds to be submitted to the voters on the November 2026 ballot to build a workforce innovation center on the Warwick Campus.

- ***URI Repaving and Hardscape Improvements.*** The Budget authorizes a \$20.0 million revenue bond for the fifth phase of the University's efforts to repave and reconstruct major parking facilities, internal roadways, and walkways. Annual debt service of \$1.7 million would be supported by general revenues, tuition and fees, and parking revenues. Total debt service would not exceed \$34.9 million.
- ***URI Automotive and Administrative Services.*** The Budget authorizes a \$14.4 million revenue bond to build an addition to the central warehouse for mail and printing services and replace the current automotive repair building. Annual debt service of \$1.3 million would be supported by the University's unrestricted general revenues, tuition and fees. Total debt service would not exceed \$25.2 million.
- ***RIC Residential Life Renovations.*** The Budget authorizes a \$20.6 million revenue bond to renovate five residence halls. Annual debt service of \$1.8 million would be supported by student housing fees. Total debt service would not exceed \$36.5 million.
- ***Public Higher Education Asset Protection.*** The Budget includes \$128.5 million from Rhode Island Capital Plan funds for asset protection projects at the public higher education institutions for the five-year period from FY 2027 through FY 2031.
- ***CCRI Campuswide Renovation and Modernization Phase I.*** Consistent with the approved plan, the Budget includes \$59.5 million from all sources to renovate and modernize academic and student support spaces and other infrastructure on its four campuses. This includes \$12.0 million from general obligation bonds approved by the voters in March 2021 and \$47.5 million from Rhode Island Capital Plan funds.
- ***CCRI Campuswide Renovation and Modernization Phase II.*** The Budget includes \$16.9 million from Rhode Island Capital Plan funds for FY 2026 through the post-FY 2031 period for phase II of the effort to renovate and modernize academic and student support spaces and other infrastructure on its four campuses. This is \$7.8 million more than the approved plan, which included \$9.1 million for FY 2026 through FY 2028 to begin the work.
- ***CCRI Data, Cabling, and Power Infrastructure.*** The Budget includes \$20.0 million for the assessment, design, and construction of modernized data, cabling, and power infrastructure across the four campuses. The project will include upgrades to network wiring, infrastructure capacity, and support of various systems such as voice-over-Internet-Protocol phones. Funding includes \$18.7 million from Rhode Island Capital Plan funds and \$1.4 million from College funds, consistent with the approved capital plan.
- ***CCRI Accessibility Improvements.*** The Budget includes \$2.6 million from Rhode Island Capital Plan funds for accessibility improvements on all four campuses. This is \$0.6 million more than the approved plan to extend funding three years through the post-FY 2031 period.
- ***RIC Infrastructure Modernization.*** The Budget includes \$29.8 million from Rhode Island Capital Plan funds for FY 2027 through FY 2031 for current and future infrastructure modernization at Rhode Island College. This is consistent with the approved five-year plan and adds funding for two additional years.
- ***URI Campus Access Control.*** The Budget includes \$1.6 million from Rhode Island Capital Plan funds for FY 2027 for a new project to upgrade campus-wide access control systems. This one-time funding will allow the University to consolidate its disparate systems into a single, centralized system.
- ***URI Narragansett Bay Campus Shoreline Stabilization.*** The Budget includes \$6.4 million from multiple sources for a new project to begin in FY 2028 to reinforce the eroding shoreline at the Narragansett Bay campus. This project is a joint effort with the United States Army Corps of Engineers, which will

provide 65.0 percent of the funding, or \$4.2 million. The plan also includes \$2.2 million from Rhode Island Capital Plan funds.

- ***URI Building Envelope Improvements.*** The Budget includes \$21.0 million from Rhode Island Capital Plan funds to repair building envelope systems across all campuses. This project has similar elements to asset protection, including repairs and improvements to roofs, windows, exterior cladding, and enhanced energy efficiency. This is consistent with the approved five-year plan and adds \$6.0 million in funding for two additional years.
- ***URI Campus Accessibility.*** The Budget includes \$9.0 million from Rhode Island Capital Plan funds to improve campus access to persons with disabilities. Projects include restrooms, exterior renovations, and building improvements, such as elevator modernizations. This is \$2.0 million more than the approved plan and represents funding for two additional years.
- ***URI Athletics Complex Renewal.*** Consistent with the approved plan, the Budget includes \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from private funding, to renovate six athletic facilities, including Meade Stadium East Grandstands, Track and Field, Beck Baseball Field, the softball field, Tootell Aquatics Center, and the soccer field.
- ***URI Academic Mechanical, Electrical, and Plumbing Improvements.*** The Budget includes \$25.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Funding is consistent with the approved plan and reflects an updated schedule and completion in FY 2029, one year later than the approved plan assumed.
- ***URI Stormwater Management.*** Consistent with the approved plan, the Budget includes \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing drainage systems on campus through FY 2027. The drainage improvements will provide additional storage volume and improve channel and pipe sizes and alignment to reduce the frequency of overtopping and flooding.
- ***ARPA - Cybersecurity Center.*** The final FY 2026 budget includes the remaining \$0.5 million of the \$2.0 million allocation from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November 2023.
- ***ARPA - Fresh Start Scholarship.*** The final FY 2026 budget includes the remaining \$1.2 million of the \$5.0 million allocation from State Fiscal Recovery funds for a new adult scholarship program targeting adult students with some college credits but no degree, with a focus on students who dropped out of the Community College. Funding the first semester back will allow students to regain eligibility for federal financial aid.
- ***ARPA - RI Reconnect.*** The final FY 2026 budget includes the remaining \$4.6 million of the \$8.0 million allocation from State Fiscal Recovery funds to establish the Rhode Island Reconnect program through the Office of Postsecondary Commissioner and fund it for two years. The program is intended to provide targeted coaching and wraparound support to help those 16 and older continue their education. The authorization requires some funding to address barriers to attaining teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. On June 8, after the House passed the budget, the Governor requested that \$350,000 in unspent funds be reclassified to operating support for the Enterprise Resource Planning System.
- ***Rhode Island Vision Education and Services Program.*** The Budget maintains the \$1.8 million from general revenues in Rhode Island College's budget to support the Rhode Island Vision Education and

Services Program. It also adds \$684,600 from general revenues in lieu of federal funds in the Department of Elementary and Secondary Education's budget.

- ***Higher Education Opportunities for Teachers of Color.*** The Budget includes the FY 2026 enacted amount of \$100,000 from general revenues to support access to higher education opportunities for teachers of color at the Rhode Island School for Progressive Education.
- ***Best Buddies.*** The Budget includes the FY 2026 enacted amount of \$75,000 from general revenues for Best Buddies Rhode Island to support programs for children with developmental disabilities.
- ***Special Olympics Rhode Island.*** The Budget includes the FY 2026 enacted level of \$50,000 from general revenues for Special Olympics Rhode Island to support its mission of providing athletic opportunities for individuals with intellectual and developmental disabilities.
- ***Onward We Learn/College Crusade Support.*** The Budget includes the FY 2026 enacted level of \$5.3 million to support the operations and scholarship programs offered by Onward We Learn, including \$4.8 million from the GEAR-UP federal grant and \$455,000 from general revenues. The federal grant provides funds to states and nonprofits to support eligible low-income and disabled students in pursuing secondary school diplomas and preparing for postsecondary education.
- ***Institute for Labor Studies and Research.*** The Budget includes \$150,000 from general revenues for the Institute for Labor Studies and Research, a non-profit educational institution that provides education and training to Rhode Islanders. This is \$25,000 more than the FY 2026 enacted budget.

Education and Arts

- ***Out-of-School Time Education Providers.*** The Budget includes \$2.0 million from general revenues to continue support of out-of-school time programming as part of the Governor's Learn365RI initiative. This includes \$1.7 million for municipalities and \$0.1 million each for the Rhode Island Afterschool Network, Teach for America Ignite, and Onward We Learn. Total funding is \$0.7 million more than enacted.
- ***Support and Access to Bilingual Education.*** The Budget includes \$750,000 from general revenues to create a bilingual education fund administered by the Department of Elementary and Secondary Education. Funding will provide grants to traditional school districts, community organizations, and institutions of higher education to establish and expand bilingual education programs and to expand teaching certifications for bilingual, dual-language, and world language teachers.
- ***Davies School Renovations.*** The Budget includes \$49.9 million from Rhode Island Capital Plan funds for significant renovations to the 1970s wing of the Davies Career and Technical School. This includes consolidating the Health Classrooms project into a single, integrated project for easier management, delaying the estimated completion by one year to FY 2028, and adding \$3.5 million to incorporate planning and design of a potential Phase II of the project.
- ***Hasbro Children's Hospital.*** The Budget includes the FY 2026 enacted level of \$90,000 from general revenues to support the school at Hasbro Children's Hospital.
- ***Child Opportunity Zones.*** The Budget includes the FY 2026 enacted level of \$395,000 from general revenues to support child opportunity zones through agreements with the Department of Elementary and Secondary Education to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievement.

- ***City Year.*** The Budget includes the FY 2026 enacted level of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individual support to at-risk students.
- ***Auditory Oral Program.*** The Budget includes \$1.2 million from general revenues to support the Rhode Island Auditory Oral Program at the Foster School District. This is \$0.9 million more than enacted from all sources and allows the program to continue serving youth without charging tuition to other districts.
- ***Educational Advocate Surrogate Parent Program.*** The Budget includes \$1.2 million from all sources to support the Educational Advocate Surrogate Parent Program at the Sherlock Center at Rhode Island College. This includes an increase of \$150,000 from general revenues and approximately \$50,000 less from federal funds.
- ***Fort Adams Trust.*** The Budget includes the FY 2026 enacted level of \$30,000 from general revenues to support the Fort Adams Trust's restoration activities.
- ***WaterFire Providence.*** The Budget includes the FY 2026 enacted level of \$400,000 from general revenues to support the operational costs of WaterFire Providence art installations.
- ***Arts Funds.*** The Budget includes \$840,000 from general revenues for grant awards through the Rhode Island State Council on the Arts. This is \$50,000 above the FY 2026 enacted amount to supplement the Arts and Health Grant Program and expand eligibility for individual artists who are not eligible for federal funding through the National Endowment for the Arts grant program.
- ***Slave History Medallions Grant.*** The Budget includes the FY 2026 enacted level of \$25,000 from general revenues for a grant to the nonprofit Rhode Island Slave History Medallions to raise public awareness for sites connected to the history of slavery.
- ***State Preservation Grants Program.*** The Budget includes \$5.0 million from general obligation bond proceeds to go before the voters in November 2026 to fund the State Preservation Grants program. The program, administered by the Rhode Island Historical Preservation and Heritage Commission, matches grants to municipalities and nonprofits for the preservation and renovation of historic sites open to the public.
- ***Council for the Humanities.*** The Budget includes the FY 2026 enacted level of \$100,000 from general revenues for the Rhode Island Council for the Humanities, the state's designated National Endowment for the Humanities organization, to provide direct grants to civic and cultural organizations in the state.
- ***We the People National Championship.*** The Budget includes the FY 2026 enacted level of \$50,000 from general revenues to cover the costs for Rhode Island's participation in the We the People Civics Challenge.

Public Safety

- ***Behavioral Management Unit.*** The Department of Corrections is a defendant in several federal lawsuits challenging how seriously and persistently mentally ill individuals are housed. The Budget removes the approved \$10.3 million from Rhode Island Capital Plan funds for the construction of a dedicated facility. Based on court monitor feedback, the Department indicates that the existing pilot behavioral management unit at the Intake Services Center will be deemed sufficient.
- ***ARPA - Support for Survivors of Domestic Violence.*** The Budget includes the remaining \$4.6 million of the \$10.5 million allocated from State Fiscal Recovery funds to provide supportive services to victims of domestic violence and assault. On June 8, after the House passed the budget, the Governor requested

that \$144,145 in unspent funds be reclassified to operating support for the Enterprise Resource Planning System.

- ***GO Team Support.*** The Budget includes \$760,000 from general revenues for the Family Service of Rhode Island's GO Team program. The team consists of trauma experts who co-respond on the scene with police to support children who are victims of violence and other traumas. This is \$360,000 more than the FY 2026 enacted budget to sustain and grow the model in other communities that would provide matching funds.
- ***ARPA - Municipal Public Safety Infrastructure.*** The FY 2026 final budget includes \$4.4 million from State Fiscal Recovery funds to provide a pool of matching funds for municipal public safety infrastructure projects, subject to certain limitations. Through FY 2025, \$6.6 million of the total \$11.0 million has been spent.
- ***FIFA World Cup 2026 Security.*** The FY 2026 final budget includes \$250,000 from general revenues for the Emergency Management Agency in the event that security expenses associated with the World Cup are not reimbursed.
- ***Public Defender Staffing.*** The Budget includes \$0.2 million from general revenues for 1.0 new full-time equivalent attorney position to reduce caseloads.
- ***Indigent Defense Program.*** The Budget includes the FY 2026 enacted level of \$7.7 million from general revenues for the Judiciary's indigent defense program.
- ***Rhode Island Legal Services.*** The Budget includes the FY 2026 enacted level of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals.
- ***Domestic Violence Calendar.*** The Budget includes \$0.6 million from general revenues and 3.0 positions for a new domestic violence calendar within the Superior Court to reduce a current backlog of over 1,200 felony domestic violence cases and improve efficiency, victim safety, and enforcement.
- ***Rhode Island Coalition Against Domestic Violence.*** The Budget includes the FY 2026 enacted level of \$500,000 from general revenues for the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy project.
- ***Judicial Asset Protection.*** The Budget includes \$7.6 million from Rhode Island Capital Plan funds for FY 2027 through FY 2031 for ongoing asset protection projects at judicial buildings, including security upgrades, courtroom restoration, fire suppression and alarm system upgrades, interior refurbishments to public areas and office spaces, lighting, and elevator upgrades. This is consistent with approved funding levels.
- ***Judicial Complexes HVAC.*** The Budget includes \$2.5 million from Rhode Island Capital Plan funds for FY 2027 through FY 2031 to replace and restore the heating, ventilation, and air conditioning systems for all judicial complexes, consistent with previously approved annual funding.
- ***Garrahy Judicial Complex.*** The Budget includes \$2.3 million from Rhode Island Capital Plan funds, consistent with approved funding, to restore the Garrahy Judicial Complex for FY 2026 and FY 2027, including repairing tiles, replacing flooring and carpets, repainting, woodwork, and refurbishing bathrooms.
- ***Licht Window and Masonry Repairs.*** The Budget includes \$3.0 million from Rhode Island Capital Plan funds, consistent with approved funding, for window and masonry repairs to the Licht Judicial

complex for FY 2028 and FY 2029. This reflects a decennial maintenance project last undertaken during FY 2018 and FY 2019.

- ***Licht Limestone Cleaning and Pointing.*** The Budget includes \$2.6 million from Rhode Island Capital Plan funds for a new project to renovate the exterior of the Licht Judicial complex as a result of normal wear and tear for FY 2028 and FY 2029.
- ***Fire Academy Expansion.*** The Budget includes the approved amount of \$11.0 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter. It programs \$7.8 million for FY 2026 and \$1.0 million for FY 2027.
- ***Fire Marshal Evidence Room.*** The Budget includes \$2.5 million from Rhode Island Capital Plan funds for FY 2031 to convert a storage building into an evidence repository for the State Fire Marshal.
- ***Aviation Readiness Center.*** The capital budget includes \$62.0 million, of which \$46.4 million is from federal funds and \$15.6 million is from Rhode Island Capital Plan funds, to construct a National Guard Readiness Center to support training, administrative, and logistical requirements of the 1-126 Aviation Unit of the Rhode Island Army National Guard. This is \$5.4 million less from federal funds than the approved plan, which is overstated in the enacted budget.
- ***Squadron Operations Facility.*** The capital budget includes the approved amount of \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset.
- ***Quonset Airway Runway Reconstruction.*** The capital budget includes \$61.1 million, including \$3.1 million from Rhode Island Capital Plan funds, to reconstruct and upgrade runway 16-34 at Quonset State Airport to military specifications. It provides \$3.0 million from federal funds beyond the approved plan based on a change order submitted by the Rhode Island Airport Corporation.
- ***Quonset Air National Guard Headquarters Facility.*** The capital budget includes \$39.9 million, including \$3.0 million from Rhode Island Capital Plan funds, to construct an operations, training, medical, and dining facility on an empty lot at the Quonset Air National Guard Base. Leadership, medical, and support staff would relocate from the current facility. This is \$1.3 million more than the approved plan from federal funds to demolish the current facility upon construction completion. The new building is complete; demolition is expected to be completed in FY 2026.

Climate

- ***ARPA - Electric Heat Pumps.*** The FY 2026 final budget includes \$0.7 million from State Fiscal Recovery funds to support low-and moderate-income households and community organizations to purchase and install energy efficient electric heat pumps. Through FY 2025, \$23.7 million of the \$24.4 million approved has been spent. On June 8, after the House passed the budget, the Governor requested that \$14,355 in unspent funds be reclassified to operating support for the Enterprise Resource Planning System.
- ***Renewable Energy Fund.*** The Renewable Energy Fund is supported by a surcharge of 0.3 mills per kilowatt-hour on all customers and an alternative compliance payment for renewable energy obligations. The alternative compliance payments are made by entities that sell electrical energy to end-use consumers in the state in lieu of obtaining renewable energy from the electric grid. The Assembly lowered the fee and established a tiered alternative compliance payment fee of \$40 per megawatt-hour for renewable energy obligations for new renewable and zero-emission resources and \$11 per megawatt-hour for renewable energy obligations for existing facilities; all receipts will be deposited into the fund.

- **Renewable Energy Standards.** The Assembly adopted legislation to define zero-emission resources to include nuclear resources and large-scale hydroelectric facilities. It maintains the requirement to meet the 100 percent renewable energy standards by 2033 but allows zero-emission resources to be used to meet that standard, not to exceed 20.0 percent.
- **Net Metering.** Net metering allows customers with eligible renewable energy systems to receive bill credits for all power generated up to 125 percent of the on-site consumption during a billing period. Public entities, including municipalities and quasi-state entities, may enter into virtual net metering arrangements with renewable energy developers for up to 10 megawatts per project site.

The Assembly adopted legislation to decrease the program cap from 275 megawatts to 175 megawatts; excluding community remote net metering projects from the cap. It extends the construction deadline by 18 months to December 31, 2032 and establishes a voluntary, one-time, irrevocable election allowing eligible net-metering systems to opt in to a fixed renewable net-metering credit rate of \$0.19 per kilowatt-hour. The fixed credit rate will increase by 2.75 percent annually, compounded, for a term of 25 years from the date of election.

- **State Facilities Benchmarking and Performance Standards Program.** The Assembly established the State Facilities Benchmarking and Performance Standards program to collect and report annual energy usage and greenhouse gas emission data for state-owned and state-occupied facilities and develop performance standards to reduce emissions. The Office of Energy Resources and the Department of Administration are authorized to determine if some facilities are not suitable for achieving greenhouse gas emission reductions because of operational or physical limitations. It also established a Voluntary Energy Benchmarking Program on municipal properties, and an annual report on its progress.
- **Weatherization Assistance Program Transfer.** The Budget reflects the transfer of the Weatherization Assistance Program from the Department of Human Services to the Office of Energy Resources, including \$10.9 million from federal funds and 4.0 full-time equivalent positions. The program provides cost-effective, energy-efficient improvements.
- **Executive Climate Change Coordinating Council.** The Budget maintains annual funding of up to \$1.5 million from restricted receipts for the Council's projects.
- **Zero Emission Buses.** The Assembly authorized the Office of Energy Resources to annually consult with the Rhode Island Public Transit Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of the agreed-upon amount, 50.0 percent each shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds.

Environment

- **Seafood Marketing Collaborative.** The Budget includes the FY 2026 enacted level of \$100,000 from general revenues to support local fishermen and small businesses and increase public awareness and consumption of local seafood products.
- **Local Agriculture and Seafood Program.** The Budget includes the FY 2026 enacted level of \$500,000 from general revenues for the local agriculture and seafood program grants for small businesses in the food sector.
- **Litter Removal.** The Budget includes the FY 2026 enacted level of \$100,000 from general revenues to support a Litter-Free Rhody initiative to encourage the removal of trash and litter from state parks, beaches, and management areas.

- ***Conservation Districts.*** The Budget includes the FY 2026 enacted level of \$180,000 from general revenues for regional conservation districts. The districts are quasi-public subdivisions of state government, governed by volunteer boards of directors from the communities.
- ***Wildlife Clinic of Rhode Island.*** The Budget includes the FY 2026 enacted level of \$100,000 from general revenues to the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island.
- ***Marine Mammal Emergency Response.*** The Budget includes the FY 2026 enacted level of \$150,000 from general revenues to support rescue and rehabilitation programs for marine mammals that become stranded in Rhode Island waters.
- ***Forestry Hoses.*** The Budget includes \$50,000 from general revenues for the Department of Environmental Management's Division of Forest Environment to purchase new forestry hoses.
- ***Resilient Rhody Infrastructure Fund.*** The Assembly authorized \$25.0 million from general obligation bonds to go before the voters in November 2026 to assist local government units in improving infrastructure resiliency and vulnerable coastal habitats, as well as restoring river and stream floodplains.
- ***Brownfields Remediation and Economic Development.*** The Budget authorizes \$3.0 million from new general obligation bonds to go before voters in November 2026 for up to 80.0 percent matching grants to public, private, and non-profit entities for brownfields remediation projects.
- ***Local Recreation Projects.*** The Budget authorizes \$1.0 million from new general obligation bonds to go before voters in November 2026 to fund the program that provides up to 80.0 percent matching grants to municipalities to acquire, develop, or rehabilitate local public recreational facilities in Rhode Island.
- ***Recreational Facility Improvements.*** The capital budget includes \$104.7 million from all sources for the renovation and repair of existing facilities and recreational venues, as well as the development and construction of new facilities and parks. This includes \$12.0 million from new general obligation bonds to go before voters in November 2026, \$33.0 million from bonds approved in 2020, and \$50.8 million from Rhode Island Capital Plan funds. The plan allocates \$7.3 million of unused funds from FY 2025 through FY 2029 and continues annual funding at \$3.0 million.
- ***Marine Infrastructure/Pier Development.*** The capital budget includes \$1.0 million from new general obligation bonds to go before voters in November 2026, \$0.8 million from federal funds, and \$5.7 million from Rhode Island Capital Plan funds to provide asset protection and emergency repair needs for most facilities, including recreational facilities, and marine infrastructure.
- ***Narragansett Bay Watershed Restoration.*** The Budget authorizes \$7.0 million from new general obligation bonds to go before voters in November 2026 to restore and protect water quality and enhance the economic viability and environmental sustainability of Narragansett Bay and the state's watersheds. Eligible activities include nonpoint source pollution abatement, such as stormwater management; nutrient loading abatement; commercial, industrial, and agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration. The capital budget includes \$15.5 million from general obligation bonds approved by voters in four previous referenda, including \$1.4 million in unissued bonds.
- ***Agriculture Land Preservation Commission.*** The Budget authorizes \$3.0 million from new general obligation bonds to go before voters in November 2026 for farmland acquisition and protection through the Agricultural Land Preservation Commission.

- **Open Space Program.** The Budget authorizes \$3.0 million from new general obligation bonds to go before voters in November 2026 for the state to acquire open space, watershed, and recreational lands.
- **Facilities Asset Protection.** The capital budget includes \$0.8 million annually from Rhode Island Capital Plan funds for asset protection at parks and recreational facilities, consistent with approved funding.
- **Fish and Wildlife Facilities.** The capital budget includes \$4.0 million from all sources for repairs and renovations to the Division of Fish and Wildlife facilities. This includes annual payments of \$0.2 million from Rhode Island Capital Plan funds matched with annual payments of \$0.6 million from federal grants from the Department of the Interior. The capital budget excludes federal funds beyond FY 2029.
- **Port of Galilee Rehabilitation.** The capital budget includes \$99.4 million from all sources for facilities and infrastructure improvements at the Port of Galilee. This is \$25.3 million more than the FY 2026 approved plan, reflecting \$15.0 million from a new Federal Emergency Management Agency grant and \$10.3 million more from Rhode Island Capital Plan funds for updated repairs and infrastructure improvements to the port.
- **Natural Resource Offices and Visitor's Center.** The capital budget includes \$5.2 million from Rhode Island Capital Plan funds for renovations and asset protection work at the University of Rhode Island's Alton Jones Campus to house a visitor center and other Department of Environmental Management offices. This is a significant change in the scope from the original project. In June 2025, the Department and the University of Rhode Island reached an agreement for a 10-year, no-cost lease, with the Department promising to improve the campus with capital projects. The capital budget adds \$0.5 million from Rhode Island Capital Plan funds and excludes \$13.8 million from federal funds that never materialized.
- **Dam Repair.** The capital budget includes \$21.5 million from Rhode Island Capital Plan funds for FY 2027 through FY 2031 for ongoing repairs to high-hazard state-owned dams at various recreational and management areas. This shifts previously approved funding to later years based on updated projections.
- **DEM Land Sales.** The Budget includes the sale of three unused properties owned by the Department of Environmental Management, namely, 21 Hill Farm Road in Coventry, 2307 Hartford Avenue in Johnston, and 353 Palmer Avenue in Warwick. Based on Department estimates, the Budget assumes that approximately \$900,000 in one-time revenue would be generated from the sale and deposited into the information technology fund in the Department of Administration's budget.
- **Big River Management Area.** The Budget transfers ownership of the Big River Management Area from the Water Resources Board in the Department of Administration to the Department of Environmental Management. This includes the transfer of a dedicated position and revisions to the governing statutes.
- **Online Application Portal.** The Budget includes \$752,000 from general revenues for operations and maintenance expenses of the online application portal for the Department of Environmental Management, now that development is complete. The portal was launched in October 2024 and supports dozens of construction permitting and business licensing programs.
- **Storm Tools.** The Budget includes the FY 2026 enacted level of \$200,000 from general revenues for the Coastal Resources Management Council's technology applications, which help the state prepare for, respond to, and recover from coastal hazards.
- **Point Street Creosote Pilings Removal.** The capital budget includes \$2.3 million from federal funds and \$0.3 million from general obligation bonds approved by voters in 2021 for a new project to remove the Point Street Bridge pilings on the Providence River in Downtown Providence in FY 2026. The pilings are covered with a wood preservative containing harmful substances that affect the area's wildlife.

- ***Confined Aquatic Dredged Material Disposal Cells.*** The capital budget includes the previously approved \$116.7 million to construct a new confined aquatic disposal cell for dredged material with the Army Corps of Engineers. This includes \$23.0 million borrowed through Certificates of Participation, \$81.7 million from federal funds, \$11.4 million from Rhode Island Capital Plan funds, and \$0.6 million from dredge funds.
- ***South Coast Restoration Project.*** The capital budget includes \$7.0 million from Rhode Island Capital Plan funds for FY 2026 to restore the west wall of the Ninigret Breachway, damaged by previous winter storms, consistent with the approved plan.
- ***Winnapaug Land Conservation.*** The capital budget includes \$1.6 million from newly awarded federal funds for FY 2026 to acquire three parcels of privately-owned coastal wetland habitat along Atlantic Avenue in Westerly. All three parcels abut publicly owned land and connect to a larger 15-acre continuous salt marsh complex owned by the Department of Environmental Management.

Transportation

- ***Bus Shelter Renovation and Replacement.*** The Assembly provided the Rhode Island Public Transit Authority a total of \$15.0 million from Rhode Island Capital Plan funds, \$3.0 million annually in the five-year period for a new Bus Shelter Renovation and Replacement project. Replacing these shelters would provide enhanced amenities for passengers to make transit more attractive.
- ***Gas Tax.*** The Budget maintains the gas tax at the current law distribution and amount of 41 cents, including the one-cent environmental protection fee.
- ***Rhode Island Public Transit Authority.*** The Budget contains \$82.1 million in transfers to the Rhode Island Public Transit Authority for its share of highway maintenance funds and gas tax proceeds. The Assembly revised the Highway Maintenance Account to allocate 25.0 percent of available funds annually to the Authority, replacing the current combination of 10.0 percent and a fixed amount. Based on updated estimates, this would provide the Authority with an additional \$13.4 million in funds, \$4.2 million more than the Governor's recommendation using earlier yield estimates. The Assembly also recognized \$0.8 million from updated gas tax estimate.
- ***Rhode Island Turnpike and Bridge Authority.*** The Budget includes transfers of \$15.4 million in FY 2026 and \$15.3 million in FY 2027 from gasoline tax proceeds to the Turnpike and Bridge Authority for operations related to the four bridges under its purview.
- ***Bridge Inspection Oversight.*** The Budget includes \$0.4 million from federal funds to fund 2.0 new full-time equivalent positions in the Department of Transportation for bridge inspection oversight.
- ***Toll Revenue.*** The Budget includes \$20.0 million in toll revenues for FY 2027 and none for FY 2026 based on extended implementation delays.
- ***RhodeRestore.*** The Budget includes \$10.0 million from gasoline tax proceeds for the RhodeRestore program, which provides municipalities with funding for the construction and maintenance of roads, sidewalks, and bridges. This reflects a one-time increase of \$3.5 million. A municipal match of 67.0 percent is required. The Assembly maintained the requirement that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, based on the most recent Department data. From FY 2024 through FY 2026, a total of \$33.5 million has been provided, including \$27.0 million from State Fiscal Recovery funds.

Section II

Statewide Overview

Summary

	FY 2026		FY 2026		FY 2027		FY 2027	
	Enacted		Final		Recommended		Enacted	
Expenditures by Function*								
General Government	\$	2,301.5	\$	2,647.2	\$	2,346.8	\$	2,396.0
Human Services		6,476.6		6,479.2		6,654.4		6,902.9
Education		3,616.8		3,621.1		3,654.3		3,704.2
Public Safety		879.5		945.7		883.7		906.9
Natural Resources		179.3		177.7		185.1		186.9
Transportation		882.8		1,200.0		1,134.8		1,146.4
Total	\$	14,336.4	\$	15,070.9	\$	14,859.0	\$	15,243.2
Expenditures by Category*								
Salaries and Benefits	\$	2,259.3	\$	2,359.6	\$	2,452.0	\$	2,466.9
Contracted Services		525.8		571.5		886.3		676.9
Subtotal	\$	2,785.1	\$	2,931.1	\$	3,338.3	\$	3,143.7
Other State Operations		1,228.6		1,298.2		1,257.9		1,252.3
Aid to Local Units of Government		2,133.7		2,128.1		2,127.1		2,178.6
Assistance, Grants, and Benefits		6,772.3		6,887.1		6,810.6		7,053.6
Capital		882.3		1,306.8		820.5		1,104.3
Capital Debt Service		284.8		273.9		279.1		277.3
Operating Transfers		249.6		245.7		225.5		233.3
Total	\$	14,336.4	\$	15,070.9	\$	14,859.0	\$	15,243.2
Sources of Funds*								
General Revenue	\$	5,809.4	\$	5,837.5	\$	5,954.7	\$	6,079.1
Federal Aid		5,108.5		5,454.6		5,506.0		5,734.6
Restricted Receipts		458.5		550.4		459.8		464.7
Other		2,960.0		3,228.4		2,938.5		2,964.7
Total	\$	14,336.4	\$	15,070.9	\$	14,859.0	\$	15,243.2
FTE Authorization**								
		15,921.8		15,946.8		16,001.8		15,997.2

**Data in millions*

***The Governor proposed exempting URI from the FTE limit in Article 1 eff. FY 2026. For comparability, the recommended total is adjusted to include the enacted value of 2,671.0 for URI.*

The Governor's budget recommendations for FY 2027 are contained in 2026-H 7127, introduced on January 15, 2026, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction.

The House Finance Committee recommended passage of 2026-H 7127, Substitute A, on May 29, and the House passed 2026-H 7127, Substitute A, as amended, on June 5. The Senate passed it on June 9, and the Governor signed it on June 12, 2026.

The Governor recommended a total FY 2027 budget of \$14,859.0 million. Total expenditures increase by \$522.6 million from the FY 2026 budget enacted by the 2025 Assembly, or 3.6 percent. His FY 2026

revised budget totals \$15,168.1 million; FY 2025 expenditures, based on unaudited data, were \$14,548.9 million. The recommended budget includes \$5,954.7 million of expenditures funded from general revenues, \$145.4 million, or 2.5 percent more than enacted. This is also \$129.7 million more than his revised recommendation.

FY 2027	General Revenue	Federal	Restricted	Other	All Funds
FY 2026 Enacted	\$ 5,809.4	\$ 5,108.5	\$ 458.5	\$ 2,960.0	\$ 14,336.4
Governor	5,954.7	5,506.0	459.8	2,938.5	14,859.0
Change to Enacted	\$ 145.4	\$ 397.5	\$ 1.3	\$ (21.5)	\$ 522.6
Percent Change	2.5%	7.8%	0.3%	-0.7%	3.6%
FY 2027 Enacted	\$ 6,079.1	\$ 5,734.6	\$ 464.7	\$ 2,964.7	\$ 15,243.2
Change to Enacted	\$ 269.7	\$ 626.1	\$ 6.2	\$ 4.7	\$ 906.8
Percent Change	4.6%	12.3%	1.3%	0.2%	6.3%
Change to Governor	\$ 124.4	\$ 228.6	\$ 4.9	\$ 26.3	\$ 384.1
Change to FY 2026	\$ 241.6	\$ 280.0	\$ (85.7)	\$ (263.7)	\$ 172.3
Percent Change to FY 2026	4.1%	5.1%	-15.6%	-8.2%	1.1%
Change to FY 2025	\$ 543.6	\$ 689.4	\$ 99.1	\$ 360.9	\$ 1,693.0
Percent Change to FY 2025	9.8%	13.7%	27.1%	13.9%	12.5%

\$ in millions

The Assembly adopted a budget with total expenditures of \$15,243.2 million, which is \$906.8 million more than the Governor recommended. The adopted budget contains \$6,079.1 million from general revenues, which is \$124.4 million more than the Governor recommended.

House Fiscal Staff's June 2025 estimate of the FY 2027 budget gap between revenues and current services expenditures was about \$300 million. Later instructions issued by the Budget Office assumed a smaller gap, differing on caseload, education aid, and revenue assumptions.

In December, the Budget Office revised the estimate downward to about \$100 million, based on available funds from FY 2025, recently adopted caseload and revenue estimates, updated education aid data, and other current-year spending trends. Notably, the new figure expressly excluded significant cost pressures expected to impact the FY 2027 budget, such as the human services rate review recommendations and the impacts of H.R. 1 not already reflected in the November consensus forecasts. The Governor's budget contains significant expenditure and revenue changes to address those items and the underlying FY 2027 gap, including some one-time items that add to the structural imbalance.

His budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview.

The May revenue conference noted a combined revenue increase of \$233.4 million compared to November. The concurrent caseload conference reflected changes in expenditures in both years as well. These changes, in concert with items already included in the Governor's budget, meant there would be about \$220 million more in available resources over the two-year period.

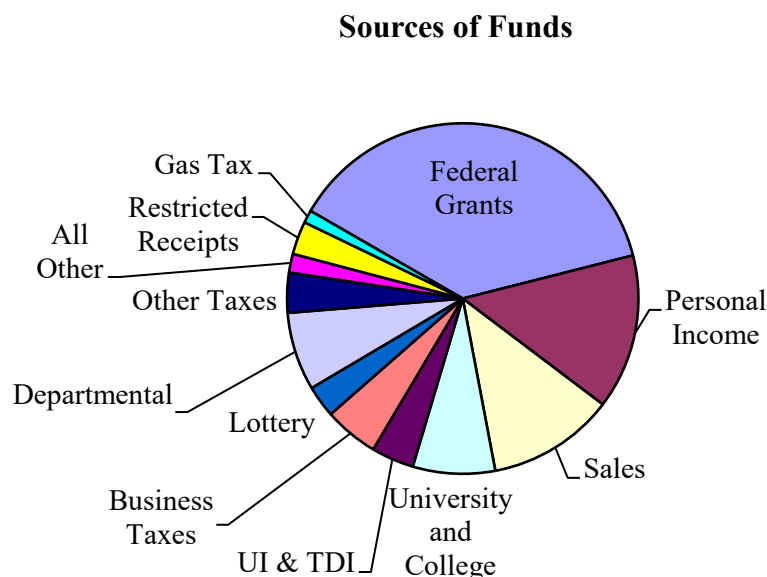
Also, information provided through required quarterly reporting and requested amendments from the Governor highlighted other changes needed, including significant increases for updated education aid data, unbudgeted 2026 blizzard costs, and spending at the Department of Corrections and some human services departments that substantially exceeded amounts budgeted.

The Assembly accounted for these items and accelerated the Governor's proposal to implement provider rate increases, as well as other targeted rate, eligibility, and benefit adjustments. Much of this spending is

accounted for in the Governor's original out-year projections. Additionally, the Assembly maintained current law on the growth adjustment for motor vehicle excise tax payments to local communities, provided funding for unbudgeted updates to distressed community aid, and fully funded support for libraries.

The Assembly also revised revenue proposals to reflect different policy choices and to reduce the sharpness of the out-year deficit growth. This includes a phase-in of the millionaire's tax and a more modest adjustment to eligibility for the social security tax exemption. With available one-time resources, the Assembly restored supplemental budget reserve funds that had been withdrawn to support the finalized plan to finance the CharterCARE hospital acquisition and increased those reserves to \$61.0 million, approximately one percent of usable revenues.

The revenue sources for the recommended 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: Revenues Changes*.



The following table shows enacted FY 2027 sources with items contributing to general revenues in bold type. It also 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	\$ 5,734.6	37.7%	\$ -	0.0%
Personal Income	2,173.0	14.3%	2,173.0	35.9%
Sales	1,780.4	11.7%	1,780.4	29.4%
University and College	1,150.6	7.6%	-	0.0%
UI & TDI	596.1	3.9%	-	0.0%
Business Taxes	764.0	5.0%	764.0	12.6%
Lottery	447.9	2.9%	447.9	7.4%
Departmental	561.9	3.7%	561.9	9.3%
Other Taxes	261.9	1.7%	261.9	4.3%
All Other	1,097.3	7.2%	56.6	0.9%
Restricted Receipts	464.7	3.1%	-	0.0%
Gas Tax	177.3	1.2%	-	0.0%
Total	\$ 15,209.8	100%	\$ 6,045.7	100%

- *Federal funds* continue to be the single largest source, accounting for 37.7 percent of all revenues in FY 2027. Expenditures from federal sources of \$5,734.6 million are \$626.1 million more than enacted for FY 2026, a 12.3 percent increase, and are from over 300 different federal programs.

Medicaid is the single largest source of federal funds. The enacted budget includes \$3,208.4 million from Medicaid, 55.9 percent of all federal funds, and 21.1 percent of all revenues. Other significant federal support includes \$594.2 million of federal highway funds and \$337.0 million for the Supplemental Nutrition Assistance Program. These three programs account for over 72 percent of all federal funds; the top ten, which include Temporary Assistance to Needy Families, the new Rural Health Transformation program, and grants to local school districts, account for 83.4 percent.

- *Sales and Personal Income taxes* combine for 26.0 percent of all revenues in FY 2027 and 65.4 percent of all general revenues. Combined with federal funds, they total nearly two-thirds, 63.7 percent.

- *Personal Income taxes* of \$2,173.0 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2027 estimate is \$172.1 million above the FY 2026 enacted budget estimates, or 8.6 percent.

- *Sales tax* revenues of \$1,780.4 million are the second largest of general revenue sources. That amount is \$53.8 million more than enacted for FY 2026, or 3.1 percent.

- *University and College Funds* are \$1,150.6 million and 7.6 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 Pell grants. These increase by \$42.0 million, or 3.8 percent, from the FY 2026 enacted estimates.

- *Employment Security and Temporary Disability Insurance* payments are estimated at \$596.1 million, \$59.2 million more than the levels estimated for the FY 2026 enacted budget, based on current estimates from the Department of Labor and Training.

- *Business taxes* of \$764.0 million account for 5.0 percent of total revenues and 12.6 percent of general revenues for FY 2027. They would increase by \$47.4 million, or 6.6 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 \$447.9 million, which is 2.9 percent of all revenues and 7.4 percent of general revenues.

- *Departmental Revenues* of \$561.9 million include \$232.5 million from the hospital licensing fee. Departmental revenues would be 3.7 percent of all revenues and 9.3 percent of general revenues.

- *Other taxes* include cigarettes, alcohol, estate, realty transfer, and racing and athletics. These total \$261.9 million in the FY 2027 budget, comprising 1.7 percent of all sources but 4.3 percent of general revenues.

- The *gas tax*, currently 40.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund is estimated to generate \$4.4 million per cent in FY 2027, for a total of \$177.3 million.

- The remaining sources, estimated at \$1,562.1 million, constitute 10.3 percent of all FY 2027 sources and include sources dedicated to specific purposes such as lottery operations, transportation funds, and restricted receipts as well as unclaimed property and other miscellaneous items.

General Revenue Sources

Less than half of the total funds collected or received from all sources, \$6,045.7 million, are considered general revenues, which represent 39.7 percent of all sources. General revenues 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.

The Consensus Revenue Estimating Conference estimates general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor, who must achieve consensus on their forecast; votes are not taken. The estimates are to be based on current law at the time of the conferences.

Available general revenues also include a balance forward from FY 2026 of \$222.7 million minus a transfer of \$188.1 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. Three percent of the opening surplus plus all revenues must be deposited in the account. Any amounts used must be replaced in the following year. The 2020 Assembly used \$120.0 million to close the projected FY 2020 deficit when it adopted the revised budget in late June 2020. The FY 2021 budget repaid that in full.

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. 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.

The 2023 Assembly adopted the Governor’s proposal to create a supplemental account funded with \$55.0 million in FY 2024; this allows for the equivalent of about six percent of revenues to be kept in reserve. The 2026 Assembly increased the total to \$61.0 million to maintain that percentage.

FY 2027 Expenditures

Enacted expenditures of \$15,243.2 million are \$906.8 million above the enacted level for FY 2026, or 6.3 percent. They can be classified functionally, grouping agencies with similar programs and purposes into six functions: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally provides insight into what they do or provide.

The presentation of expenditures by function and category discussed on the next page reflects the data in the enacted budget. Comparisons by function and category across years have been complicated in recent years by the large influx of federal COVID-related expenses and grants and by how they are budgeted. Additionally, the transition to a new accounting system at the beginning of FY 2026 has impeded comparability as expense categories have merged and shifted. Also, the FY 2025 budget changed the presentation for over \$100 million of Medicaid-reimbursable spending at the state-run group homes and Eleanor Slater Hospital, reclassifying personnel and other operating expenses to the grants and benefits category. This is reversed in both FY 2026 and FY 2027.

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 \$6,902.9 million are 45.3 percent of all expenditures and 39.6 percent of those

funded from general revenues. These expenditures are \$426.3 million more than the 2025 Assembly enacted for FY 2026. Those funded from general revenues are \$152.9 million more.

- *Education* includes programs of elementary and secondary education, public higher education, scholarships, and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 49.2 percent of total education expenses, or \$1,823.2 million of the \$3,704.2 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 24.3 percent of all expenditures, but 33.9 percent of those funded from general revenues. They increase by \$87.4 million from the enacted FY 2026 budget; general revenue funded ones increase by \$66.0 million.
- The Budget includes \$906.9 million for *Public Safety* expenditures, \$27.4 million more than the enacted budget. They comprise 5.9 percent of all expenditures and 11.2 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$186.9 million, which is \$7.6 million more than enacted for FY 2026. They account for 1.2 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 7.5 percent of expenditures and include the state's highway and transit programs. Funding of \$1,146.4 million, none from general revenues, is \$263.6 million more than enacted for FY 2026.
- The remaining 15.7 percent of expenditures, \$2,396.0 million, are for the *General Government* programs. These include 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.

Expenditures also include all of the state's debt service except for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$94.5 million or 4.1 percent more than the enacted budget.

Expenditures by Category

Expenditures are also aggregated and presented by accounting categories that identify what is purchased rather than the purpose of the expenditure. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

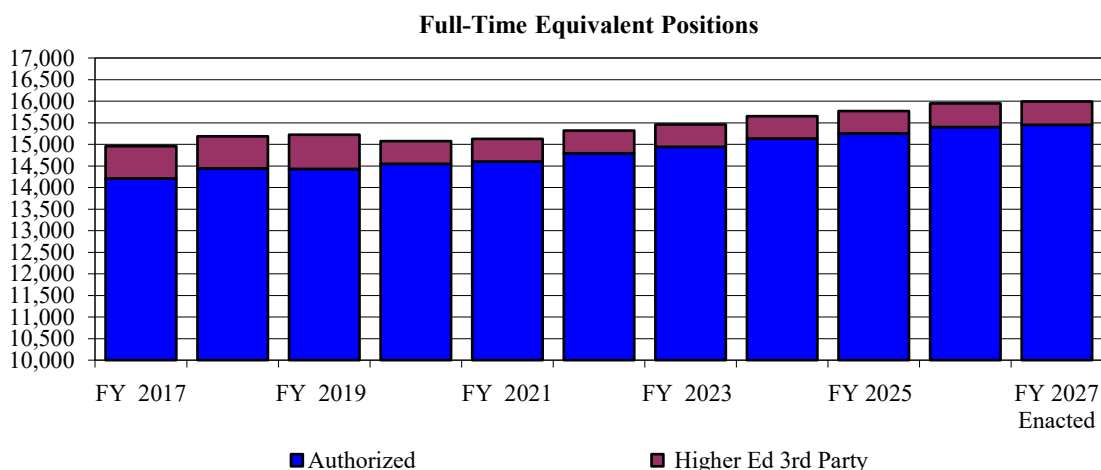
State Operations are the day-to-day expenses of state government. These include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits*, including fringe benefits, workers' compensation, and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

The Budget includes \$2,466.9 million for total *salaries and benefits* for 15,997.2 full-time equivalent positions, and \$676.9 million for contracted services. Expenses categorized as salaries and benefits are \$207.5 million more than enacted for FY 2026; however, as noted, over \$100 million of that is simply the reversal of the prior presentation of Medicaid billings in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Adjusted for that, they would increase 4.7 percent and reflect the 3.0 percent salary increase in labor agreements, as well as statewide health and other benefit adjustments. Contracted services expenditures would increase by \$151.1 million. Salaries and benefits account for 16.2 percent of total expenses and 23.0 percent of those funded from general revenues.

Contracted services account for 4.4 percent of total expenses and 2.6 percent of general revenue funded ones.

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; personnel and operating costs in the internal service accounts are essentially treated as offline to avoid double-counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 budget.

The 2017 Assembly authorized internal service funds for centralized services, including information technology, capital asset management and maintenance, and human resources. The Assembly concurred with the Governor's recommendation to have the FY 2018 revised and FY 2019 budgets reflect the establishment of these internal service funds. A total of \$81.5 million of FY 2018 expenses were converted from direct appropriations to internal service funds. Of that total, \$56.2 million was budgeted as salaries and benefits and is now shown as an operating expense.



**The Governor proposed to exempt URI from the FTE limit in Article 1 eff. FY 2026. For comparability, the recommended totals for both years are adjusted to include the enacted value of 2,671.0 for URI.*

The budget includes \$1,252.3 million for *other state operations*, constituting 8.2 percent of FY 2027 expenditures from all sources and 4.7 percent of those funded with general revenues. This is \$23.7 million more than enacted, including \$34.4 million more from 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 to reduce reliance on property taxes and education aid. The Budget includes \$2,178.6 million in aid to local units of government, including \$1,823.2 million in education aid and \$355.4 million in general state aid. These expenditures account for 14.3 percent of total spending. However, they comprise 32.3 percent of the general revenue funded ones.

Local aid expenditures from general revenues total \$1,962.3 million, consisting of \$1,611.2 million in education aid and \$351.1 million in general state aid. General revenue funded education aid increases by \$40.1 million, and general aid is \$3.2 million higher. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Assistance, Grants, and Benefits constitute payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs, including Rite Care, Rhody Health Partners, and Rhody Health Options, as well as other medical assistance programs. They also include grants to

environmental and local law enforcement agencies, unemployment compensation, and temporary disability and workers' compensation programs.

The following table shows the major grants for human services.

EOHHS-Human Services Grants	All Funds				General Revenues			
	FY 2025 Reported*	FY 2026 Final	FY 2027 Enacted	Change	FY 2025 Reported*	FY 2026 Final	FY 2027 Enacted	Change
EOHHS/Human Services								
Managed Care	\$ 1,064.4	\$ 1,090.0	\$ 1,173.8	\$ 83.8	\$ 454.2	\$ 451.8	\$ 477.9	\$ 26.0
Long Term Care	640.4	749.0	823.8	74.8	281.4	320.6	348.8	28.2
Hospitals	380.9	416.4	452.6	36.2	128.6	136.7	147.7	11.0
Rhody Health Partners	299.6	337.7	340.2	2.5	129.0	140.3	139.3	(1.0)
Rhody Health Options	219.5	248.8	287.9	39.1	96.5	104.8	118.9	14.2
Expansion	701.9	724.9	734.6	9.7	74.4	78.7	79.2	0.4
Other	205.3	216.9	227.0	10.1	74.8	79.0	76.5	(2.5)
Pharmacy	93.4	95.2	97.1	1.9	93.3	94.8	96.7	2.0
Health System Transformation Project	7.3	3.4	1.1	(2.3)	-	-	-	-
Subtotal: Medical Assistance	\$ 3,612.8	\$ 3,882.3	\$ 4,138.1	\$ 255.9	\$ 1,332.1	\$ 1,406.7	\$ 1,485.0	\$ 78.3
Child Care	\$ 70.2	\$ 69.5	\$ 74.6	\$ 5.1	\$ 10.1	\$ 9.9	\$ 9.8	\$ (0.1)
Rhode Island Works Program	34.2	29.8	24.6	(5.2)	-	-	-	-
SSI State Program	16.7	16.7	16.8	0.1	16.7	16.7	16.8	0.1
SSI/Bridge Program	1.6	2.0	2.0	-	1.6	2.0	2.0	-
Subtotal: Cash Assistance	\$ 122.8	\$ 118.0	\$ 118.0	\$ 0.0	\$ 28.5	\$ 28.6	\$ 28.6	\$ 0.0
Supplemental Nutrition Assistance	\$ 365.2	\$ 348.4	\$ 341.1	\$ (7.3)	\$ 0.1	\$ 3.8	\$ 4.1	\$ 0.3
Veterans' Organizations	0.4	0.4	0.4	-	0.4	0.4	0.4	-
Community/Social Services Block Grants	12.2	12.3	14.3	2.0	4.2	4.4	6.7	2.3
Subtotal: Other Assistance	\$ 377.8	\$ 361.1	\$ 355.8	\$ (5.3)	\$ 4.7	\$ 8.6	\$ 11.2	\$ 2.6
DHS/Office of Healthy Aging								
Medical Assistance	\$ 7.4	\$ 9.6	\$ 13.3	\$ 3.7	\$ 3.3	\$ 4.1	\$ 5.6	\$ 1.5
Senior Services Support/Other Programs	2.5	2.7	3.0	0.3	2.5	2.7	3.0	0.3
Other Grants	9.0	10.2	9.5	(0.7)	0.7	0.7	0.6	(0.1)
Behavioral Healthcare, Developmental Disabilities and Hospitals								
Developmental Disabilities	\$ 474.9	\$ 461.4	\$ 507.0	\$ 45.6	\$ 210.6	\$ 180.1	\$ 198.0	\$ 17.9
Behavioral Healthcare Services	27.3	41.9	26.4	(15.5)	0.0	0.1	1.1	1.0
COVID Relief Programs	2.8	3.6	-	(3.6)	-	-	-	-
Children, Youth and Families								
Central Management	\$ 1.3	\$ 0.3	\$ 4.0	\$ 3.7	\$ -	\$ -	\$ 2.0	\$ 2.0
Child Welfare	196.6	221.0	225.4	4.4	152.9	154.1	162.1	8.0
Children's Behavioral Health	11.9	13.6	14.2	0.6	6.6	6.0	6.3	0.3
Youth Development Services	1.7	2.2	1.9	(0.3)	1.6	1.6	1.6	0.1
Higher Ed. Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Health								
Women, Infants and Children	\$ 22.5	\$ 25.2	\$ 23.9	\$ (1.3)	\$ -	\$ -	\$ -	\$ -
Maternal Infant & Early Childhood	4.7	7.9	9.2	1.3	-	-	0.4	0.4
COVID Relief Programs	1.2	0.4	-	(0.4)	-	-	-	-
Other Grants	19.6	25.0	36.3	11.3	1.1	1.0	1.9	0.9

\$ in millions; *unaudited

Assistance, grants, and benefits total \$7,053.6 million and constitute the largest category, accounting for 46.3 percent of all expenditures and 33.2 percent of general revenue-funded expenditures. 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 \$281.3 million above the enacted budget, including all sources. Those expenses from general revenues are \$4.7 million less.

Capital expenditures in the past have included only direct-pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are recognized in the year 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 as part of the Governor's budget.

Capital expenses total \$1,104.3 million, or 7.2 percent of all expenditures; debt service of \$277.3 million is 1.8 percent. Capital expenditures would be \$222.0 million more than enacted for FY 2026, and debt service would be \$7.4 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they also include capital purchases that were previously classified as capital outlays within state operations. The purpose may be to include all fixed assets with costs and time above certain thresholds. The budget does not provide sufficient information to separate the items.

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 from general revenues to quasi-public agencies, such as the Commerce Corporation. Recent budgets contained a significant increase in these related to limited-term investments via the Commerce Corporation.

They also represent transfers within state agencies from funds distinct from the General Fund. An example is the transfer of funds from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double-count expenditures that appear elsewhere in this budget or in other state agencies. They total \$233.3 million and account for 1.5 percent of the budget. The general revenue portion is \$29.4 million, representing 0.5 percent of general revenue-funded expenditures.

General Revenue Surplus Statement

The Governor recommended an ending FY 2027 surplus of \$0.8 million, and an operating deficit of \$95.4 million reflecting use of the FY 2026 surplus. The Governor submitted his budget before the final release of audited financial statements for FY 2025; his budget used draft data with adjustments known at the time, which reduced the preliminary free surplus by \$8.6 million. As of mid-June, following budget enactment, audited figures remain outstanding. The Assembly adopted a FY 2027 budget that results in an ending surplus of \$1.3 million and an operating deficit of \$221.4 million, reflecting use of the FY 2026 surplus.

	FY 2025*	FY 2026	FY 2027
Opening Surplus			
Free Surplus	\$ 326,355,037	\$ 241,634,407	\$ 222,742,168
Reappropriated Surplus	34,569,423	38,796,839	-
Adjustment to Opening Surplus	21,649,978	18,000,000	-
Adjustment to Fund Balance	703,083	-	-
Subtotal	\$ 383,277,521	\$ 298,431,246	\$ 222,742,168
Revenues			
Actual/Enacted/Estimated	\$ 5,612,012,441	\$ 5,766,583,094	\$ 5,706,600,000
Governor	-	56,316,906	336,886,806
Assembly	-	150,100,000	2,228,121
Revenues	\$ 5,612,012,441	\$ 5,973,000,000	\$ 6,045,714,927
Cash Stabilization Fund	(178,800,524)	(186,979,032)	(188,053,713)
Total Available Resources	\$ 5,816,489,438	\$ 6,084,452,214	\$ 6,080,403,382
Expenditures			
Actual/Enacted/Estimated	\$ 5,535,537,980	\$ 5,809,363,121	\$ 5,954,722,537
Reappropriations	-	38,796,839	-
Governor	-	(23,149,050)	-
Assembly	-	12,495,936	124,383,201
Total Expenditures	\$ 5,535,537,980	\$ 5,837,506,846	\$ 6,079,105,738
Total Surplus	\$ 280,951,458	\$ 246,945,368	\$ 1,297,644
Transfers	(520,212)	(24,203,200)	-
Reappropriations	(38,796,839)	-	-
Free Surplus	\$ 241,634,407	\$ 222,742,168	\$ 1,297,644
<i>Operating Surplus/(Deficit)</i>	<i>(67,756,640)</i>	<i>(12,689,039)</i>	<i>(221,444,524)</i>
Budget Stabilization and Cash Reserve	\$ 298,000,873	\$ 310,731,720	\$ 313,422,855
Percent of Revenues	5.3%	5.2%	5.2%

**Same as Governor's budget which uses preliminary closing with known updates pending final audit*

The Budget Reserve and Cash Stabilization Account, the “rainy day fund,” would have ending balances of \$298.0 million in FY 2025, \$310.7 million in FY 2026, and \$313.4 million in FY 2027. The account receives 3.0 percent of general revenues plus free surplus annually. The FY 2024 budget also created a supplemental reserve fund, contributing \$55.0 million and dedicating half of any future unexpected excess revenues at fiscal close. This provision was suspended for both FY 2023 and FY 2024; none is expected for FY 2025.

Legislation contained in 2026-H 7408, requested by the Governor after he submitted his budget, appropriated \$18.0 million of the supplemental reserve to a debt service reserve fund to assist the completion of a pending sale of the CharterCARE Hospitals. The FY 2027 budget restored those funds and provided an additional \$6.0 million to bring the supplemental reserve total to \$61.0 million.

Out-Year Forecasts

The out-years continue to be unbalanced. The forecast included in the Governor's budget estimates a roughly \$240 million gap for FY 2028, which grows to about \$540 million by FY 2031. Expressed as a percent of useable revenues, it grows from 4.0 percent to 8.4 percent. The FY 2028 gap reflects the use of one-time surplus funds in FY 2027, the implementation of budget initiatives with larger impacts in later years, and the updated economic forecast. The projections also assume the negative budget effects of federal law changes contained in H.R. 1, which grow considerably in later years.

The Fiscal Staff estimates the FY 2028 budget gap at about \$260 million, or 4.4 percent of useable revenues, growing to 6.5 percent by FY 2031. While the gaps grow in later years, they are considerably smaller than the Governor's proposal. Future support for a state medical school and local aid account for some of the major spending differences. The Assembly used updated education aid data, accounted for more distressed communities, and maintained current law on car tax reimbursements to communities, declining to end the statutory growth, as the Governor proposed.

	FY 2028	FY 2029	FY 2030	FY 2031
Opening Surplus	\$ 1.3	\$ -	\$ -	\$ -
Revenues	6,210.2	6,377.5	6,571.8	6,756.1
Cash Stabilization Fund	(186.3)	(191.3)	(197.2)	(202.7)
Useable Revenues	\$ 6,025.2	\$ 6,186.2	\$ 6,374.7	\$ 6,553.4
Expenditures	6,288.5	6,488.5	6,736.1	6,976.7
Total Surplus	\$ (263.3)	\$ (302.3)	\$ (361.4)	\$ (423.2)
Revenue Growth	2.8%	2.7%	3.0%	2.8%
Useable Revenue Growth	1.2%	2.7%	3.0%	2.8%
Expenditure Growth	5.6%	3.2%	3.8%	3.6%
Surplus Percent of Useable Revenues	-4.4%	-4.9%	-5.7%	-6.5%

\$ in millions

Also, several revenue initiatives in the Governor's FY 2027 budget had larger impacts, both positive and negative, on the bottom line in the four out-years. These combined to increase the projected structural deficit. The Assembly took a different approach, adopting a complement of revenue initiatives that grow above the baseline in the out-years.

The Governor's budget described the many issues and risks to the forecast presented with his budget. This includes details of the projected impact on both revenues and expenditures from key provisions of H.R. 1. One notable variable is the potential for the state to assume a share of the cost of Supplemental Nutrition Assistance Program benefits beginning in FY 2028, depending on its success in reducing payment error rates.

The Assembly adopted the Governor's proposals on implementation costs for these new policies and enhanced his proposed initiatives to mitigate impacts on those who will likely lose benefits. The Assembly also repealed the health care assessment enacted last year to help fund increases in primary care rates and other initiatives, in light of more recent guidance regarding federal provider tax restrictions. Taken together, these also contribute to the structural deficit, with only a portion attributable to policy choices.

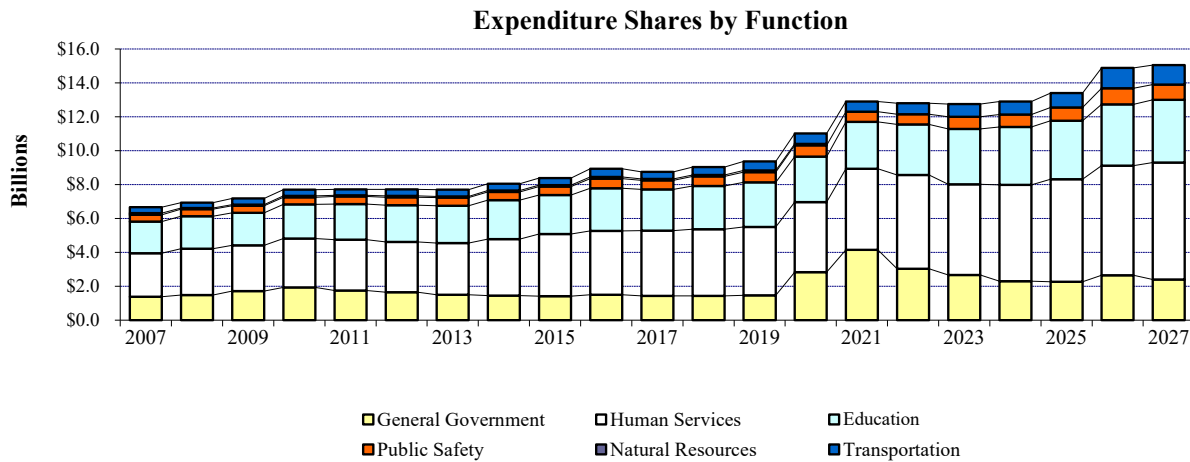
One-time resources are used in the FY 2027 budget and are again the primary reason for the FY 2028 out-year budget gap. However, out-year projections are a function of both the assumptions made regarding revenues and expenditures and the budget structure. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2028 through FY 2031, as well as the FY 2027

budget itself. Also, the economic data used for the enacted budget is from the May consensus economic forecast. This had been revised from earlier projections and will be revised again in November.

While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million, averaging 14.8 percent of projected revenues in Governor Carcieri's final budget.

Distribution of Total Expenditures

Expenditures can be aggregated in many ways. In Rhode Island, we have tended to aggregate by *function* and expenditure category. The functional classification aggregates agencies with similar programs and purposes into six functions: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally provides insight into what they do or provide. As noted previously, changes in budget presentation relative to internal service funds impact these comparisons, as does the way federal COVID-related expenditures are budgeted.



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, arts, and historical preservation and heritage.

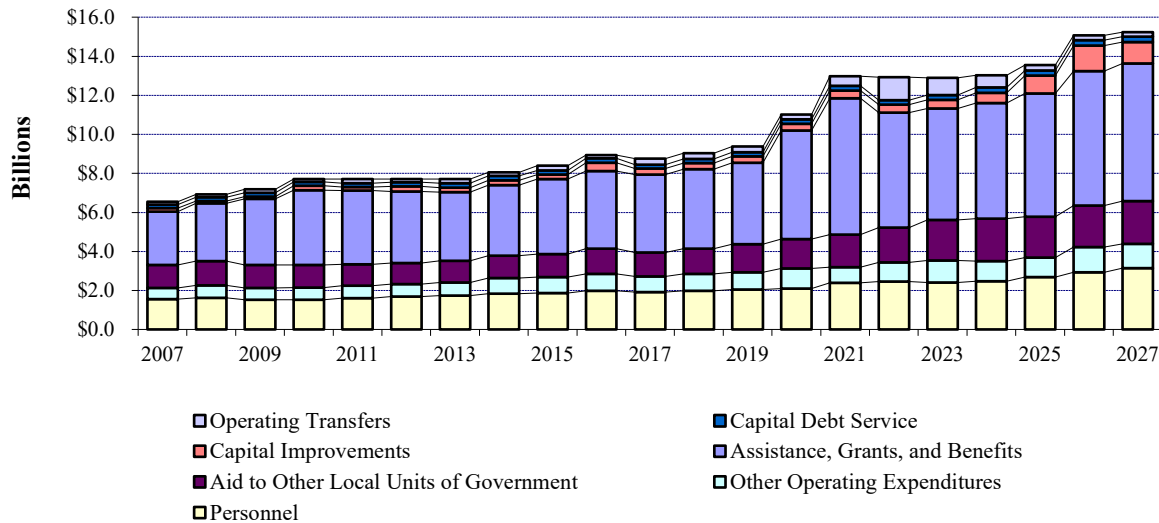
Public Safety includes the state's law enforcement, adjudication, and penal programs.

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 identify what is purchased rather than the purpose of the expenditure. The categories include: state operations; local aid; assistance, grants, and benefits; capital; and operating transfers. As noted previously, changes in budget presentation for internal service funds and the transition to a new accounting system affect these comparisons.

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 to reduce reliance on property taxes and education aid.

Assistance, Grants, and Benefits constitute payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including RItE Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability, and workers' compensation. This is the largest expenditure category.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are recognized in the year 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.

The budget also classifies capital purchases that had previously been included as capital outlays within state operations as capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. They do not, however, track to the capital budget process.

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 Commerce Corporation. There are also instances where these expenses are already accounted for elsewhere in the budget, resulting in double-counting.

Staff has reviewed 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. The Assembly action on each item is also noted. 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. All expenditures are expressed in millions of dollars. The percentages shown in the table represent the percentage of the total shown in each cell.

Expenditures from All Funds

FY 2025 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 279.8 2.1%	\$ 404.1 3.0%	\$ 698.0 5.2%	\$ 546.3 4.0%	\$ 73.2 0.5%	\$ 106.8 0.8%	\$ 2,108.2 15.6%
Contracted Services	63.2 0.5%	247.0 1.8%	136.2 1.0%	38.5 0.3%	17.1 0.1%	80.3 0.6%	582.2 4.3%
Other State Operations	483.2 3.6%	195.7 1.4%	290.8 2.1%	121.5 0.9%	18.8 0.1%	(118.2) -0.9%	991.8 7.3%
Aid to Local Units of Government	338.5 2.5%	0.0 0.0%	1,759.7 13.0%	0.3 0.0%	0.0 0.0%	- 0.0%	2,098.5 15.5%
Assistance, Grants, & Benefits	687.1 5.1%	5,144.8 38.0%	411.1 3.0%	37.4 0.3%	13.2 0.1%	28.0 0.2%	6,321.5 46.7%
Capital	47.0 0.3%	68.6 0.5%	76.3 0.6%	30.6 0.2%	17.9 0.1%	674.2 5.0%	914.7 6.8%
Debt Service	193.1 1.4%	- 0.0%	71.3 0.5%	0.5 0.0%	- 0.0%	- 0.0%	264.9 2.0%
Operating Transfers	167.5 1.2%	3.6 0.0%	5.1 0.0%	1.6 0.0%	- 0.0%	89.4 0.7%	267.1 2.0%
Total	\$ 2,259.3 16.7%	\$ 6,063.9 44.8%	\$ 3,448.5 25.5%	\$ 776.7 5.7%	\$ 140.2 1.0%	\$ 860.5 6.4%	\$ 13,548.9 100.0%

FY 2026 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 314.7 2.2%	\$ 433.5 3.0%	\$ 734.2 5.1%	\$ 584.8 4.1%	\$ 73.7 0.5%	\$ 118.3 0.8%	\$ 2,259.3 15.8%
Contracted Services	58.7 0.4%	229.1 1.6%	118.7 0.8%	31.4 0.2%	16.3 0.1%	71.5 0.5%	525.8 3.7%
Other State Operations	508.5 3.5%	212.2 1.5%	303.1 2.1%	118.1 0.8%	23.2 0.2%	63.4 0.4%	1,228.6 8.6%
Aid to Local Units of Government	353.4 2.5%	- 0.0%	1,780.3 12.4%	- 0.0%	- 0.0%	- 0.0%	2,133.7 14.9%
Assistance, Grants, & Benefits	690.6 4.8%	5,563.6 38.8%	426.3 3.0%	57.0 0.4%	12.6 0.1%	22.1 0.2%	6,772.3 47.2%
Capital	88.9 0.6%	34.7 0.2%	180.5 1.3%	88.2 0.6%	53.5 0.4%	436.6 3.0%	882.3 6.2%
Debt Service	211.9 1.5%	- 0.0%	72.5 0.5%	- 0.0%	- 0.0%	0.3 0.0%	284.8 2.0%
Operating Transfers	74.7 0.5%	3.4 0.0%	1.1 0.0%	- 0.0%	- 0.0%	170.5 1.2%	249.6 1.7%
Total	\$ 2,301.5 16.1%	\$ 6,476.6 45.2%	\$ 3,616.8 25.2%	\$ 879.5 6.1%	\$ 179.3 1.3%	\$ 882.8 6.2%	\$ 14,336.4 100.0%

Expenditures from All Funds

FY 2027 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 321.2 2.2%	\$ 567.0 3.8%	\$ 765.1 5.1%	\$ 601.4 4.0%	\$ 78.4 0.5%	\$ 118.9 0.8%	\$ 2,452.0 16.5%
Contracted Services	132.8 0.9%	334.6 2.3%	242.1 1.6%	60.3 0.4%	41.7 0.3%	74.8 0.5%	886.3 6.0%
Other State Operations	507.7 3.4%	231.6 1.6%	318.8 2.1%	120.3 0.8%	21.5 0.1%	58.0 0.4%	1,257.9 8.5%
Aid to Local Units of Government	349.2 2.4%	- 0.0%	1,777.9 12.0%	- 0.0%	- 0.0%	- 0.0%	2,127.1 14.3%
Assistance, Grants, & Benefits	772.1 5.2%	5,475.3 36.8%	439.9 3.0%	68.1 0.5%	9.8 0.1%	45.4 0.3%	6,810.6 45.8%
Capital	11.9 0.1%	38.4 0.3%	35.3 0.2%	36.3 0.2%	33.7 0.2%	665.0 4.5%	820.5 5.5%
Debt Service	204.4 1.4%	- 0.0%	74.4 0.5%	- 0.0%	- 0.0%	0.3 0.0%	279.1 1.9%
Operating Transfers	47.5 0.3%	7.6 0.1%	1.0 0.0%	(2.8) 0.0%	- 0.0%	172.3 1.2%	225.5 1.5%
Total	\$ 2,346.8 15.8%	\$ 6,654.4 44.8%	\$ 3,654.3 24.6%	\$ 883.7 5.9%	\$ 185.1 1.2%	\$ 1,134.8 7.6%	\$ 14,859.0 100.0%

FY 2027 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 6.5 1.2%	\$ 133.5 25.5%	\$ 30.8 5.9%	\$ 16.6 3.2%	\$ 4.7 0.9%	\$ 0.6 0.1%	\$ 192.7 36.9%
Contracted Services	74.1 14.2%	105.5 20.2%	123.3 23.6%	29.0 5.5%	25.4 4.9%	3.2 0.6%	360.5 69.0%
Other State Operations	(0.9) -0.2%	19.4 3.7%	15.7 3.0%	2.2 0.4%	(1.7) -0.3%	(5.4) -1.0%	29.3 5.6%
Aid to Local Units of Government	(4.2) -0.8%	- 0.0%	(2.4) -0.5%	- 0.0%	- 0.0%	- 0.0%	(6.7) -1.3%
Assistance, Grants, & Benefits	81.5 15.6%	(88.4) -16.9%	13.6 2.6%	11.1 2.1%	(2.8) -0.5%	23.3 4.5%	38.3 7.3%
Capital	(77.0) -14.7%	3.6 0.7%	(145.1) -27.8%	(51.9) -9.9%	(19.8) -3.8%	228.4 43.7%	(61.8) -11.8%
Debt Service	(7.5) -1.4%	- 0.0%	1.8 0.4%	- 0.0%	- 0.0%	- 0.0%	(5.6) -1.1%
Operating Transfers	(27.2) -5.2%	4.2 0.8%	(0.1) 0.0%	(2.8) -0.5%	- 0.0%	1.8 0.3%	(24.1) -4.6%
Total	\$ 45.3 8.7%	\$ 177.9 34.0%	\$ 37.6 7.2%	\$ 4.2 0.8%	\$ 5.8 1.1%	\$ 252.0 48.2%	\$ 522.6 100.0%

Expenditures from All Funds

FY 2027 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 323.0 2.1%	\$ 573.5 3.8%	\$ 769.7 5.0%	\$ 603.3 4.0%	\$ 78.4 0.5%	\$ 118.9 0.8%	\$ 2,466.9 16.2%
Contracted Services	65.3 0.4%	360.2 2.4%	129.4 0.8%	35.5 0.2%	17.3 0.1%	69.2 0.5%	676.9 4.4%
Other State Operations	500.0 3.3%	238.4 1.6%	319.4 2.1%	118.7 0.8%	21.1 0.1%	54.7 0.4%	1,252.3 8.2%
Aid to Local Units of Government	355.4 2.3%	- 0.0%	1,823.2 12.0%	- 0.0%	- 0.0%	- 0.0%	2,178.6 14.3%
Assistance, Grants, & Benefits	804.6 5.3%	5,683.8 37.3%	441.5 2.9%	68.5 0.4%	9.8 0.1%	45.4 0.3%	7,053.6 46.3%
Capital	97.6 0.6%	39.6 0.3%	145.6 1.0%	81.0 0.5%	60.2 0.4%	680.4 4.5%	1,104.3 7.2%
Debt Service	202.6 1.3%	- 0.0%	74.4 0.5%	- 0.0%	- 0.0%	0.3 0.0%	277.3 1.8%
Operating Transfers	47.5 0.3%	7.4 0.0%	1.0 0.0%	- 0.0%	- 0.0%	177.5 1.2%	233.3 1.5%
Total	\$ 2,396.0 15.7%	\$ 6,902.9 45.3%	\$ 3,704.2 24.3%	\$ 906.9 5.9%	\$ 186.9 1.2%	\$ 1,146.4 7.5%	\$ 15,243.2 100.0%

FY 2027 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 8.3 0.9%	\$ 140.1 15.4%	\$ 35.4 3.9%	\$ 18.4 2.0%	\$ 4.7 0.5%	\$ 0.6 0.1%	\$ 207.5 22.9%
Contracted Services	6.6 0.7%	131.1 14.5%	10.7 1.2%	4.1 0.5%	1.0 0.1%	(2.3) -0.3%	151.1 16.7%
Other State Operations	(8.5) -0.9%	26.2 2.9%	16.3 1.8%	0.6 0.1%	(2.1) -0.2%	(8.7) -1.0%	23.7 2.6%
Aid to Local Units of Government	2.0 0.2%	- 0.0%	42.9 4.7%	- 0.0%	- 0.0%	- 0.0%	44.8 4.9%
Assistance, Grants, & Benefits	114.0 12.6%	120.1 13.2%	15.2 1.7%	11.5 1.3%	(2.7) -0.3%	23.3 2.6%	281.3 31.0%
Capital	8.7 1.0%	4.8 0.5%	(34.8) -3.8%	(7.2) -0.8%	6.7 0.7%	243.8 26.9%	222.0 24.5%
Debt Service	(9.3) -1.0%	- 0.0%	1.8 0.2%	- 0.0%	- 0.0%	- 0.0%	(7.4) -0.8%
Operating Transfers	(27.2) -3.0%	4.0 0.4%	(0.1) 0.0%	- 0.0%	- 0.0%	7.0 0.8%	(16.3) -1.8%
Total	\$ 94.5 10.4%	\$ 426.3 47.0%	\$ 87.4 9.6%	\$ 27.4 3.0%	\$ 7.6 0.8%	\$ 263.6 29.1%	\$ 906.8 100.0%

Expenditures from All Funds

FY 2027 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 1.8 0.5%	\$ 6.6 1.7%	\$ 4.6 1.2%	\$ 1.8 0.5%	\$ - 0.0%	\$ - 0.0%	\$ 14.8 3.9%
Contracted Services	(67.5) -17.6%	25.6 6.7%	(112.7) -29.3%	(24.9) -6.5%	(24.4) -6.3%	(5.6) -1.4%	(209.4) -54.5%
Other State Operations	(7.7) -2.0%	6.8 1.8%	0.7 0.2%	(1.6) -0.4%	(0.4) -0.1%	(3.3) -0.9%	(5.5) -1.4%
Aid to Local Units of Government	6.2 1.6%	- 0.0%	45.3 11.8%	- 0.0%	- 0.0%	- 0.0%	51.5 13.4%
Assistance, Grants, & Benefits	32.5 8.4%	208.5 54.3%	1.6 0.4%	0.4 0.1%	0.1 0.0%	- 0.0%	243.0 63.3%
Capital	85.7 22.3%	1.2 0.3%	110.3 28.7%	44.7 11.6%	26.5 6.9%	15.3 4.0%	283.8 73.9%
Debt Service	(1.8) -0.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(1.8) -0.5%
Operating Transfers	- 0.0%	(0.2) -0.1%	- 0.0%	2.8 0.7%	- 0.0%	5.2 1.3%	7.8 2.0%
Total	\$ 49.2 12.8%	\$ 248.5 64.7%	\$ 49.9 13.0%	\$ 23.2 6.0%	\$ 1.8 0.5%	\$ 11.6 3.0%	\$ 384.1 100.0%

FY 2027 Change to FY 2025	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 43.3 2.6%	\$ 169.4 10.0%	\$ 71.6 4.2%	\$ 57.0 3.4%	\$ 5.2 0.3%	\$ 12.1 0.7%	\$ 358.7 21.2%
Contracted Services	2.1 0.1%	113.2 6.7%	(6.9) -0.4%	(3.0) -0.2%	0.2 0.0%	(11.0) -0.7%	94.7 5.6%
Other State Operations	16.8 1.0%	42.7 2.5%	28.7 1.7%	(2.8) -0.2%	2.3 0.1%	172.8 10.2%	260.5 15.4%
Aid to Local Units of Government	16.9 1.0%	(0.0) 0.0%	63.5 3.7%	(0.3) 0.0%	(0.0) 0.0%	- 0.0%	80.1 4.7%
Assistance, Grants, & Benefits	117.5 6.9%	538.9 31.8%	30.5 1.8%	31.1 1.8%	(3.3) -0.2%	17.4 1.0%	732.1 43.2%
Capital	50.6 3.0%	(29.1) -1.7%	69.3 4.1%	50.3 3.0%	42.2 2.5%	6.1 0.4%	189.6 11.2%
Debt Service	9.5 0.6%	- 0.0%	3.1 0.2%	(0.5) 0.0%	- 0.0%	0.3 0.0%	12.4 0.7%
Operating Transfers	(120.1) -7.1%	3.9 0.2%	(4.1) -0.2%	(1.6) -0.1%	- 0.0%	88.1 5.2%	(33.9) -2.0%
Total	\$ 136.7 8.1%	\$ 839.0 49.5%	\$ 255.7 15.1%	\$ 130.2 7.7%	\$ 46.7 2.8%	\$ 285.9 16.9%	\$ 1,694.2 100.0%

Expenditures from General Revenues

FY 2025 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 175.0 3.2%	\$ 221.0 4.0%	\$ 211.7 3.8%	\$ 498.0 9.0%	\$ 43.4 0.8%	\$ - 0.0%	\$ 1,149.1 20.8%
Contracted Services	17.5 0.3%	55.4 1.0%	25.2 0.5%	21.7 0.4%	2.3 0.0%	- 0.0%	122.1 2.2%
Other State Operations	51.3 0.9%	62.8 1.1%	45.5 0.8%	84.3 1.5%	10.9 0.2%	- 0.0%	254.6 4.6%
Aid to Local Units of Government	337.4 6.1%	- 0.0%	1,501.1 27.1%	- 0.0%	- 0.0%	- 0.0%	1,838.4 33.2%
Assistance, Grants, & Benefits	20.3 0.4%	1,801.4 32.6%	80.2 1.4%	16.2 0.3%	1.7 0.0%	- 0.0%	1,919.8 34.7%
Capital	0.8 0.0%	(0.6) 0.0%	1.5 0.0%	5.4 0.1%	1.7 0.0%	- 0.0%	8.8 0.2%
Debt Service	160.2 2.9%	- 0.0%	42.1 0.8%	- 0.0%	- 0.0%	- 0.0%	202.3 3.7%
Operating Transfers	39.0 0.7%	- 0.0%	0.1 0.0%	- 0.0%	- 0.0%	- 0.0%	39.2 0.7%
Total	\$ 801.5 14.5%	\$ 2,140.0 38.7%	\$ 1,907.3 34.5%	\$ 625.6 11.3%	\$ 59.9 1.1%	\$ - 0.0%	\$ 5,534.3 100.0%

FY 2026 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 195.2 3.4%	\$ 233.3 4.0%	\$ 229.1 3.9%	\$ 533.1 9.2%	\$ 45.4 0.8%	\$ - 0.0%	\$ 1,236.0 21.3%
Contracted Services	17.5 0.3%	59.1 1.0%	22.2 0.4%	21.2 0.4%	1.6 0.0%	- 0.0%	121.6 2.1%
Other State Operations	53.8 0.9%	65.0 1.1%	33.5 0.6%	85.9 1.5%	13.1 0.2%	- 0.0%	251.3 4.3%
Aid to Local Units of Government	347.9 6.0%	- 0.0%	1,571.2 27.0%	- 0.0%	- 0.0%	- 0.0%	1,919.1 33.0%
Assistance, Grants, & Benefits	16.6 0.3%	1,896.8 32.6%	93.9 1.6%	15.3 0.3%	1.9 0.0%	- 0.0%	2,024.5 34.8%
Capital	2.5 0.0%	0.2 0.0%	0.5 0.0%	2.2 0.0%	0.3 0.0%	- 0.0%	5.7 0.1%
Debt Service	178.9 3.1%	- 0.0%	41.7 0.7%	- 0.0%	- 0.0%	- 0.0%	220.6 3.8%
Operating Transfers	30.6 0.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	30.6 0.5%
Total	\$ 842.9 14.5%	\$ 2,254.4 38.8%	\$ 1,992.1 34.3%	\$ 657.7 11.3%	\$ 62.3 1.1%	\$ - 0.0%	\$ 5,809.4 100.0%

Expenditures from General Revenues

FY 2027 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 195.0 3.3%	\$ 359.5 6.0%	\$ 241.2 4.0%	\$ 546.6 9.2%	\$ 47.0 0.8%	\$ - 0.0%	\$ 1,389.3 23.3%
Contracted Services	18.7 0.3%	85.6 1.4%	23.2 0.4%	25.7 0.4%	2.3 0.0%	- 0.0%	155.6 2.6%
Other State Operations	55.0 0.9%	94.6 1.6%	32.5 0.5%	90.8 1.5%	13.4 0.2%	- 0.0%	286.4 4.8%
Aid to Local Units of Government	344.9 5.8%	- 0.0%	1,569.6 26.4%	- 0.0%	- 0.0%	- 0.0%	1,914.5 32.2%
Assistance, Grants, & Benefits	30.1 0.5%	1,806.1 30.3%	96.9 1.6%	15.7 0.3%	2.0 0.0%	- 0.0%	1,950.8 32.8%
Capital	2.5 0.0%	1.9 0.0%	0.6 0.0%	5.2 0.1%	0.2 0.0%	- 0.0%	10.4 0.2%
Debt Service	176.8 3.0%	- 0.0%	44.1 0.7%	- 0.0%	- 0.0%	- 0.0%	220.9 3.7%
Operating Transfers	25.4 0.4%	4.2 7.0%	- 0.0%	(2.8) 0.0%	- 0.0%	- 0.0%	26.8 0.4%
Total	\$ 848.4 14.2%	\$ 2,352.0 39.5%	\$ 2,008.1 33.7%	\$ 681.4 11.4%	\$ 64.9 1.1%	\$ - 0.0%	\$ 5,954.7 100.0%

FY 2027 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (0.2) -0.1%	\$ 126.3 86.9%	\$ 12.1 8.3%	\$ 13.6 9.3%	\$ 1.6 1.1%	\$ - 0.0%	\$ 153.3 105.5%
Contracted Services	1.3 0.9%	26.5 18.3%	1.0 0.7%	4.5 3.1%	0.8 0.5%	- 0.0%	34.1 23.4%
Other State Operations	1.2 0.8%	29.5 20.3%	(1.0) -0.7%	5.0 3.4%	0.3 0.2%	- 0.0%	35.0 24.1%
Aid to Local Units of Government	(3.0) -2.0%	- 0.0%	(1.6) -1.1%	- 0.0%	- 0.0%	- 0.0%	(4.6) -3.1%
Assistance, Grants, & Benefits	13.5 9.3%	(90.7) -62.4%	3.0 2.1%	0.5 0.3%	0.1 0.1%	- 0.0%	(73.6) -50.7%
Capital	0.0 0.0%	1.7 1.2%	0.1 0.1%	3.0 2.1%	(0.2) -0.1%	- 0.0%	4.7 3.2%
Debt Service	(2.1) -1.5%	- 0.0%	2.4 1.6%	- 0.0%	- 0.0%	- 0.0%	0.3 0.2%
Operating Transfers	(5.2) -3.6%	4.2 2.9%	- 0.0%	(2.8) -1.9%	- 0.0%	- 0.0%	(3.8) -2.6%
Total	\$ 5.5 3.8%	\$ 97.6 67.2%	\$ 15.9 11.0%	\$ 23.7 16.3%	\$ 2.7 1.8%	\$ - 0.0%	\$ 145.4 100.0%

Expenditures from General Revenues

FY 2027 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 196.2 3.2%	\$ 361.9 6.0%	\$ 245.8 4.0%	\$ 548.3 9.0%	\$ 47.0 0.8%	\$ - 0.0%	\$ 1,399.2 23.0%
Contracted Services	18.0 0.3%	84.9 1.4%	25.9 0.4%	25.7 0.4%	2.4 0.0%	- 0.0%	157.0 2.6%
Other State Operations	55.3 0.9%	93.3 1.5%	32.7 0.5%	90.8 1.5%	13.6 0.2%	- 0.0%	285.7 4.7%
Aid to Local Units of Government	351.1 5.8%	- 0.0%	1,611.2 26.5%	- 0.0%	- 0.0%	- 0.0%	1,962.3 32.3%
Assistance, Grants, & Benefits	42.5 0.7%	1,861.3 30.6%	97.7 1.6%	16.2 0.3%	2.0 0.0%	- 0.0%	2,019.7 33.2%
Capital	1.6 0.0%	1.9 0.0%	0.6 0.0%	2.4 0.0%	0.2 0.0%	- 0.0%	6.7 0.1%
Debt Service	175.0 2.9%	- 0.0%	44.1 0.7%	- 0.0%	- 0.0%	- 0.0%	219.1 3.6%
Operating Transfers	25.4 0.4%	4.0 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	29.4 0.5%
Total	\$ 865.0 14.2%	\$ 2,407.3 39.6%	\$ 2,058.1 33.9%	\$ 683.5 11.2%	\$ 65.2 1.1%	\$ - 0.0%	\$ 6,079.1 100.0%

FY 2027 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 1.0 0.4%	\$ 128.6 47.7%	\$ 16.7 6.2%	\$ 15.3 5.7%	\$ 1.6 0.6%	\$ - 0.0%	\$ 163.2 60.5%
Contracted Services	0.5 0.2%	25.8 9.6%	3.7 1.4%	4.5 1.7%	0.8 0.3%	- 0.0%	35.4 13.1%
Other State Operations	1.5 0.6%	28.2 10.5%	(0.8) -0.3%	5.0 1.8%	0.5 0.2%	- 0.0%	34.4 12.7%
Aid to Local Units of Government	3.2 1.2%	- 0.0%	40.1 14.8%	- 0.0%	- 0.0%	- 0.0%	43.3 16.0%
Assistance, Grants, & Benefits	25.8 9.6%	(35.5) -13.1%	3.8 1.4%	0.9 0.3%	0.1 0.0%	- 0.0%	(4.7) -1.8%
Capital	(0.9) -0.3%	1.7 0.6%	0.1 0.0%	0.2 0.1%	(0.2) -0.1%	- 0.0%	1.0 0.4%
Debt Service	(3.9) -1.5%	- 0.0%	2.4 0.9%	- 0.0%	- 0.0%	- 0.0%	(1.5) -0.6%
Operating Transfers	(5.2) -1.9%	4.0 1.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(1.2) -0.4%
Total	\$ 22.1 8.2%	\$ 152.9 56.7%	\$ 66.0 24.5%	\$ 25.8 9.6%	\$ 2.9 1.1%	\$ - 0.0%	\$ 269.7 100.0%

Expenditures from General Revenues

FY 2027 Change to Governor	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 1.2 1.0%	\$ 2.3 1.9%	\$ 4.6 3.7%	\$ 1.7 1.4%	\$ - 0.0%	\$ - 0.0%	\$ 9.8 7.9%
Contracted Services	(0.7) -0.6%	(0.7) -0.6%	2.7 2.2%	- 0.0%	0.0 0.0%	- 0.0%	1.4 1.1%
Other State Operations	0.3 0.3%	(1.3) -1.1%	0.2 0.2%	0.0 0.0%	0.1 0.1%	- 0.0%	(0.7) -0.5%
Aid to Local Units of Government	6.2 5.0%	- 0.0%	41.7 33.5%	- 0.0%	- 0.0%	- 0.0%	47.8 38.5%
Assistance, Grants, & Benefits	12.4 9.9%	55.2 44.4%	0.9 0.7%	0.4 0.3%	0.0 0.0%	- 0.0%	68.9 55.4%
Capital	(0.9) -0.7%	- 0.0%	- 0.0%	(2.8) -2.3%	- 0.0%	- 0.0%	(3.7) -3.0%
Debt Service	(1.8) -1.4%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(1.8) -1.4%
Operating Transfers	- 0.0%	(0.2) -0.2%	- 0.0%	2.8 2.3%	- 0.0%	- 0.0%	2.6 2.1%
Total	\$ 16.6 13.4%	\$ 55.3 44.5%	\$ 50.1 40.3%	\$ 2.1 1.7%	\$ 0.2 0.2%	\$ - 0.0%	\$ 124.4 100.0%

FY 2027 Change to FY 2025	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 21.1 3.9%	\$ 140.9 25.9%	\$ 34.1 6.3%	\$ 50.3 9.2%	\$ 3.6 0.7%	\$ - 0.0%	\$ 250.1 45.9%
Contracted Services	0.5 0.1%	29.5 5.4%	0.8 0.1%	4.0 0.7%	0.0 0.0%	- 0.0%	34.8 6.4%
Other State Operations	4.1 0.7%	30.5 5.6%	(12.7) -2.3%	6.6 1.2%	2.7 0.5%	- 0.0%	31.1 5.7%
Aid to Local Units of Government	13.7 2.5%	- 0.0%	110.2 20.2%	- 0.0%	- 0.0%	- 0.0%	123.9 22.7%
Assistance, Grants, & Benefits	22.2 4.1%	59.9 11.0%	17.5 3.2%	(0.1) 0.0%	0.4 0.1%	- 0.0%	99.9 18.3%
Capital	0.8 0.2%	2.5 0.5%	(0.9) -0.2%	(3.0) -0.6%	(1.5) -0.3%	- 0.0%	(2.1) -0.4%
Debt Service	14.8 2.7%	- 0.0%	2.1 0.4%	- 0.0%	- 0.0%	- 0.0%	16.8 3.1%
Operating Transfers	(13.7) -2.5%	4.0 0.7%	(0.1) 0.0%	- 0.0%	- 0.0%	- 0.0%	(9.8) -1.8%
Total	\$ 63.5 11.7%	\$ 267.3 49.1%	\$ 150.9 27.7%	\$ 57.9 10.6%	\$ 5.2 1.0%	\$ - 0.0%	\$ 544.8 100.0%

Section III

Agency Analyses

Department of Administration

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 37,553,059	\$ 18,421,357	\$ 4,860,630	\$ 4,860,630
Accounts & Control	8,495,913	7,347,628	2,476,611	2,476,611
Office of Management & Budget	14,660,841	14,572,344	14,151,603	14,152,077
Purchasing	5,908,473	6,260,228	6,262,070	6,262,070
Human Resources	889,580	976,255	701,698	701,698
Personnel Appeal Board	160,838	150,947	152,228	152,228
General	87,056,885	269,337,129	106,388,401	109,346,283
Debt Service	211,883,983	198,293,113	204,401,280	202,609,058
Legal Services	2,872,990	2,780,696	2,998,750	2,998,750
Information Technology	3,000,571	38,755,776	2,122,527	2,122,527
Library Programs	3,767,543	3,779,966	3,860,656	3,860,656
Planning	7,151,473	7,218,520	7,293,233	7,293,233
Statewide	3,872,370	1,940,091	464,000	464,000
Health Benefits Exchange	29,946,673	32,022,313	41,991,433	54,491,433
Equity, Diversity & Inclusion	2,417,447	1,925,556	2,314,641	2,314,641
Capital Asset Mgmt. & Maint.	10,990,302	11,838,536	9,922,655	12,140,265
Total	\$ 430,628,941	\$ 615,620,455	\$ 410,362,416	\$ 426,246,160
Expenditures by Category				
Salaries and Benefits	\$ 43,179,479	\$ 40,515,258	\$ 39,277,525	\$ 41,445,609
Contracted Services	15,058,574	15,240,882	85,910,775	13,486,775
Subtotal	\$ 58,238,053	\$ 55,756,140	\$ 125,188,300	\$ 54,932,384
Other State Operations	21,662,832	58,709,100	29,403,827	21,237,784
Aid to Local Units of Government	15,022,328	14,210,650	14,192,537	14,643,419
Assistance, Grants, and Benefits	21,491,143	100,623,981	33,067,894	45,567,894
Capital	69,430,602	163,295,916	4,208,578	87,355,621
Capital Debt Service	211,783,983	198,193,113	204,301,280	202,509,058
Operating Transfers	33,000,000	24,831,555	-	-
Total	\$ 430,628,941	\$ 615,620,455	\$ 410,362,416	\$ 426,246,160
Sources of Funds				
General Revenue	\$ 249,311,650	\$ 249,430,541	\$ 247,978,609	\$ 260,354,879
Federal Aid	47,598,341	100,306,281	15,387,136	15,387,610
Restricted Receipts	24,124,275	62,736,351	26,405,480	27,405,480
Other	109,594,675	203,147,282	120,591,191	123,098,191
Total	\$ 430,628,941	\$ 615,620,455	\$ 410,362,416	\$ 426,246,160
FTE Authorization	684.6	683.6	682.6	657.6

Summary. The Department of Administration requested FY 2027 expenses of \$440.0 million from all sources, including \$247.9 million from general revenues. This is \$9.4 million more than enacted, including

decreases of \$1.4 million from general revenues and \$31.6 million from federal funds, offset by increases of \$0.3 million from restricted receipts and \$42.1 million from other funds, primarily Rhode Island Capital Plan funds. The request includes staffing authorization for 683.6 full-time equivalent positions, 1.0 fewer than enacted and consistent with the FY 2026 revised request. As of mid-November, the Department had 89.0 vacancies.

The Governor recommended expenditures of \$410.4 million, including \$248.0 million from general revenues and staffing of 682.6 full-time equivalent positions. This is \$29.6 million less from all sources than requested, reflecting expired federal funds and continued delays for the Zambarano Long-Term Acute Care Facility project. The recommendation includes \$9.5 million from general revenues to establish the Individual Market Affordability program. The Governor subsequently requested several amendments, recognizing debt service savings of \$1.3 million from general revenues and transferring certain expenses for the Big River Management Area project to the Department of Environmental Management.

The Assembly concurred with the subsequent amendments and provided \$426.2 million from all sources for FY 2027. This is \$17.7 million more than the amended recommendation, including \$13.6 million more from general revenues, of which \$12.5 million is to reflect the annualized cost for the Individual Market Affordability program. It authorized staffing of 657.6 full-time equivalent positions, 25.0 fewer than recommended from the internal service fund programs allocation, reflecting the removal of long-standing vacancies.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$244.9 million, including a current service reduction of \$1.6 million and a 7.5 percent reduction of \$2.8 million, adjusted for certain exclusions. The constrained budget submitted by the Department is \$8.3 million lower than the Budget Office target. It proposes savings of \$3.5 million from general revenues through a weight management program for which the revised request also includes \$1.7 million, assuming a January 2026 effective date. It shifts a total of \$4.0 million from general revenues, primarily for salary and benefit expenses, to available restricted receipts and Rhode Island Capital Plan funds. It also includes savings of \$1.5 million from establishing an internal service fund for the Office of Accounts and Control. The proposals to achieve the reductions are noted among the items described below, where appropriate.

The recommended budget is \$3.1 million above the target. The enacted budget is \$15.5 million above the target.

Staffing. The Department requested \$42.8 million from all sources for salary and benefit expenses and the authorized level of 250.6 full-time equivalent positions to support non-internal service fund programs. This includes several intradepartmental changes that appear to align currently filled positions by division; it eliminates two positions in the Office of Accounts and Control and adds one each in HealthSource RI and the Division of Purchases. The request is \$1.0 million more than enacted, of which \$0.8 million is from general revenues. It reflects FY 2027 planning values and is \$0.2 million more than the current service estimate, reflecting staffing costs and allocations. It assumes turnover savings equivalent to 9.0 positions, 3.4 more than enacted and 2.4 more than the revised request. As of late November, the aforementioned programs had 23 vacancies. The authorization for the remaining 433.0 positions is supported by internal service fund charges, which appear as operating costs in the agencies billed. This is 1.0 fewer than enacted, reflecting the transfer of an information technology internal service fund position to the Department of Public Safety. This is consistent with the revised request.

The 2025 Assembly concurred with the Governor's subsequent amendment, creating a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. This excludes positions that are part of a collective bargaining agreement. It temporarily authorized the personnel administrator to implement the pay plans for these positions without

conducting a public hearing or obtaining approval from the Governor. It further requires that the job specifications be reviewed annually. The Department expected the positions to be filled in March, reflecting a delay with the implementation of the new human resources system.

The constrained request proposes to transfer a position from the Water Resources Board to the Department of Environmental Management and to eliminate 4.0 maintenance positions from the Facilities Management Internal Service Fund Program, including 3.0 from the Veterans Home and 1.0 from the Washington County Government Center, for a staffing level of 678.6 full-time equivalent positions.

The Governor recommended \$35.3 million from all sources, including \$21.2 million from general revenues for salary and benefit expenses. This is \$6.5 million less than enacted in the Department of Administration's budget; \$6.3 million of these expenses would now be charged to other fund sources.

The Governor recommended staffing of 682.6 full-time equivalent positions, 2.0 fewer than enacted, reflecting the transfer of 1.0 position each to the Department of Environmental Management and the Department of Public Safety. The recommendation assumes no more than 467.1 full-time equivalent positions supported by internal service funds; 5.0 fewer than requested to maintain staffing, and direct appropriation funding for the Grants Management Office.

The Assembly provided \$37.5 million from all sources, including \$22.9 million from general revenues. This is \$2.2 million more than recommended to restore budgeted savings for project manager positions; it did not concur with the use of Rhode Island Capital Plan funds for this expense. It also authorized staffing of 657.6 full-time equivalent positions, 25.0 fewer than recommended from the internal service fund programs allocation, reflecting long-standing vacancies.

Centralized Services/Utilities. The request includes \$11.9 million from all sources, including \$11.4 million from general revenues for the Department's share of centralized services for FY 2027. This is \$339,232 more than enacted from all sources, of which \$104,083 is from general revenues. The request is \$62,873 less than the revised request for FY 2026. It includes \$0.9 million or \$0.2 million more than enacted for human resources support. The Department subsequently indicated this was in error. Consistent with the enacted budget, it intended to include this as salaries and benefits for a position allocated to the division. The request includes \$3.5 million, or \$91,822 more than enacted for information technology services, primarily for the Division of Statewide Planning, and HealthSource RI's share of expenses for specialized information technology positions that the 2025 Assembly created. It also includes the enacted amount of \$7.5 million for facilities management.

Consistent with the enacted budget and the revised request, the request includes \$1.2 million for utilities.

*The Governor recommended \$12.7 million from all sources for centralized services, which is \$1.2 million more than enacted, of which \$0.2 million is from general revenues. This is also \$0.8 million more than requested; it corrects for the overstated expenses and is consistent with the revised recommendation, it allocates budgeted general revenue savings to these expenses. It also reflects the use of the estimated remaining \$0.7 million from State Fiscal Recovery and Capital Projects federal funds into the indirect cost recovery restricted receipt account for these expenses. The recommendation also includes adjustments to information technology and facilities management billings based on updated data. The recommendation also includes the enacted amount for utilities. **The Assembly concurred.***

Statewide

Target - Weight Management Program. The state's health benefit plans currently cover anti-obesity medications; however, a doctor's prescription and prior authorization are required. Effective January 2026, the administration is proposing two changes to the program. It will require individuals on the anti-obesity

medications to enroll in a weight management program in order to maintain drug copay coverage. If an individual refuses to enroll in the program, they would be responsible for 100 percent of the drug cost. This requirement will not be in place for individuals who take the anti-obesity medications for diabetes. It will also offer a weight management program as an alternative to avoid medications or explore lower-cost alternatives to anti-obesity medications. The state will amend its contract with the pharmacy benefits manager, CVS Caremark, which will administer the programs.

The request assumes \$3.5 million in general revenue savings; the estimated all funds savings are \$4.6 million, net of \$1.3 million for annual program costs. The revised request includes \$1.7 million in general revenue savings for FY 2026, assuming a January 2026 implementation. The savings are included in the Department of Administration's budget for later distribution. The medical rates for calendar year 2026 have already been set; the Budget Office is looking at how best to apportion the savings to agencies.

*The Governor concurred with the proposal; the savings are included as part of statewide medical benefit rates. **The Assembly concurred.***

Target - Agency Lease Savings. The Division of Capital Asset Management and Maintenance is required to submit an annual report on property owned or leased by any state agency by February 15. The Division works with state agencies to secure leased space and negotiate lease agreements. As of the latest report, there were 12 state agencies in 28 leased spaces.

The Department's constrained request proposes general revenue savings of \$0.7 million by relocating three operations to state-owned spaces. This includes \$0.5 million by relocating two Department of Human Services offices: Child Support Enforcement to the Shepard Building, and the regional office in Warwick to the Hazard Building at the Pastore Center. It also assumes \$0.2 million by moving the Commission for Human Rights to the Shepard Building. The Commission's budget request assumes some savings from the relocation. It appears that the Department's savings are overstated; the leases are also supported with federal funds. Additionally, they do not factor in the costs the agencies would incur for occupying state-owned space, such as utilities and maintenance. Subsequently, the administration indicated that the Child Support Enforcement relocation is on hold.

*Lease savings are included in the respective agency budgets. The Governor's recommendation includes savings of \$74,694 from federal funds from the Commission for Human Rights relocation. **The Assembly concurred.***

Target - Insurance and State Fleet Savings. The Department of Administration procures insurance policies for state agencies. It obtains coverage for vehicles, properties, liability, and inventories required. The Department works with consultants to review proposals from the market for these coverages. The premiums, based on the number of properties and vehicles, are paid by all agencies. In FY 2025, the Department hired vendors to provide recommendations for property insurance and fleet programs. It noted that the recommendations will result in program efficiencies and savings. It further noted that the fleet recommendations will focus on disposing of high-mileage, high-age, and high-service-cost vehicles. This could also result in revenues from selling surplus vehicles; the Department noted that some new vehicle purchases may be needed. The Department also expects some savings from property insurance policies and improved oversight and management. The constrained request includes general revenue savings of \$500,000, including \$150,000 from state fleet and \$350,000 from property insurance. The savings are included in the Department for later distributions. *The Governor did not concur with these proposals. **The Assembly concurred.***

Primary Care Health Assessment - Distributed. The 2025 Assembly established an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The assessments are based on a per-member per-month

fee applied to all covered lives, including self-insured. The FY 2026 enacted budget includes \$1.4 million from all sources, including \$0.8 million from general revenues for the estimated cost for the state as an employer. The request reflects the distribution of these funds, which were included in the Department of Administration for later distribution. These expenses are now included in medical benefit costs. *The Governor concurred. The Assembly concurred. It also adopted legislation to sunset the assessment, effective October 1, 2026. This is because federal legislation contained in H.R. 1, adopted after this assessment, restarts the imposition of new provider taxes.*

FEMA Contingency Reserve. The 2025 Assembly provided a total of \$4.0 million from general revenues, including \$2.5 million for FY 2026 as a contingency reserve for COVID-19-related expenses, in the event that reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. In April 2025, the Department submitted management costs to the Agency for review, which is ongoing, and FY 2025 expenses were \$0.4 million. Through the first quarter of FY 2026, \$0.3 million in expenses have been incurred. The request excludes this non-recurring expense.

The Governor concurred. His revised budget reduces available general revenues by \$1.0 million; he subsequently requested an amendment further reducing FY 2026 funding by \$0.7 million, reflecting anticipated need. The Assembly concurred with the amended recommendation and included \$1.9 million for FY 2026.

Rent and Utilities Assistance. The state received a total of \$352.0 million from two federal stimulus acts for rent and utilities assistance. Expenses for the RI Housing Rent Relief and Eviction Prevention programs were \$295.0 million; both programs have been completed and closed. At the end of FY 2025, a balance of \$6.8 million remains and will be used in FY 2026 for housing stability services, including housing navigation, legal work, and funding for the Center for Justice. The FY 2027 request excludes enacted expenses of \$33.0 million; authority to incur expenses ended on December 31, 2025. *The Governor concurred. The Assembly concurred.*

Supplemental Retirement Contribution. Current law requires that for any fiscal year in which the actuarially determined state contribution rate for state employees or teachers is lower than that for the prior fiscal year, the Governor shall include an appropriation to that system equal to 20.0 percent of the rate reduction for the state's contribution rate to be applied to the actuarial accrued liability of the system. Consistent with the current service estimate provided by the Budget Office, the request includes \$4.0 million from general revenues for the required contributions; both rates have dropped. This includes \$1.3 million, or \$0.5 million more for the teachers' share; it adds \$2.7 million for the state employees' share. *The Governor recommended funding as requested. The Assembly concurred.*

Transition Costs for Elected Officials. Current law requires that all newly elected general officers, prior to their engagement of office, shall be entitled to space for transition staff, and adequate funds provided by the outgoing general officer from the budget of that department for use to hire transition staff, obtain office supplies, and equipment. The Department's request includes \$400,000 from general revenues for transition costs. The funds are included in the Department's budget for later distribution to newly elected officers. *The Governor recommended an additional \$64,000, for total funding of \$464,000. The Assembly concurred.*

Local Aid

Library Aid. The Department requested the enacted amount of \$12.1 million to level fund state support of public libraries. The request is \$450,882 or 3.0 percent less than allowed under current law. It funds library aid at 24.1 percent of the second prior fiscal year's local expenditures for library services. The statute authorizes a 25.0 percent reimbursement subject to appropriation.

The chief library officer annually determines each municipality's compliance with the maintenance of effort requirement by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. A municipality that is deemed ineligible because of non-compliance may request a waiver from the requirement by submitting a letter to the chief library officer. Of the requested amount, \$1.1 million is for the Reference Resource Center at the Providence Public Library. The reference resource grant to the Providence Public Library enables the library to develop its reference collection, extend its hours, and provide statewide reference research for all Rhode Island libraries and residents. *The Governor recommended funding as requested. The Assembly provided \$12.5 million to fully fund library aid.*

Library Construction Aid. The request includes \$2.1 million from general revenues for library construction aid. This is \$18,113 less than enacted to reflect funding requirements for FY 2027 based on updated cost information, interest rates, and construction schedules for approved projects. The state reimburses libraries up to half the total cost for eligible projects on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project. *The Governor concurred. The Assembly concurred.*

Debt

Central Falls School District. The 2021 Assembly authorized the Rhode Island Health and Educational Building Corporation to issue revenue bonds to construct a new high school for the City of Central Falls. The project cost is \$144.0 million, with a state share of \$138.2 million. The legislation also authorized the City to issue general obligation bonds up to \$5.8 million to fund construction, renovation, improvement, alteration, repair, furnishing, and equipping schools and school facilities throughout the district. The state will issue all the debt, and the City will reimburse it for its share of the debt, in lieu of the traditional process used by districts, in order to achieve lower costs. Of the authorized amount, \$93.5 million was issued in FY 2024, and the remaining \$50.5 million was issued in July 2025. Consistent with the current service estimate provided by the Budget Office, the request includes \$10.8 million from general revenues for the annual debt service, or \$0.1 million more than enacted. This is \$0.5 million less than out-year assumptions, based on a lower than anticipated interest rate and term. *The Governor concurred. The Assembly concurred.*

Confined Aquatic Dredged Material Disposal Cells. The Assembly authorized \$23.0 million through Certificates of Participation for the construction of confined aquatic disposal cells for dredged material. This is part of a \$116.7 million project that includes \$11.4 million from Rhode Island Capital Plan funds, \$81.7 million from federal funds, and \$0.6 million from Dredge Fund balances. The Assembly also increased the minimum dredge fee from \$11.65 to \$35.00 and redirected all fees to the Dredge Fund. The Department's request did not assume the issuance of the Certificates of Participation and did not include any debt service.

The Governor recommended \$0.6 million from general revenues for first-year debt service in FY 2027. Annual debt service is estimated at \$2.5 million, which will be supported by general revenues and by fees charged to marine operators. The Assembly concurred.

Other Certificates of Participation. The Department included \$4.4 million from general revenues for all debt issued through Certificates of Participation for the Eleanor Slater Hospital and the School for the Deaf. The request is \$1,000 less than enacted and is consistent with the current service estimate provided by the Budget Office. *The Governor concurred. The Assembly concurred.*

Convention Center Facilities. The request includes \$22.8 million from general revenues for debt service payments for the Convention Center Authority. This is \$1.7 million less than enacted and consistent with current service estimates provided by the Budget Office. As of June 30, 2025, the total outstanding principal debt for the Convention Center and the Amica Mutual Pavilion is \$82.7 million. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal

year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits.

The Authority oversees the operations of the Convention Center, Amica Mutual Pavilion, Veterans Memorial Auditorium, and the Garrahy Parking Garage (currently referred to as the Innovation District Garage). The facilities were managed by a third party, ASM Global; effective July 1, 2024, the facilities are managed by the Oak View Group. *The Governor recommended funding as requested. The Assembly concurred.*

Garrahy Parking Garage/Innovation District. The request includes the enacted amount of \$0.5 million from general revenues for debt service for the Garrahy Parking Garage; however, no state support was assumed beyond FY 2026. The annual debt service of \$3.0 million and operating expenditures of \$1.4 million will be supported by revenues. The garage, which is currently known as the Innovation District Garage, opened in March 2020, and the FY 2020 revenues were minimal. It should be noted that the Authority's operating budget submission assumes revenues of \$4.1 million; net operating expenses of \$2.7 million would be available for the debt. Its request assumes \$0.5 million from state support, including \$0.4 million for debt service and \$0.1 million for the Renewal and Replacement Fund to pay for future repairs. It should be noted that the Authority's estimated revenue for FY 2027 is \$0.2 million more than FY 2025 and projected for FY 2026 receipts. For FY 2025, state support was \$0.8 million, \$0.3 million more than the final budget included. *The Governor recommended funding as requested. The Assembly did not include state support beyond FY 2026.*

Historic Structures Tax Credit. Consistent with the current service estimate, the request includes \$9.9 million from general revenues, \$3,885 less than enacted, for debt issued to pay for historic tax credits. The debt comes from the 2008 Assembly's legislation, which significantly modified the program. It required upfront processing fees, placed a moratorium on new projects, reduced the overall effective credit from 27.75 percent to 22.0 percent, and authorized borrowing sufficient funds to cash out all credits. The 2013 Assembly adopted legislation to allow new projects to replace projects that were not progressing and developed new requirements and standards. *The Governor recommended funding as requested. The Assembly concurred.*

Transportation Debt. The request includes \$27.6 million from other funds for the Department of Transportation and the Rhode Island Public Transit Authority's share of general obligation bonds issued. This includes \$1.1 million from highway maintenance funds, or \$68,254 less than enacted for the Authority's debt. This is consistent with the Authority's operating budget request and the current service estimate. The request includes \$26.5 million from gasoline tax proceeds, or \$5.4 million less than enacted, for the Department's debt service payments. This is \$0.4 million less than the current service estimate provided by the Budget Office, which assumes the remaining issuance of \$4.7 million from the \$71.7 million that the 2021 voters approved. *The Governor concurred; however, the remaining bonds were not issued, resulting in savings of \$0.4 million. The Assembly concurred.*

Other General Obligation Bonds Debt. The request includes \$126.8 million from general revenues for remaining general obligation bond debt service. This is \$1.0 million less than enacted and consistent with the current service estimate provided by the Budget Office. General obligation debt service for Public Higher Education would increase by \$2.4 million, for a statewide increase of \$1.4 million. The request is \$9.6 million less than the out-years forecast submitted with the Governor's FY 2026 budget had assumed for FY 2027, primarily reflecting a delay in planned issuance and \$0.2 million from refunding savings. *The Governor included an additional \$0.1 million in savings based on projected new issuance. He subsequently requested an amendment to include an additional \$0.3 million in savings, reflecting the recent general obligation issuance. The Assembly concurred with the amended recommendation.*

Other Debt. Consistent with the enacted budget, the request includes \$1.1 million for all other debt service expenses. This includes \$1.0 million from general revenues for the last required payment under the Fidelity Job Rent Credits agreement. Under the incentive-based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000-employee base. It also includes \$0.1 million from other funds for borrowing expenses relating to tax anticipation notes. *The Governor concurred. He subsequently requested an amendment to include \$1.0 million in general revenue savings; available reserve funds will cover the last payment. The Assembly concurred with the amended recommendation.*

HealthSource RI

Health Reform Assessment Receipts. The Department of Administration is authorized to charge a health reform assessment to support the operations of HealthSource RI. The 2019 Assembly concurred with the Governor's proposal and adopted legislation to decouple the state's premium assessment upon those insurers offering products on the Exchange from the rate charged for federally facilitated marketplaces and established a 3.5 percent fee in statute, effective January 1, 2020. The federal rate decreased from 3.5 percent to 3.0 percent on January 1, 2020.

The request assumes receipts of \$11.4 million, \$0.3 million more than enacted, based on estimated enrollments of 28,827 in the individual/family group, 4,188 less than the revised request, and 2,510 less than the enacted budget. The decrease in enrollment is primarily related to the expiration of the federal enhanced subsidies for premium assistance. The average per-member per-month premium cost is projected to increase from \$581.70 to \$692.27, approximately 20 percent. HealthSource RI assumed enrollments of 9,677 in the small business group, for which the enacted budget assumes 9,284. The average per-member per-month premium cost is projected to increase from the enacted amount of \$629.70 to \$738.40, approximately 17 percent. Enrollments as of November 30, 2025, were 49,126 in the individual/family group and 8,885 in the small business group. *The Governor concurred. The Assembly concurred.*

Health Insurance Market Integrity Fund. The 2019 Assembly established a Reinsurance Program to provide stability in the individual insurance market, partially supported by a Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The 2023 Assembly exempted anyone who was enrolled in Medicaid for any month in 2023 from the penalty. The penalty is collected by the tax administrator and deposited into a restricted account, and is used to provide reinsurance or payments to health insurance carriers as a means of ensuring that premiums do not increase drastically and for program administrative costs. Remaining funds can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services. Current law prohibits the use of general revenues for reinsurance payments.

The request includes expenses of \$5.8 million from penalty payments, essentially as enacted. It also includes \$17.3 million from federal funds, or \$1.5 million more than enacted. Of the total \$18.0 million requested, \$17.3 million will be used for reinsurance payments to health insurance carriers. Program expenses are \$0.7 million, including \$0.3 million to support two positions in the Division of Taxation for collection activities, and \$0.3 million to support 1.2 full-time equivalent positions, reflecting HealthSource RI's staff time dedicated to reviewing and/or granting exemptions from the penalty payment, as allowed by law. *The Governor concurred and added \$1,063 from restricted receipts in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Individual Marketplace Affordability Program. The Advanced Premium Tax Credit is a federal subsidy designed to help individuals and families afford health insurance purchased through HealthSource RI. It was established by the Affordable Care Act in 2010. Eligibility for the tax credit was based on annual household income, household size, and other factors, such as not being eligible for affordable employer-sponsored coverage or government programs like Medicare or Medicaid. Initially, the tax credits were

available to individuals and families with incomes between 100 percent and 400 percent of the federal poverty level. The American Rescue Plan Act of 2021 temporarily enhanced the credit and expanded eligibility for tax years 2021 and 2022. The Inflation Reduction Act of 2022 further extended it through the end of 2025. Enhanced subsidies expired at the end of 2025. According to HealthSource RI, approximately 90 percent of enrollees in the individual market were receiving tax credit assistance. The Department's request predates the expiration of the tax credit and did not assume any expenses.

The Governor proposed legislation authorizing the Rhode Island Health Benefit Exchange to establish the Individual Market Affordability program to provide assistance to individuals who purchase health insurance on the Exchange. The legislation authorizes the Exchange to determine the annual affordability percentages for each upcoming coverage year based on the appropriations. The first coverage year would be 2027, and the legislation requires that, for that year, affordability percentages prioritize households with incomes below 200 percent of the federal poverty level. It also requires that any unspent funds be reappropriated to the following year for the same purpose.

The recommended budget includes \$9.5 million from general revenues and appears to assume this would fully cover 2027 premium costs for the six months of FY 2027 for individuals under 200 percent of the federal poverty level who are no longer receiving the federal enhanced subsidies for premium assistance.

The Assembly provided \$22.0 million from general revenues, \$12.5 million more than the Governor's recommendation to reflect both the annualized cost of the program, a 15.8 percent increase in overall support.

Other Salaries and Benefits (1.0 FTE). The request includes \$2.0 million from restricted receipts for salary and benefit expenses, and 17.0 full-time equivalent positions; another \$1.8 million of expenses are allocated to the Executive Office of Health and Human Services. HealthSource RI has been part of the Executive Office of Health and Human Services' cost allocation plan for several years and contributed to the state share of covered expenses.

Consistent with the revised request, the request adds \$108,277 for a new chief position for the office of special projects; a repurposed authorization from the Office of Accounts and Control is requested. HealthSource RI noted that the position would replace contracted employees and would allow HealthSource RI to manage more contracts in-house. This initiative is cost-neutral, and HealthSource RI is not anticipating any savings. The total cost of the position is \$185,407; \$77,130 is from Medicaid funds and is allocated to the Executive Office of Health and Human Services. It should be noted that the 2023 Assembly concurred with a similar proposal and the 2025 Assembly concurred with the Governor's recommendation to authorize a new position, for total staffing of 16.0 full-time equivalent positions. Remaining salaries and benefits are \$0.2 million more, reflecting staffing costs, allocations, and benefit rates consistent with FY 2027 planning values. Consistent with the enacted budget, the request does not assume any turnover savings; as of mid-November, HealthSource RI had no vacancies. *The Governor concurred and added \$3,800 from restricted receipts in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

UHIP and Other Expenses. The request includes \$12.2 million from all sources, including the enacted amount of \$1.9 million from general revenues for all remaining expenses for HealthSource RI. This includes \$2.0 million for the small employer contact center, which is \$51,224 less than enacted and the revised request for FY 2026. Subsequently, HealthSource RI noted that the reduction was requested in error; it also appears that \$100,441 requested for communication expenses was in error. The request includes \$5.6 million for HealthSource RI's share of expenses for the Unified Health Infrastructure Project. This is \$0.2 million more than enacted, of which \$0.1 million is to Equifax for its income verification product, known as The Work Number. This initiative is in conjunction with the Executive Office of Health and Human Services.

Consistent with the revised request, the request includes an additional \$400,000, for total funding of \$650,000 to provide individuals with assistance with premium payments. FY 2025 spending was \$557,363, including \$166,065 from State Fiscal Recovery funds, which have been exhausted. All remaining expenses are \$0.1 million more than enacted and \$1,215 less than the revised request. *The Governor recommended total funding as requested. This includes \$0.1 million less to correct for communication expenses and adds a like amount for contracted services.*

The Assembly concurred, with the exception of shifting \$0.5 million of general revenue expenses to available receipts, which were higher than the FY 2026 revised budget assumed.

Information Technology

Cybersecurity Federal Grant Match. The state has been awarded a total of \$11.0 million from a federal cybersecurity grant made available through the Infrastructure Investment and Jobs Act. The act requires a cybersecurity planning committee to develop a plan for spending; a 29-member committee has been established. It also requires states to distribute at least 80 percent of funds to local governments and to provide a state match, starting at 10.0 percent and increasing to 40.0 percent, totaling \$3.4 million. The Department includes a total of \$2.5 million, with \$1.4 million for FY 2026 and the enacted amount of \$1.1 million for FY 2027; \$1.0 million would be required for FY 2028 and beyond.

The constrained request reduces requested expenses by \$0.1 million, which essentially delays the expense to FY 2028 and beyond. *The Governor concurred with the constrained request.*

The Assembly concurred. It also required that unspent funds from FY 2026 be automatically reappropriated to FY 2027.

Information Technology Project Expenses. The request includes \$1.1 million, or \$38,364 less than enacted, from restricted receipts for information technology expenses for FY 2027. This includes \$333,389 less for software expenses, partially offset by \$295,025 for salary and benefit expenses for a chief data and analytics officer position, reflecting updated staffing costs and allocations; the position was previously funded by the agency billings as part of the Enterprise Technology Strategy and Services internal service fund. This request is consistent with the capital budget request. The Department did not submit revenue projections for the account; it does not appear that there are sufficient funds to support the request.

As part of its constrained request, the Department of Environmental Management proposed selling surplus properties that are either currently unused by the Department or will be in the near future. It suggested three properties, namely a house located on Hartford Avenue, a property located near Rocky Point, and a property located on Hill Farm Road, referred to as the St. Germain Property. It estimated that all three properties will sell for a total of \$900,000 and assume general revenue savings equal to that amount. Under current law, these proceeds would be deposited into the Information Technology Restricted Receipt account.

The Governor concurred and added \$425 from restricted receipts in statewide adjustments to health and other benefit rates. He also concurred with selling the surplus properties proposal. The Assembly concurred.

Other Programs

Office of Management and Budget. The request includes \$14.0 million from all sources, including \$10.3 million from general revenues, for the Office of Management and Budget, which serves as the principal agency of the executive branch for managing budgetary functions and performance management. The request includes \$12.6 million for salary and benefit expenses and the authorized 68.0 full-time equivalent

positions to support the Offices of the Director of Management and Budget, State Budget, Internal Audit and Program Integrity, Regulatory Reform, Pandemic Recovery, and Performance Management.

The request is \$0.1 million less than enacted from all sources, of which \$0.2 million less is from general revenues. It is \$0.5 million less than the current service estimate, primarily reflecting additional turnover savings; it assumes turnover savings for approximately six positions, three more than enacted and the revised request. As of mid-November, there were 14.0 vacancies. Consistent with the revised request, it removes \$0.1 million for two policy interns in the Office of Regulatory Reform, which the Department indicated is not needed. The request appears to overstate staffing expenses by \$0.2 million. The remaining expenses of \$1.4 million are \$149,401 more from general revenues than enacted for contracted accounting and auditing services for the Office of Internal Audit and Program Integrity. This is consistent with the revised request.

The Department's constrained request proposes general revenue savings of \$674,800 from salaries and benefits, including \$420,016 from the Office of Management and Budget. This includes \$200,000 in additional turnover savings in the State Budget Office, which is equivalent to approximately one vacancy. It also removes the requested excess funds of \$220,311 from the Office of the Director of Management, for which staffing authorization was not included.

The Governor concurred with the constrained initiatives and further reduced software maintenance expenses by \$150,000, and added \$42,722 for various staffing changes, including statewide adjustments to health and other benefit rates. He subsequently requested an amendment to increase Pandemic Recovery Office expenses by \$474, reflecting available federal funding. The Assembly concurred with the amended recommendation.

Office of Accounts and Control. The primary mission of the Office of Accounts and Control is to promote the financial integrity and accountability of state government through sound administrative and accounting controls and procedures. In 2019, functions of federal grants management were transferred from the Office of Management and Budget to the Office. Excluding expenses for centralized services, the request includes \$8.3 million from all sources, including \$5.7 million from general revenues, for the Office of Accounts and Control. This is \$171,418 more than enacted, including \$337,216 more from general revenues, and \$165,798 less from restricted receipts.

Excluding the Office of Risk Management, the request includes \$5.7 million for salaries and benefits and the authorized level of 39.0 full-time equivalent positions. This is \$397,197 more than enacted from all sources, including \$351,995 from general revenues, which is \$237,492 more than the current service estimate. It adds \$60,000 for overtime, restores \$43,069 of the enacted turnover savings, and reflects updated staffing costs and allocations. As of mid-November, there was one vacancy. All remaining expenses are \$225,779 less from all sources, of which \$211,000 is from restricted receipts for the Federal Grants Management Office, reflecting updated resources and consistent with the revised request. The 2021 Assembly authorized an assessment on federal funds received in order to support the office. The percent of the assessment is determined annually by the Controller and is in proportion to budgeted expenditures.

The constrained request proposes to change the funding methodology for the Office of Accounts and Control from direct appropriation to an internal service fund. The Department believes that by charging agencies directly for statewide financial services, "a significant portion of these expenses can be reimbursed by federal sources, reducing the burden on state sources." Internal service funds lack the transparency of direct appropriations. They are supported by billings to agencies since no money is appropriated to the funds, and the services appear as operating costs, even though they often fund personnel expenses. This makes it difficult to exercise the same level of scrutiny as direct appropriations. The proposal includes statewide general revenue savings of \$1.5 million, which assumes approximately 25 percent of the Office's operating expenses of \$5.7 million can be charged to other sources.

The Governor concurred with the constrained initiative and included \$8.5 million from all sources in agency budgets, of which \$7.2 million is from general revenues, to support the Accounts and Control Internal Service Fund, and 67.0 full-time equivalent positions allocated to it, a net increase of 3.0. The recommendation assumes accounts and control expenses of \$17.7 million; however, \$14.2 million is assumed in agency budgets, or \$3.5 million less. Subsequently, the Budget Office indicated that the amount may exclude some agencies that will be billed. The Assembly concurred.

Risk Management (-2.0 FTE). The 2025 Assembly concurred with the Governor's proposal to transfer functions of the Office of Risk Management from the Division of Capital Asset Management and Maintenance to the State Controller. According to the Department of Administration, the Office of Risk Management is more aligned with the Office of State Controller; its work on insurance coverage is primarily a financial issue rather than facility management.

The FY 2026 enacted budget included expenses of \$1.1 million from restricted insurance proceeds, including \$0.4 million to support two positions in the Office of Accounts and Control. Consistent with the revised request, the request reflects the elimination of the positions; staffing authorizations were repurposed for HealthSource RI and the Division of Purchases. It retains the enacted amount of \$700,000 for building claims-related expenses. Subsequently, the Department indicated that it had intended to reduce these expenses by \$485,000 and add a like amount of expenses for a third-party vendor and a contractor to manage the program. The Department noted that the vendors reviewed the program and identified savings, for which its FY 2027 request assumes \$0.5 million.

The constrained request proposes to shift operations of the Office of Accounts and Control to an internal service fund. Under this proposal, \$485,000 for the contractors would be billed to agencies. *The Governor concurred with the constrained proposal. The Assembly concurred.*

Division of Purchases (1.0 FTE). Excluding expenses for centralized services, the request includes \$5.7 million from all sources, including \$4.0 million from general revenues, \$0.7 million from other funds, and \$1.0 million from restricted receipts for the Division of Purchases. The restricted receipts are from a 1.0 percent fee assessed on master price agreements from vendors. The 2025 Assembly concurred with the Governor's recommendation to establish a uniform 0.33 percent fee to be assessed on all state contracts, effective January 1, 2026. The legislation expands allowable usages to include staffing, prospectively. In developing the policy and procedure for implementing the fee, the Department exempted certain contracts, including those with federal agencies, municipalities, colleges and universities, and public utilities. At the end of FY 2025, it had \$3.7 million in available receipts, and based on its revised request for FY 2026, it is projecting an ending balance of \$3.1 million.

The request includes \$5.4 million for salary and benefit expenses and 35.0 full-time equivalent positions. It adds \$0.2 million from restricted receipts for a new position; authorization is repurposed from Risk Management. The Department noted that the position will be reviewing purchasing contracts. Remaining salaries and benefits are \$89,287 less from all sources, primarily reflecting additional turnover savings. It includes increases of \$315,761 from general revenues and \$32,325 from other funds, and \$437,373 less from restricted receipts, reflecting staffing costs and allocations. The request funds approximately three more positions from general revenues than the enacted budget assumed, in an attempt to preserve the restricted receipts. The remaining operating expenses of \$0.3 million are consistent with the enacted budget and the revised request for FY 2026. It is \$6,389 more than spent in FY 2025.

The constrained request includes general revenue savings of \$2.0 million from shifting a like amount of salary and benefit expenses to restricted receipts as allowed under current law. *The Governor concurred with the constrained proposal. The recommendation is \$47,371 less than the request, primarily reflecting additional turnover savings, partially offset by statewide adjustments to health and other benefit rates.*

The Assembly concurred, with the exception of shifting \$0.5 million of general revenue expenses to available receipts, which were higher than the FY 2026 revised budget assumed.

Office of Library and Information Services. The Office of Library and Information Services works to ensure that all residents benefit from free and convenient access to libraries and information resources and services. It also administers federal funding for libraries, including funding for statewide library programs. It annually receives \$1.4 million from the Institute of Museum and Library Services, which is an independent federal agency that supports libraries, archives, and museums. In March 2025, the Trump Administration issued an executive order to eliminate the Institute, and grant funds were terminated. In November, a federal district court ruled the executive order unconstitutional, and grant funds have since been reinstated.

The request includes \$3.8 million from all sources, including \$2.1 million from general revenues, \$1.6 million from federal funds, and \$6,990 from donated restricted receipts for the office. It includes \$2.1 million or \$99,366 more than enacted from all sources, of which \$79,380 is from general revenues for the authorized level of 13.0 full-time equivalent positions. This is \$50,379 more than current service estimates, reflecting the restoration of turnover savings. As of mid-November, there were no vacancies.

The request also includes the enacted amount of \$1.7 million for operating expenses, including \$0.8 million for the interlibrary loan delivery system, which includes the delivery of books, audio/visual materials and other resources, which are shared between and among more than 180 public libraries, academic libraries, state institution libraries, school libraries and other special libraries, such as the Rhode Island Historical Society. It also includes \$0.3 million for talking books for the blind and \$0.2 million to support local libraries. *The Governor recommended \$38,991 less than requested, including \$41,069 from general revenues, primarily reflecting turnover savings. The recommendation includes statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Wrongful Conviction Awards. Consistent with the FY 2026 enacted budget, the request includes \$1.0 million from general revenues for wrongful conviction awards. The 2021 Assembly adopted legislation to compensate individuals who were wrongfully convicted of crimes and incarcerated. Compensation for each year served is up to \$50,000. A claimant can get an additional award for reasonable costs incurred for services such as housing, transportation, attorneys' fees, and release from outstanding child support obligations. Through FY 2025, \$1.2 million in payments have been made. The Office of the Attorney General subsequently noted that these expenses will be \$0.9 million in FY 2027, \$0.1 million less than requested. *The Governor recommended \$0.9 million, consistent with updated expenses.* **The Assembly concurred.**

Tort Court Awards - Settlements. Consistent with the enacted amount and the FY 2026 revised request, the request includes \$1.8 million from general revenues for settlements and legal fees relating to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities. The Office of the Attorney General subsequently noted that these expenses will be \$1.9 million in FY 2027, \$0.1 million more than requested. *The Governor recommended \$1.9 million, consistent with updated expenses.* **The Assembly concurred.**

Disparity Study. In 2021, a study that examined statewide procurement practices from July 1, 2014, to June 30, 2017, was issued. The 2023 Assembly adopted legislation requiring the study to be conducted every five years, beginning in FY 2025. The 2024 Assembly provided \$500,000 from general revenues to fund the study, based on the expense incurred for the 2021 study. Reflecting a delay, funding was provided in FY 2026. A \$549,012 contract for the study was awarded in July 2025, and expenses will extend into FY 2027. The Department also includes \$121,812 for potential change orders and unforeseen costs, bringing the total to \$670,824; this suggests \$329,176 is available in savings. The request reduces funding

by only \$200,000. It appears that \$0.1 million of the funding was also repurposed for other expenses, including clerical services.

The constrained request further reduced expenses by \$200,000, which the Department later indicated was in error.

*The Governor recommended \$0.2 million less than enacted, providing a two-year total of \$670,824 for the study. The recommendation retains funding for the other expenses. **The Assembly concurred.***

Division of Capital Asset Management and Maintenance. Excluding expenditures for centralized services, the request includes \$2.4 million from general revenues to support the Division of Capital Asset Management and Maintenance, which is responsible for overseeing all new construction and rehabilitation projects and providing periodic inspection, appraisal, or inventory of all state buildings and property. The request includes \$2.2 million for the authorized 11.0 full-time equivalent positions. This is \$0.2 million more than enacted, primarily reflecting restored turnover savings. As of mid-November, one project manager position was vacant. The request includes the enacted amount of \$0.2 million from general revenues for operating expenses.

The constrained request proposes savings of \$2.1 million from salary and benefit expenses for 10.5 full-time equivalent positions, including project managers and architects, shifting these expenses from general revenues to Rhode Island Capital Plan funds. The funds were used nearly exclusively for debt service in the early 1990s. The voters approved a constitutional amendment in 2006 to allow the funds to be used solely for capital projects beginning in FY 2008. The Governor recommended these proposals unsuccessfully for FY 2025 and FY 2026. The Assembly has, each year, maintained the use of these funds for direct, specific capital project costs. *The Governor concurred with the constrained request and included \$2.2 million in general revenue savings. The recommendation assumes that the salary and benefit costs can be absorbed within existing project funding; however, project costs would need to increase in future years to reflect the expenses.*

The administration noted that a billing plan would need to be developed, and it would need to ensure that the appropriate project accounts are billed and that reconciliation processes are in place for when a project manager switches between projects.

*The Governor also included legislation in Article 3 transferring administrative authority for the Green Building Advisory Council and the Green Buildings Act from the Department of Administration to the State Building Office within the Department of Business Regulation. The legislation requires the Department of Administration to produce a report on the costs and benefits of obtaining LEED certification for state facilities; however, \$50,000 from general revenues to procure the report was included in the Department of Business Regulation's budget. A subsequent requested amendment budgets the expense in the Division of Capital Asset Management and Maintenance. **The Assembly concurred with the subsequent amendment; it did not concur with the original recommendation and restored the budgeted savings.***

Capital - Security Measures/State Buildings. The request includes \$2.1 million from Rhode Island Capital Plan funds to address security issues throughout state facilities. This is \$1.4 million more than enacted and \$1.1 million more than the approved plan, reflecting a new proposal to shift expenses for a security contract, currently funded with agency charges, to Rhode Island Capital Plan funds. The vendor conducts tests and services security systems in 73 buildings. This proposal was not included in the capital request, since it is an operating expense. This is not an allowable use of Rhode Island Capital Plan funds.

The constrained request further increases expenses from Rhode Island Capital Plan funds by \$1.1 million, bringing the total to \$3.2 million. Under this proposal, the amount billed to agencies would be \$0.2 million less, and \$0.9 million would be allocated to snow removal on the Pastore Center, which the Department

indicated is underfunded. *The Governor recommended \$1.0 million, consistent with the approved plan.*
The Assembly concurred.

Capital - Other Projects. The request includes \$113.7 million from Rhode Island Capital Plan funds for 30 approved projects. This is \$46.2 million more than enacted and \$2.6 million more than the capital budget request.

The Governor recommended \$83.8 million for 28 approved projects, consistent with his capital budget. This is \$29.8 million less than requested, primarily to reflect continued delays for the Zambarano Long-Term Acute Care Facility project. He subsequently requested two amendments for the Big River Management Area project: the first shifts all funding to the Department of Environmental Management, and the second retains some expenses for water monitoring and a watershed management plan.

The Assembly concurred with the amended recommendation and provided a total of \$87.3 million. This is \$3.1 million more than the amended recommendation, primarily reflecting project delays from FY 2026. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Salaries and Benefits. The request includes \$12.0 million from all sources, including \$8.7 million from general revenues for salary and benefit expenses and the authorized level of 67.6 full-time equivalent positions in the following programs: Central Management, Legal Services, Human Resources, Personnel Appeal Board, Division of Statewide Planning, and Division of Equity, Diversity and Inclusion. The request is \$228,095 more than enacted, including \$183,625 from general revenues, and includes benefit rates consistent with FY 2027 planning values. Consistent with the FY 2026 revised request, it inadvertently omits \$219,560 from general revenues for a Human Resources position and overallocates for another position. Adjusting for these, the request is \$368,495 more than enacted, and general revenues are \$134,533 more than current service estimates. It assumes turnover savings of \$0.3 million, essentially as enacted for approximately two positions. As of mid-November, the aforementioned programs had five vacancies, three of which were in the Division of Equity, Diversity and Inclusion.

The Department's constrained request proposes general revenue savings of \$674,800 from salaries and benefits. This includes \$254,784 from Central Management; it removes excess funding above the current service estimate and proposes \$120,784 in savings from a layoff; however, it retains the staffing authorization.

The Department's constrained request also includes \$0.1 million less from general revenues, reflecting a proposal to transfer a property manager position from the Water Resources Board within the Division of Statewide Planning to the Department of Environmental Management. The position is responsible for maintaining the Big River Management Area. Legislation is required to effectuate this; current law designates the Water Resources Board as the entity responsible for administering the area, which was acquired for future development as a source of potable water.

The Governor concurred with the constrained proposals. He included legislation in Article 3, granting the Department of Environmental Management authority over the land and natural resources of the Big River Management Area and transferring a position from the Department of Administration to the Department of Environmental Management as part of this change. Compared to the unconstrained request, the recommendation is \$0.2 million less, mostly from general revenues. It adds \$0.2 million to correct for omitted expenses, and provides \$0.4 million less to reflect the constrained proposals. The recommendation also includes adjustments to turnover assumptions and adjustments to health and other benefit rates.
The Assembly concurred.

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed under the particular federal grant. In fall 2024, the federal rate increased from 10.0 percent to 15.0 percent. The enacted budget included undefined general revenue savings of \$0.2 million from applying a 15.0 percent indirect cost recovery on federal grants that the Department receives. Consistent with the revised request, the FY 2027 request retains these savings. *The recommended budget assigns the savings to centralized services expenses.* **The Assembly concurred.**

Other Expenses. The request includes \$4.5 million from all sources, including \$1.4 million from general revenues, \$0.2 million from restricted receipts, and \$2.9 million from transportation funds for all remaining expenses in the Department. It is \$183,977 more than enacted, including \$27,027 more from general revenues, primarily for training initiatives. Consistent with the revised request, the request includes new expenses of \$160,000 more from gas tax proceeds to support municipalities in the transportation project planning process. *The Governor concurred, with the exception of providing \$15,894 less, primarily reflecting program costs for a position transferred to the Department of Environmental Management.* **The Assembly concurred.**

Office of Energy Resources

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,967,224	\$ 2,817,133	\$ 3,725,047	\$ 3,725,047
Contracted Services	2,432,964	3,196,191	3,397,852	2,397,852
Subtotal	\$ 5,400,188	\$ 6,013,324	\$ 7,122,899	\$ 6,122,899
Other State Operations	2,532,263	5,824,234	5,325,378	5,325,378
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	60,770,010	42,852,795	59,825,842	59,825,842
Capital	3,039,566	1,042,566	34,566	1,034,566
Capital Debt Service	-	-	-	-
Operating Transfers	4,570,000	6,852,617	14,347,140	14,347,140
Total	\$ 76,312,027	\$ 62,585,536	\$ 86,655,825	\$ 86,655,825
Sources of Funds				
General Revenue	\$ -	\$ 275,313	\$ -	\$ -
Federal Aid	31,554,214	16,535,259	32,548,662	32,548,662
Restricted Receipts	39,089,028	37,704,824	38,536,799	38,536,799
Other	5,668,785	8,070,140	15,570,364	15,570,364
Total	\$ 76,312,027	\$ 62,585,536	\$ 86,655,825	\$ 86,655,825
FTE Authorization	17.0	17.0	21.0	21.0

Summary. The Office of Energy Resources requested FY 2027 expenditures of \$88.6 million from all sources and 21.0 full-time equivalent positions, 4.0 more than authorized, reflecting the transfer of staffing from the Department of Human Services for the weatherization assistance program. The request is \$12.3 million more than enacted, including increases of \$1.7 million from federal funds and \$10.9 million from other funds, and \$0.4 million less from restricted receipts.

The Office of Energy Resources does not receive general revenue funding and was not required to meet a target reduction set by the State Budget Office.

The Governor recommended \$86.7 million from all sources and staffing of 21.0 full-time equivalent positions. This is \$1.9 million less than requested, of which \$1.0 million is from Rhode Island Capital Plan funds and \$0.7 million is from federal funds, reflecting available funding. The Assembly concurred.

Weatherization Assistance Program Transfer from DHS (4.0 FTE). The Office's request reflects the transfer of \$10.9 million from federal funds and 4.0 full-time equivalent positions from the Department of Human Services for the weatherization assistance program. The program provides cost-effective, energy-efficient improvements. It also provides low-income individuals, particularly the elderly, persons with disabilities, families with children, high-energy residential users, and households with a high energy burden, with weatherization improvements to lower utility costs. The request includes \$10.3 million budgeted as grants, \$0.1 million for program expenses and \$0.6 million to support salary and benefit expenses for one currently vacant assistant administrator of community and planning services position and three senior resources specialists that monitor projects to ensure compliance.

The 2011 Assembly adopted legislation, transferring the low-income home energy assistance and the weatherization assistance programs from the Office, which was then in the Department of Administration to the Department of Human Services, effective July 1, 2012. This current proposal does not affect the low-income home energy assistance program, which the Department of Human Services would continue to administer. The Department believes the transfer of the weatherization assistance program will streamline the management of energy efficiency initiatives.

The constrained request excludes this proposal, and expenses and staffing would be retained under the Department of Human Services' purview.

*The Governor concurred, and added \$852 for statewide adjustments to health and other benefit rates. He included legislation in Article 3 of 2026-H 7127 to effectuate the transfer. **The Assembly concurred and included legislation in Article 11 of 2026-H 7127, Substitute A, as amended.***

Other Salaries and Benefits. The request includes \$3.5 million from all sources for salary and benefit expenses for the authorized 17.0 full-time equivalent positions. This is \$0.5 million more than enacted, including increases of \$0.3 million from federal funds and \$0.1 million each from restricted receipts and other funds. Subsequently, the Office noted that it inadvertently added \$0.1 million for policy interns and restored turnover savings of \$0.3 million for the Commissioner position, which is currently vacant. Adjusting for these, the request is \$0.2 million more than enacted, reflecting staffing costs and allocations, and includes benefit rates consistent with FY 2027 planning values. It should be noted that the Office downgraded a vacant administrator of energy position to a legal counsel and upgraded a programming services officer to an assistant administrator of financial management. Through late October, the Office had approximately two more vacancies than the enacted budget assumed. *The Governor recommended \$0.4 million less to reflect the intended request; he also added \$711 in statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Solar for All. In April 2024, the state was awarded a \$49.3 million federal grant for the Solar for All program to reduce greenhouse gas and air pollutants. These funds were made available as part of the Inflation Reduction Act of 2022. The Office noted that seven financial assistance programs would be made available, including single and multi-family housing, and community solar projects. In FY 2025, \$0.1 million was spent on program implementation. In August 2025, the Office received a termination of funding notice, which it is disputing. The request excludes the enacted amount of \$10.0 million, as the status of the grant is uncertain. *The Governor concurred. **The Assembly concurred.***

National Electric Vehicle Infrastructure Program. The Infrastructure Investment and Jobs Act allocated \$22.9 million to the Department of Transportation for an Electric Vehicle Charging Infrastructure Program, with the goal of deploying 500,000 electric vehicle chargers nationwide by 2030. The state's plan is administered by the Department of Transportation and the Office, with consultation from the Department of Environmental Management. Subsequently, the state was awarded another \$15.0 million from the Charging and Fueling Infrastructure Grant. Federal funds and the state's match are included in the Department of Transportation's budget; however, the federal funds are passed through to the Office.

Excluding salaries and benefits, the request includes \$14.6 million from other funds, which is \$9.8 million more than enacted, reflecting an updated plan. Phase II, which will address public and private entities, initially launched in November 2024; however, the Federal Highway Administration rescinded guidance and funding for the program in February 2025. A coalition of states sued and prevailed and the Office has since relaunched the program; however, litigation for the subsequent award is ongoing. Phase I was completed in July 2024; two level-three fast chargers were installed each in Warwick and Hopkinton. *The Governor recommended funding as requested. **The Assembly concurred.***

Executive Climate Change Coordinating Council Projects. Consistent with current law and the enacted budget, the request includes the annual amount of up to \$1.5 million from Regional Greenhouse Gas Initiative funds for Executive Climate Change Coordinating Council projects. The Council generally proposes its allocation plan in the fall. Once projects are approved, funds will be allocated and included in various state agency budgets. *The Governor concurred. The Assembly concurred.*

Home Energy Rebate Programs. The Inflation Reduction Act of 2022 authorized funding for two home energy rebate programs. The state will receive \$63.8 million, which can be expended through September 30, 2031. This includes \$32.0 million for home efficiency rebates and \$31.8 million for home electrification and appliance rebates. Excluding salaries and benefits, the request includes \$5.6 million, or \$0.7 million more than enacted, for the appliance rebate program, which launched in September 2024. The rebate amount varies by appliance type, with a maximum of \$14,000. It also includes the enacted amount of \$7.8 million for the home efficiency rebate program. The Office is awaiting clearance from the U.S. Department of Energy to launch the program; the project scope must include one major improvement, such as upgrading the building envelope, or a cooling or water heating system. *The Governor recommended funding as requested. The Assembly concurred.*

Capital - Energy Efficiency. The request includes a total of \$5.6 million from all sources, or \$1.1 million more than enacted, to make energy improvements in public buildings. In June 2024, the Office was notified of a federal \$5.0 million earmark grant for energy improvements in public buildings. The award spans three years and a 50.0 percent state match is required. Consistent with the capital budget request, the operating budget assumes \$1.5 million from Regional Greenhouse Gas Initiative funds and \$2.0 million, \$1.0 million more than the annual allocation, from Rhode Island Capital Plan funds for the match.

The Governor recommended \$1.0 million less from Rhode Island Capital Plan funds than requested; however, he recommended \$10.0 million from new general obligation bonds to go before the voters on the November 2026 ballot to finance energy efficiency infrastructure projects. He also included legislation in Article 3 of 2026-H 7127 to authorize the Office to administer general obligation bond funds.

The Assembly provided \$4.6 million, consistent with the recommended operating budget. It did not concur with the general obligation bond proposal.

Other Regional Greenhouse Gas Initiative Expenses. Excluding expenses for items previously discussed, the request includes \$30.0 million from Regional Greenhouse Gas Initiative restricted receipts for all remaining expenses. The receipts are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. The Office is projecting receipts of \$29.7 million for FY 2027; receipts from the last four auctions total \$31.1 million. The allocation and distribution plans for use of these proceeds are planned to be adopted in March and September 2026.

The request includes the enacted amount of \$29.3 million to provide grants to invest in projects that reduce long-term energy demands. It also programs expenses of \$0.8 million for FY 2027, \$0.1 million less than enacted, primarily for contracted services, including assistance for Public Utilities Commission docket proceedings, and benefit cost analyses for several programs. At the end of FY 2025, the account balance was \$56.9 million, reflecting project delays. Once projects are completed and inspected, expenses are reimbursed. As a result, it takes multiple years before funds are spent. Additionally, if a project is not progressing, funds can be deobligated after a public hearing is held and are then reallocated to other projects. *The Governor recommended funding as requested.*

The Assembly concurred. It also adopted legislation in Article 2 of 2026-H 7127, Substitute A, as amended, authorizing the Office to annually consult with the Rhode Island Public Transit Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of

the agreed-upon amount, 50.0 percent each shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds.

Other Expenses. The request includes \$9.3 million from all sources, including \$5.6 million from federal funds and \$3.8 million from restricted receipts for all remaining expenses in the Office. This includes new expenses of \$0.7 million from a \$1.6 million federal grant that the Office received to provide training and resources for the construction industry to modernize energy efficient building codes; that grant has since been terminated. This is partially offset by the exclusion of \$1.0 million for completed school projects. It also includes \$1.5 million, or \$0.5 million less than enacted from federal funds to make utility infrastructure improvements to prevent disruptive events. The state will receive a total of \$8.7 million from this grant; \$25,036 was spent in FY 2025. Eligible subaward recipients are Rhode Island Energy, Pascoag Utility District, and Block Island. The request includes the enacted amount of \$169,457 for the Office's share of centralized services provided by the Department of Administration.

*The Governor recommended \$550,680 less than requested, including the removal of \$657,193 based on the termination of the federal grant. This is partially offset by \$106,513 from restricted receipts to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

Department of Business Regulation

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 4,399,824	\$ 3,982,169	\$ 4,227,250	\$ 4,177,250
Banking Regulation	2,157,972	2,139,278	2,138,094	2,138,094
Securities Regulation	1,000,863	995,758	1,031,168	1,031,168
Insurance Regulation	6,743,077	7,548,850	7,824,119	7,824,119
Office of the Health Ins. Comm.	4,150,044	4,571,604	4,283,887	26,162,391
Board of Accountancy	5,490	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	2,314,320	2,612,183	2,579,582	2,579,582
Building, Design & Fire Professionals	18,323,364	19,727,494	13,779,321	13,629,321
Total	\$ 39,094,954	\$ 41,582,826	\$ 35,868,911	\$ 57,547,415
Expenditures by Category				
Salaries and Benefits	\$ 22,625,611	\$ 23,087,824	\$ 24,359,488	\$ 24,829,271
Contracted Services	3,796,824	4,366,749	5,701,895	4,603,273
Subtotal	\$ 26,422,435	\$ 27,454,573	\$ 30,061,383	\$ 29,432,544
Other State Operations	5,409,732	5,783,541	5,704,741	5,961,514
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	35,000	437,000	35,000	21,123,570
Capital	7,227,787	7,907,712	67,787	1,029,787
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 39,094,954	\$ 41,582,826	\$ 35,868,911	\$ 57,547,415
Sources of Funds				
General Revenue	\$ 25,769,781	\$ 25,546,550	\$ 26,381,481	\$ 27,041,345
Federal Aid	786,088	1,288,263	896,734	22,265,374
Restricted Receipts	5,486,102	6,840,782	7,560,116	7,210,116
Other	7,052,983	7,907,231	1,030,580	1,030,580
Total	\$ 39,094,954	\$ 41,582,826	\$ 35,868,911	\$ 57,547,415
FTE Authorization	155.0	157.0	157.0	161.0

Summary. The Department of Business Regulation requested FY 2027 expenditures of \$36.0 million from all funds, including \$26.6 million from general revenues. The request is \$3.1 million less than enacted, including \$0.8 million more from general revenues, \$0.1 million more from federal funds, \$2.1 million more from restricted receipts, and \$6.0 million less from other sources. The Department requested 157.0 full-time equivalent positions, 2.0 more than enacted. *The Governor's recommendation includes positions as requested and is \$157,248 less, including \$185,867 less from general revenues, \$5,000 more from federal funds, \$23,570 more from restricted receipts, and \$49 more from Quonset Development Corporation funds. He subsequently requested amendments to add \$20.9 million, including \$21.4 million*

from federal funds and 2.0 new positions for the Rural Health Transformation Program and some adjustments to reflect technical corrections.

The Assembly provided a total of \$57.5 million, including \$27.0 million from general revenues, \$22.3 million from federal funds, \$7.2 million from restricted receipts, and \$1.0 million from other sources. This is \$0.8 million more from general revenues and \$5,000 less from federal funds than the amended recommendation. The Assembly also authorized 161.0 full-time equivalent positions, which is 6.0 positions more than enacted and 2.0 positions more than the amended recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department this produced a general revenue target of \$24.4 million, including a current service adjustment of \$0.4 million and a 7.5 percent reduction of \$1.7 million, adjusted for certain exclusions. The constrained budget submitted by the Department is \$9,266 more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below where appropriate. *The Governor's recommendation is \$2.0 million above the target. The enacted budget is \$2.6 million above the target.*

Staffing. The 2025 Assembly authorized 155.0 full-time equivalent positions for FY 2026. The request includes \$24.6 million from all sources for 157.0 positions, adding \$2.0 million and 2.0 new positions for the State Building Office within the Division of Building, Design and Fire Professionals. The request includes \$137,000 for upgrades for 13 positions, primarily within the Insurance Division. The constrained request excludes the upgrades and includes additional savings of \$1.6 million to be achieved by eliminating 4.0 to 8.0 positions within Central Management; the Division of Commercial Licensing and Gaming and Athletics; and the Division of Building, Design and Fire Professionals.

The Governor recommended positions and allocations as requested, but excluded the requested position upgrades. The Governor subsequently requested an amendment to add 2.0 positions for the Office of the Health Insurance Commissioner for the Rural Health Transformation Program. The Assembly concurred with the amended recommendation and added 2.0 more positions for the Office, for a total authorization of 161.0 positions.

Office of the Health Insurance Commissioner

Rural Health Transformation Program. On July 4, 2025, H.R.1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office of Health and Human Services applied for the grant in early November 2025, with awards expected to be announced by the end of December. Agency requests did not include any funding in anticipation of approval of a \$200.0 million request over five years in the health and human services agencies' budgets.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care. *The Governor's recommendation did not include funding. The Executive Office submitted its revised plan on January 30 for federal approval.*

The Governor subsequently requested an amendment to add \$142.7 million from federal funds to several state agencies for the first year of the state's award. The amendment includes \$21.8 million and 2.0 new positions for the Office of the Health Insurance Commissioner to oversee the program, including \$0.4 million for FY 2026 and \$21.4 million for FY 2027. These funds will primarily support contractors and competitive awards to encourage hospitals and primary care practices to transition to alternative and value-based payment models. The Assembly concurred with the amended recommendation.

Dental Insurance Loss Ratio. The 2024 Assembly passed legislation requiring the Office of the Health Insurance Commissioner to provide recommendations on comprehensive dental health plans and a minimum percentage of dental premium dollars to be spent on patient care. The difference is defined as the dental insurance loss ratio. The report covers 2023 through 2025 and must be submitted by October 1, 2026. The Assembly authorized the Office to levy a maximum of \$150,000 in total in each 2023, 2024, and 2025 from dental insurers for associated costs. The Office anticipated a total cost of \$150,000, which would be levied entirely in 2025, including \$24,000 for FY 2025 and \$126,000 for FY 2026. The current request includes \$116,000 for FY 2027. The Office subsequently indicated that its request is in error, no additional funding is required, and the report should be completed by the end of June 2026.

The constrained request is \$10,000 less from general revenues. *The Governor recommended \$40,000 less, retaining an overstatement of \$76,000. He subsequently requested an amendment to correct the overstatement. The Assembly concurred with the amended recommendation.*

Health Spending Accountability and Transparency Program. The Office requested \$350,000 from general revenues, \$50,000 more than enacted, for contracted technical assistance and data analysis of healthcare claims and spending. Work supports the Cost Trend Steering Committee's Rhode Island Healthcare Cost Trend Project to design and implement plans for healthcare businesses to lower prices. The Assembly reduced state support from \$0.5 million to \$0.3 million for FY 2026 to reflect the completion of one-time reports and the reduced scope of ongoing work. The current request pays for contracted data collection work within the Executive Office of Health and Human Services and restores some funding for additional monitoring, ad hoc analysis, and stakeholder engagement.

The Office's initial FY 2023 request proposed legislation modeled after the Massachusetts Health Policy Commission to codify its authority to benchmark cost growth targets, require entities that exceed targets to submit annual performance improvement plans, as well as a July 2027 sunset. The 2022 Assembly approved funding without any of these responsibilities and limitations. From FY 2018 to FY 2022, this program was funded by a grant from the Peterson Center on Healthcare through Brown University. *The Governor concurred. He also recommended language to codify the Commissioner's authority to set annual cost growth targets and all-payer primary care investment targets, with penalties for noncompliance. The Assembly concurred with the expense and the proposed authority.*

Human Service Programs Rates and Benefit Analysis. The Office requested \$0.9 million from all sources, including \$0.5 million from general revenues, to conduct a biennial comprehensive rate and program review of social and human services programs and support 1.0 associated full-time equivalent position. The enacted budget includes \$0.6 million to represent off-year funding for public meetings and budget planning. The request is \$0.3 million more than enacted from federal funds and \$16,214 less from general revenues for the full scope of work. The Office receives Medicaid reimbursement under an agreement with the Executive Office of Health and Human Services. The next report is due in September 2027. The Office subsequently indicated that its request inadvertently understates general revenues by \$128,864.

The 2022 Assembly required the Office to conduct an examination of all contracted and licensed social and human service providers' programs funded through Medicaid and those within the Departments of Children, Youth and Families; Behavioral Healthcare, Developmental Disabilities and Hospitals; Human Services; and Health. At the time, a comprehensive review of the adequacy of rates paid to providers had never been conducted. The reporting schedule repeats on a biennial basis, with the largest share of work in odd-numbered fiscal years. Every odd-numbered year, an assessment and review of rate adjustments must be completed by September 1. Departments must address the rates in their budget requests by October 1.

The 2024 Assembly provided \$163.4 million to fully fund recommended rate increases included in the 2023 report. The Office submitted its most recent report in September 2025, which recommends rate increases

of \$76.3 million for services delivered on a fee-for-service basis, or \$112.8 million if rate adjustments are also extended to services delivered through Medicaid managed care, similar to how primary care rate increases were implemented. The report omits services contracted by the Department of Children, Youth and Families. For its 2023 report, the Office indicated that it did not include these services because they are subject to a competitive bidding process. For programs included in the report, the Office applied its in-depth rate review process to around 2.4 percent of rates; updated 10.6 percent, which were previously reviewed; produced inflation adjustments for 70.8 percent; and aligned 16.2 percent to create consistent payments for similar services. This does not necessarily reflect the value of services covered by the rates.

The Governor recommended \$145,146 more than requested from general revenues, which appears to overcorrect the understatement and adds \$3,932 for statewide adjustments to health and other benefit rates. The Assembly provided \$16,136 less from general revenues to correct the overstatement.

Primary Care Rate Review. The Office requested \$200,000 from all sources to produce a one-time report on primary care reimbursement rates due by September 1, 2026. The 2025 Assembly required the report to include Medicaid, Medicare, commercial, and alternative contracted payments. This is separate from the biennial Human Service Programs Rates and Benefit Analysis. The Office's initial estimate included a total cost of \$450,000, including \$400,000 for FY 2026 and \$50,000 for FY 2027, with half of the cost in each year programmed from general revenues and federal Medicaid matching funds. The Office indicated that its request is overstated; it intended to request \$50,000, consistent with previous assumptions. *The Governor recommended \$55,000, including \$25,000 from general revenues and \$30,000 from federal funds, inadvertently overstating federal funds by \$5,000. The Assembly provided \$5,000 less to correct the overstatement.*

RI REACH. The Office requested the enacted level of \$0.6 million from all sources for its contracted consumer assistance helpline and outreach vendor. These funds support at least 6.0 full-time equivalent positions for the RI Insurance Resource, Education, and Assistance Consumer Helpline, operated by the RI Parent Information Network. The live-answer toll-free helpline serves as the Office's designated health insurance consumer assistance program. It has operated since FY 2014 and was entirely federally funded through FY 2016.

The Governor recommended funding as requested. His recommendation excludes the enacted amount of \$0.2 million in the Executive Office of Health and Human Services' budget for the Rhode Island Parent Information Network's Dual Ombudsman program, as it no longer appears to be eligible for Medicaid matching funds. The Assembly provided \$0.2 million more from general revenues to continue contracted navigation assistance for Medicare-Medicaid dual eligibles within the Office's budget.

OHIC - Other Personnel and Operations. The Office requested \$2.2 million from all sources, including \$1.5 million from general revenues, for all other operations and its remaining 9.0 full-time equivalent positions. The request is \$67,340 more than enacted for personnel current service adjustments, including \$55,280 from general revenues and \$12,060 from restricted receipts. *The Governor recommended \$575 less from all sources, including \$2,935 more from general revenues, for statewide adjustments. This includes \$3,193 more for adjustments to health and other benefit rates and \$3,768 less for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly added 2.0 new positions and \$0.5 million from general revenues to support regulation and oversight of pharmacy benefit managers, consistent with separate legislation contained in 2026-H 8579, Substitute A, as amended.*

Revenue Enhancement - OHIC Restricted Assessment. The Office proposed a revenue enhancement that would provide the Health Insurance Commissioner the authority to levy an assessment against all domestic insurance companies offering health care, vision, dental, or catastrophic plans up to an aggregate amount of 150.0 percent of the total salaries and benefits of two Office personnel. This proposal is similar

to assessments proposed by the Office in prior years but not recommended by the Governor. Those proposals apportioned each assessment according to the percentage of annual premiums accrued to each domestic company as provided by the Office. The Office would also be permitted to apply penalties for non-compliance, consistent with existing statute. As submitted, estimated revenues totaling \$213,449 for FY 2027 are intended to offset general revenues equivalent to an average of 1.6 full-time equivalent positions. *The Governor did not recommend this initiative.* **The Assembly concurred.**

Building, Design, and Fire Professionals

E-Permitting Expansion. The Department requested the enacted amount of \$1.0 million from general revenues to support uniform construction, land use planning, fire safety, and zoning permitting for all Rhode Island municipalities and 1.0 associated full-time equivalent position. Municipalities were required to provide online construction permitting by July 2024 and online land use and zoning permitting by October 2025. To effect this change, ease the burden on municipalities, and ensure standardization, the Department provides technical assistance and oversees a centralized information technology system that is upgraded as new requirements are added. As of November 2025, Charlestown is completing implementation of the planning requirement and Barrington is not compliant with the planning or zoning requirements. All other municipalities are fully compliant. In a few cases, municipalities maintain non-standard systems that are compliant but are not managed by the Department. The 2025 Assembly required that the OpenGov system be integrated with aspects of licensing and permitting within the Coastal Resources Management Council and the Departments of Transportation and Environmental Management by October 2026. The cost of implementing these changes, if any, is not identified.

The constrained request eliminates all funding for this program and the 1.0 associated position, which would end the state program, reduce standardization, and shift the full cost of compliance onto municipalities. *The Governor recommended funding as requested.* **The Assembly provided \$0.2 million more than enacted based on anticipated expenses and required the Department to submit a report with its FY 2028 budget request containing an analysis of the program and suggested statutory revisions.**

Licensing Staff (2.0 FTE). The 2025 Assembly created a license and minimum standards for contractors performing structural work on residential buildings having between one to four units, effective January 1, 2027. The Contractors' Registration and Licensing Board is charged with overseeing the new license, which requires contractors to pass a test and meet additional education requirements. The Board currently licenses around 11,000 contractors and anticipates that many will hold both. The existing contractor license fee is set by statute at \$150 annually. The new license fee will be set by regulation and is anticipated to be higher. The Department requested \$0.2 million from restricted receipts that are anticipated to be generated from new licensing fees for 2.0 new full-time equivalent positions to oversee the program, including 1.0 enforcement aide and 1.0 administrative position.

The constrained request excludes the positions and funding, which assumes statutorily required work would be performed by existing staff. *The Governor recommended the new positions and added \$282 to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

State Building Office. The Department requested \$3.9 million, including \$2.5 million from general revenues, for staffing and operations of the State Building Office for its remaining 23.0 authorized full-time equivalent positions. The Department's request is \$0.4 million more than enacted, including \$0.2 million each from general revenues and restricted receipts. The Contractors' Registration and Licensing Board collects restricted receipts from annual registrations, which are projected to be more than sufficient for requested expenses. The request reflects current service adjustments, updated position allocations, an upgrade for one position, and restoration of enacted turnover savings equivalent to 0.7 positions.

The constrained request is \$0.2 million less from general revenues, which excludes the position upgrade and eliminates around 1.0 full-time equivalent position. *The Governor recommended \$24,872 more from all sources, including \$638 from general revenues, for statewide adjustments. This includes \$4,060 more for adjustments to health and other benefit rates and \$20,815 for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Bomb Squad World Cup Activity. The Department requested \$50,000 from general revenues for Bomb Squad activity related to the 2026 FIFA World Cup. The World Cup will take place from June 11 to July 19, and the Bomb Squad is responsible for providing aid to Massachusetts and federal agencies, as well as responding to related events planned in Rhode Island. The Department's revised request includes \$100,000, for a total cost of \$150,000. This includes \$65,000 for overtime and \$85,000 for specialized equipment. The Department expects that the state will be reimbursed for all expenses incurred.

The constrained request excludes this initiative. *The Governor recommended \$250,000 from general revenues for FY 2026 in the Emergency Management Agency's budget only in the event any security expenses associated with the World Cup are not reimbursed. The Assembly concurred.*

Fire Academy Instructors. The Department requested a total of \$659,420 from restricted receipts, \$399,420 more than enacted, for instructors who teach courses at the State Fire Academy in Exeter. Its revised request contains an identical amount. The increase reflects the cost to convert the instructors, currently budgeted as contractors, into seasonal employees in order to provide them with workers' compensation coverage. Restricted receipts are generated from course fees, typically paid by local fire departments, and used to support the facility and instructors; as of the end of FY 2025, the account has a balance of \$2.4 million. The Department subsequently indicated that its request is overstated by \$350,000. *The Governor recommended funding as requested, retaining the overstatement. He subsequently requested an amendment to correct the error. The Assembly concurred with the amended recommendation.*

Fire Marshal Staffing and Operations. The Department requested \$7.0 million for all staffing and operations of the State Fire Marshal, including \$6.1 million from general revenues, \$0.3 million from federal funds, \$0.5 million from restricted receipts, and \$68,531 from Quonset Development Corporation funding. Funds support the Fire Marshal's 39.0 full-time equivalent positions, including 3.0 positions allocated for the Fire Safety Inspection and Review Unit. The request is \$0.4 million more than enacted, including \$287,064 from general revenues, \$2,500 less from federal funds, \$132,773 more from restricted receipts, and \$15,548 from corporation funds based on planned work. The increase reflects current service adjustments, upgrades for three positions, and turnover savings equivalent to 0.8 vacancies; the enacted budget contains turnover savings equivalent to 1.8 vacancies. It also shifts a portion of the work of four positions to restricted receipts that are currently primarily funded from general revenues.

The constrained request is \$24,000 less, excluding position upgrades. *The Governor recommended \$26,564 more, primarily from general revenues. This excludes the upgrades and reflects statewide adjustments, including \$8,440 more for health and other benefit rates and \$41,848 more for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Other Business Regulation Programs

NAIC Summer Interns. The Department requested \$20,020 from general revenues for a new initiative to provide two paid student internships within the Insurance Division in partnership with the National Association of Insurance Commissioners. The Division has 36.0 authorized positions, 5.0 of which are vacant as of November 2025. These vacancies have been persistent, which the Department attributes to an insufficient talent pool that the internships are intended to address.

The constrained request excludes this initiative. *The Governor did not recommend this initiative.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$12.8 million, including \$11.6 million from general revenues and \$1.2 million from restricted receipts, for staffing costs of its remaining 84.0 full-time equivalent positions for the banking, securities, and insurance regulation, commercial licensing, and central management divisions. The request is \$0.4 million more than enacted, including \$0.1 million from general revenues, which reflects current service adjustments, upgrades for nine positions, and funds around 1.2 more positions through reduced turnover savings. The enacted budget contains turnover savings equivalent to 5.8 vacancies. The request also shifts \$0.2 million of expenses from general revenues to restricted receipts within the Commercial Licensing Division.

The constrained request is \$0.5 million less, which excludes position upgrades and eliminates around 2.0 positions within the commercial licensing and central management divisions. *The Governor recommended \$0.2 million less, which excludes requested position upgrades, includes \$95,436 of additional turnover savings, and reflects \$27,177 more for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Office Renovation. The Department requested \$200,000 from general revenues, including \$100,000 each in FY 2026 and FY 2027, for a new initiative to provide office furniture and electrical upgrades for the Division of Commercial Licensing. The Department occupies four floors at Pastore Center buildings 68 and 69; three were recently remodeled after flood damage in 2022. It indicates its remaining floor is 10 to 15 years out of date. The FY 2025 final budget contains \$0.3 million for similar work for the Insurance Division. The Department's capital request includes an identical amount but is funded through Rhode Island Capital Plan funds. The constrained request excludes this initiative. *The Governor recommended \$100,000 from general revenues for FY 2026 only.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Insurance Division Actuaries. The Department requested \$2.3 million from Insurance Division restricted receipts for actuarial services to perform rate studies and review filings. Receipts are generated according to a schedule of direct insurance writings and pay for the full cost of actuary work. The request is \$0.8 million more than enacted, which the Department indicates reflects the maximum value of payments under its existing contract. The workload is unpredictable and a substantial portion is conducted in the fourth quarter of each fiscal year, so it is common for costs to fluctuate. *The Governor concurred.* **The Assembly concurred.**

Other Capital Projects. The Department's capital request includes \$3.7 million from Rhode Island Capital Plan funds for FY 2027 for capital projects. This includes \$1.0 million to expand the State Fire Academy in Exeter, consistent with the approved plan, as well as \$2.2 million for an evidence repository, \$0.1 million to renovate the Division of Commercial Licensing workspace, and \$0.5 million for various information technology projects. The Department's operating request inadvertently includes only \$1.0 million for capital projects; it intended to request funding consistent with its capital submission. *The Governor recommended funding as requested, consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Department requested \$2.7 million from all sources for all other expenses, including \$2.3 million from general revenues and \$0.4 million from restricted receipts. Expenses include \$2.1 million for centralized services provided through the Department of Administration, \$0.2 million for computer equipment and software, \$0.1 million for travel, \$0.1 million for security, and \$0.4 million for office supplies and a variety of other expenses. The request is \$26,500 more than enacted, including \$21,500 less from general revenues to more closely reflect FY 2025 spending and \$48,000 more from

restricted receipts for travel costs, reflecting a return to in-person attendance at industry conferences and additional examiner training.

*The Governor recommended \$178,742 more from general revenues than requested, including \$50,000 for a report regarding the costs and benefits of obtaining LEED certification for state facilities; proposed language assigns this task to the Department of Administration. It also reflects \$128,742 more for statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. He subsequently requested an amendment to shift funding for the report to the Department of Administration. **The Assembly concurred with the amended recommendation.***

Rhode Island Cannabis Control Commission

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 4,421,391	\$ 4,298,347	\$ 4,921,720	\$ 4,576,636
Contracted Services	275,750	495,000	110,000	110,000
Subtotal	\$ 4,697,141	\$ 4,793,347	\$ 5,031,720	\$ 4,686,636
Other State Operations	1,308,922	2,148,183	2,487,705	2,487,705
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	250,000	-	-	-
Capital	1,047,500	345,000	445,000	445,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,303,563	\$ 7,286,530	\$ 7,964,425	\$ 7,619,341
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	-	-	-	-
Restricted Receipts	7,303,563	7,286,530	7,964,425	7,619,341
Other	-	-	-	-
Total	\$ 7,303,563	\$ 7,286,530	\$ 7,964,425	\$ 7,619,341
FTE Authorization	26.0	26.0	28.0	26.0

Summary. The Rhode Island Cannabis Control Commission requested \$7.8 million from restricted receipts, which is \$0.5 million more than enacted. The request includes 28.0 full-time equivalent positions, 2.0 more than enacted. The Commission opened retail-only applications in October, with a December 29 deadline and a May 2026 timeline for announcing license awards. *The Governor's recommendation is \$0.2 million more and includes the requested positions. In April, preliminary injunctions were issued associated with pending court cases that further delayed the process for issuing retail licenses.* **The Assembly provided \$0.3 million less and the authorized level of 26.0 full-time equivalent positions.**

Medical Marijuana. The Commission requested \$1.9 million from medical marijuana restricted receipts, \$0.1 million more than enacted. Receipts are generated from licensing fees and penalties and used to support regulatory activity, 6.0 Commission positions, and 1.2 Department of Health positions. The Department oversees and issues patient identification cards, and the 2025 Assembly required that all associated costs be paid from medical marijuana receipts within the Commission's budget. The requested increase reflects the full value of Department of Health positions and current service adjustments, partially offset by turnover savings equivalent to 0.1 vacancies. *The Governor recommended \$2,047 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Adult Use Restricted Receipts. The state collects a 10.0 percent excise tax on all retail adult-use cannabis sales. The request assumes \$6.5 million for FY 2027 for cannabis-related regulatory activities in five state agencies. FY 2025 spending from associated accounts was \$4.5 million. State law restricts use of these funds to program administration, public education, data collection, law enforcement support, and substance use services. Based on FY 2026 revised receipts and expenditures, the FY 2026 ending carryforward

balance is estimated at \$18.1 million. A simple model based on collections as of October 2025 and adjusted for inflation suggests revenues of \$10.9 million for FY 2027, more than sufficient for requested expenses.

The Governor proposed additional expenses totaling \$0.3 million across both years and all agencies, and the transfer of \$5.0 million to general revenues in FY 2026; changes are within available resources. The Assembly concurred with the fund transfer and budgeted \$0.3 million less for the Commission. The following table shows expenses from the Marijuana Trust Fund across all agencies relative to the enacted budget, transfers to the General Fund, and projected year-end balances.

Marijuana Trust Fund Expenses						
Agency	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	Final Chg. to Enacted	FY 2027 Enacted	FY 2027 Chg. to Enacted
CCC	\$ 3,516,808	\$ 5,551,256	\$ 5,427,462	\$ (123,794)	\$ 5,726,707	\$ 175,451
DOR	31,397	100,000	100,000	-	100,000	-
DOH	260,540	444,943	357,580	(87,363)	438,168	(6,775)
BHDDH	25,469	41,046	10,277	(30,769)	18,320	(22,726)
Attorney General	97,510	411,225	185,225	(226,000)	25,225	(386,000)
<i>Transfer to General Fund</i>	<i>579,788</i>	<i>-</i>	<i>5,000,000</i>	<i>5,000,000</i>	<i>-</i>	<i>-</i>
Total Expenses	\$ 4,511,512	\$ 6,548,470	\$11,080,544	\$ 4,532,074	\$ 6,308,420	\$ (240,050)

Data Analyst (1.0 FTE). The Commission requested \$183,786 from adult-use restricted receipts for 1.0 new full-time data analyst position. It indicated that the position would analyze licensing, market, and seed-to-sale data with the goal of improving oversight and efficiency by creating internal dashboards, graphics for external documents, and collaborating with public health and enforcement partners. The Commission's revised request also includes the new position. *The Governor concurred and added \$195 to reflect statewide adjustments to health and other benefit rates. The Assembly did not concur.*

Legal Counsel (1.0 FTE). The Commission requested \$160,924 from adult-use restricted receipts for 1.0 new full-time senior legal counsel position. It currently has 2.0 legal positions and indicates that additional in-house legal staff will help it solidify the legal framework for workers' cooperative and social equity applicants and more rapidly respond to compliance, litigation, and contract issues likely to arise when it begins to issue the 24 statutorily-authorized retail licenses. The Commission made a similar, unsuccessful request last year. Its revised request also includes the new position. *The Governor concurred and added \$179 to reflect statewide adjustments to health and other benefit rates. The Assembly did not concur.*

Other Salaries and Benefits. The Commission requested \$3.4 million from adult-use restricted receipts for its remaining 20.0 authorized full-time equivalent positions. This is \$8,750 more than enacted, which reflects current service adjustments and upgrades for 2.0 positions, partially offset by turnover savings equivalent to 0.1 vacancies. In FY 2025, the Commission repurposed a vacant administrative position to hire a Chief of Public Affairs and upgraded its Investigative Auditor to Chief of Policy. As of October 2025, the Commission has 3.0 vacancies. *The Governor recommended \$6,168 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Other Operations. The Department's request includes \$2.1 million from adult-use restricted receipts, consistent with the enacted budget, for operations associated with regulation and oversight of the state's retail cannabis and industrial hemp programs. The request includes \$0.1 million less for travel and \$0.5 million less for one-time setup costs included in the enacted budget. This is offset by \$0.3 million more for ongoing information technology costs related to adult-use license roll-out and \$0.3 million more for office renovations and equipment. The request also includes the enacted level of \$49,992 for monthly stipends of \$2,083 each for the two non-employee Commission members. *The Governor recommended \$160,533 more than requested to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Executive Office of Commerce

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Executive Office of Commerce	\$ 2,369,982	\$ 2,386,853	\$ 3,167,540	\$ 1,917,540
Quasi-Public Appropriations	19,307,421	20,716,945	18,007,421	17,007,421
Economic Dev. Initiative Funds	31,735,000	13,771,400	28,892,601	29,892,601
Commerce Programs	5,420,421	54,254,567	4,745,421	4,745,421
Total	\$ 58,832,824	\$ 91,129,765	\$ 54,812,983	\$ 53,562,983
Expenditures by Category				
Salaries and Benefits	\$ 1,152,792	\$ 1,153,957	\$ 1,171,131	\$ 1,171,131
Contracted Services	-	-	-	-
Subtotal	\$ 1,152,792	\$ 1,153,957	\$ 1,171,131	\$ 1,171,131
Other State Operations	211,940	227,646	241,159	241,159
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	20,476,400	51,347,225	24,019,001	22,269,001
Capital	6,305,250	7,714,495	3,505,250	4,005,250
Capital Debt Service	105,094	105,094	105,094	105,094
Operating Transfers	30,581,348	30,581,348	25,771,348	25,771,348
Total	\$ 58,832,824	\$ 91,129,765	\$ 54,812,983	\$ 53,562,983
Sources of Funds				
General Revenue	\$ 33,532,824	\$ 33,549,695	\$ 29,520,382	\$ 28,270,382
Federal Aid	20,000,000	50,870,825	21,292,601	21,292,601
Restricted Receipts	-	-	-	-
Other	5,300,000	6,709,245	4,000,000	4,000,000
Total	\$ 58,832,824	\$ 91,129,765	\$ 54,812,983	\$ 53,562,983
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Executive Office of Commerce requested total expenditures of \$60.5 million for FY 2027, including \$35.2 million from general revenues, \$20.0 million from federal funds, and \$5.3 million from Rhode Island Capital Plan funds. The request is \$1.6 million more from general revenues than enacted and includes the enacted level of 5.0 full-time equivalent positions. *The Governor recommended \$5.7 million less than requested, including \$5.6 million less from general revenues, \$1.3 million less from Rhode Island Capital Plan funds, and \$1.3 million more from federal funds.*

He subsequently requested an amendment to shift \$1.0 million from general revenues between two similarly named programs to reflect his original intent. The Assembly provided \$1.3 million less from general revenues and concurred with the remainder of the amended recommendation, provided that \$150,000 from general revenues support the Main Street Coordinating program.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Executive Office of Commerce, this produced a general

revenue target of \$27.8 million, including a current service reduction of \$4.3 million and a 7.5 percent reduction of \$1.4 million, adjusted for certain exclusions. The constrained budget submitted by the Executive Office is \$8,858 less than the Budget Office target. The proposals to achieve reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$1.7 million above the target. The Assembly provided \$0.5 million more than the target.*

I-195 Redevelopment Fund. The Executive Office's request does not include funding for real estate development incentives for construction on former I-195 land. The 2015 Assembly created the I-195 Redevelopment Project Fund to be administered by the I-195 Redevelopment District Commission to provide developers and businesses with financing for capital investment, including land acquisition, in order to promote the development of the land. Previous budgets provided a total of \$30.0 million from general revenues, available until exhausted or the program ends. As of September 2025, the Commission had active commitments of \$29.0 million, of which \$23.5 million has been disbursed. It also had 14 of the 20 parcels either sold or under agreement. The 2025 Assembly extended the program's sunset date one year to December 31, 2026, but did not provide additional funding. The Commission may not enter into any agreement for funding or incentives after that date.

During FY 2017, Wexford Science and Technology was awarded \$19.8 million, or 66.0 percent of all appropriated funds and 68.3 percent of all awarded funding. The Commission used \$6.3 million for infrastructure improvements throughout the FY 2017 to FY 2025 period, including burying National Grid power lines, screening a nearby transformer yard, and adding walkways between the nearby South Street Landing, city walkways, and new parks. That also includes funding for art installations, streetscape improvements, activity programming, temporary parking and storage, parks management and infrastructure, and development plan expenses related to its status as a special economic development district. *The Governor recommended no additional funding as requested and proposed extending the sunset date one year to December 31, 2027. The Assembly concurred.*

Rebuild Rhode Island Tax Credit. Consistent with the enacted budget, the Executive Office requested \$10.1 million from general revenues for the Rebuild Rhode Island Tax Credit program, a real estate development tax credit for qualified construction for which tax credits are redeemed over time. The design of the program is to forward fund credits, thereby reducing uncertainty for state sources in the future when those credits begin to be redeemed; current project credits are estimated to be redeemed through at least FY 2038. The 2025 Assembly maintained the award cap of \$225.0 million and raised total program funding to \$194.7 million by appropriating \$10.1 million. The current limit requires \$10.1 million annually for the next three years to fully fund; a somewhat lower level would be required if it took more years for the credits to be redeemed. As of November 2025, the Commerce Corporation had 57 active approved awards valued at an estimated \$218.5 million, inclusive of the sales and use tax exemptions, adjusted for certain agreements.

The constrained request includes \$8.7 million, \$1.4 million less than enacted. *The Governor proposed raising the award cap by \$25.0 million to \$250.0 million and extending the program's sunset one year to December 31, 2027. He also included \$6.1 million to bring total funding to \$200.8 million and assumed funding through FY 2036 to fully fund the program. The Assembly concurred.*

Innovation Initiative. Consistent with the enacted budget, the Executive Office did not request new funds to support three incentive programs for small businesses with fewer than 500 employees; however, it subsequently indicated that it intended to request \$1.0 million for FY 2027. Innovation vouchers facilitate the purchase of research and development support from the state's institutions of higher education and other providers, with vouchers ranging from \$5,000 to \$75,000 per business. Network matching grants are available for targeted industries to provide technological assistance, procure space on flexible terms, and access capital from organizations, including non-profit and for-profit organizations, universities, and co-

working space businesses. Innovation incentive grants defray patent application costs of up to \$5,000; the first round of recipients was announced in June 2025.

For the FY 2016 through FY 2025 period, the program averaged about 21 awards each year, of which about 15 were for vouchers. As of November 2025, the Corporation had awarded five vouchers for the current fiscal year. Since FY 2016, appropriations to the program total \$12.5 million, and the Corporation awarded \$13.5 million against it as of November 2025, which is \$1.0 million more than appropriated, assuming no resources are available from projects that have closed or been paid out at an amount less than the award. The 2025 Assembly extended the program's sunset date one year to December 31, 2026. The Corporation may not enter into any agreement for funding or incentives after that date.

The constrained request includes \$1.0 million less than enacted, consistent with the Budget Office's current service estimate, which was made in error. The Executive Office subsequently stated that its unconstrained request is intended to be \$1.0 million, and that its constrained request is intended to exclude these funds. *The Governor's budget extends the sunset date one year to December 31, 2027. He also proposed a new allocation of \$1.0 million from general revenues for FY 2027. This is inadvertently included in the appropriation line for a similarly named program.*

He subsequently requested an amendment to correct the error. The Assembly concurred with the amended recommendation.

First Wave Closing Fund. The Executive Office's request does not include funding to recapitalize the First Wave Closing Fund. From FY 2016 through FY 2019, the Assembly appropriated \$15.3 million; the 2023 Assembly provided \$10.0 million to recapitalize the fund. Through FY 2025, the program had made 13 awards totaling \$19.8 million; however, only \$1.3 million of the awarded funding had been disbursed as of November 2025. The 2025 Assembly extended the program's sunset date one year to December 31, 2026. As of November 2025, the program had \$0.5 million in reserves from which to draw awards.

The Fund was enacted in 2015 to provide financing to ensure that certain transactions that are critical to the state's economy occur, subject to the Commerce Corporation's Board approval. The funds can be used for working capital, equipment, furnishings, fixtures, construction, rehabilitation, purchase of property, or other purposes approved by the Corporation. Reported uses include office fit-out and occupancy, talent attraction, and a Wavemaker Fellowship-style student debt loan relief for one awardee. *The Governor did not recommend new funding but proposed extending the sunset date one year to December 31, 2027. The Assembly concurred.*

First Wave Closing Fund	FY 2016 - FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<i>Balance Forward</i>	\$ -	\$ 12,702,500	\$ 7,702,500	\$ 6,952,500	\$ (847,500)	\$ 9,152,500	\$ 1,521,330	\$ 521,330
<i>Appropriation</i>	15,300,000	-	-	-	10,000,000	-	-	-
<i>FY 2019 Recapture</i>	-	(5,000,000)	-	-	-	-	-	-
<i>Available Resources</i>	\$ 15,300,000	\$ 7,702,500	\$ 7,702,500	\$ 6,952,500	\$ 9,152,500	\$ 9,152,500	\$ 1,521,330	\$ 521,330
<i>Grants Awarded</i>	(2,597,500)	-	(750,000)	(7,800,000)	-	(7,631,170)	(1,000,000)	-
Balance Forward	\$ 12,702,500	\$ 7,702,500	\$ 6,952,500	\$ (847,500)	\$ 9,152,500	\$ 1,521,330	\$ 521,330	\$ 521,330

Assistance to Impacted Industries. The Executive Office requested \$0.5 million from general revenues to continue a placemaking grant program previously supported by State Fiscal Recovery funds. The program provides funding for capital improvements to businesses, community organizations, and municipalities to spur economic development; originally, this program was intended to support businesses negatively affected by the COVID-19 pandemic. Requested general revenues would continue the program, providing additional grants to recipient organizations. The Assembly authorized \$15.0 million from FY 2022 to FY 2025 from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industries. Through September 2025, \$1.3 million remained unspent.

The constrained request excludes \$0.5 million from general revenues. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Small Business Promotion. The Executive Office’s request does not include funding to support the small business promotion program known as SupplyRI, consistent with the enacted budget. The Corporation approved the program in December 2017 with a \$325,000 budget, assuming no state funding. The FY 2019 through FY 2023 budgets each provided \$300,000 from general revenues. The FY 2024 enacted budget provided \$700,000 more for a five-year planning study, additional staff at the Commerce Corporation, website upgrades, and additional programming and grants. The Corporation projected that the program will have sufficient carryforward funds to continue operating through FY 2027. *The Governor excluded funding as requested. The Assembly concurred.*

State Small Business Credit Initiative. The Executive Office requested the enacted amount of \$20.0 million from federal funds provided under the American Rescue Plan Act to recapitalize the State Small Business Credit Initiative to support small businesses impacted by the economic effects of the coronavirus pandemic. Rhode Island was awarded \$61.7 million. Funding is available in three tranches to expand or create new state small business investment programs that provide access to capital, collateral support, loan participation, loan guarantees, and venture capital. The act includes a set-aside to support businesses controlled by socially and economically disadvantaged individuals, with technical assistance and enhanced support for recipients that “demonstrate robust support” for those groups.

Additionally, in April 2024, the United States Department of Commerce allocated \$100.0 million for the Minority Business Development Agency to provide technical assistance to eligible underserved small businesses, from which Rhode Island was awarded \$0.8 million. As of November 2025, the Executive Office had only received \$0.3 million.

The Office reported that as of November 2025, the first tranche has been fully spent, and \$0.7 million remained to be disbursed from the second tranche and is included in the Executive Office’s FY 2026 revised request. The Executive Office’s FY 2027 request reflects its uncertainty regarding the amount it will receive from the third tranche. *The Governor recommended \$1.3 million more than requested to reflect the full anticipated amount from the third tranche. The Assembly concurred.*

Main Streets Revitalization. The Executive Office’s request includes \$1.5 million from general revenues to recapitalize the Rhode Island Streetscape Improvement Fund, for which the enacted budget includes \$125,000. The 2015 Assembly authorized the Corporation to award loans, matching grants, and other forms of financing to enhance infrastructure to create an attractive environment in local business districts; the 2023 Assembly expanded allowable uses to include technical assistance. The 2025 Assembly formally established a Main Street Coordinating program to promote economic activity and development within the state, to be administered by Grow Smart RI, and which is eligible for support from this fund. Through FY 2025, the Assembly appropriated \$10.1 million; the Corporation awarded \$10.0 million and disbursed \$3.1 million. The 2025 Assembly extended the sunset date one year to December 31, 2026.

The constrained request excludes all funding. *The Governor recommended \$1.0 million from general revenues, \$0.5 million less than requested, to reflect available funds. He also proposed extending the sunset date one year to December 31, 2027. The Assembly concurred and added language to ensure that \$150,000 supports the Main Street Coordinating program.*

ARPA - Bioscience Investments. The 2023 Assembly provided \$45.0 million from State Fiscal Recovery funds to finance wet lab incubator space, technology development supports, and the creation of the new Rhode Island Life Science Hub. The Hub is a quasi-public corporation governed by a 15-member board and charged with coordinating state life science initiatives. The board manages an investment fund to make

investments and provide grants, loans, technical assistance, and other incentives to promote economic and workforce development in the life science industry.

The Executive Office's request includes no funding; any unspent funds are automatically reappropriated. Through FY 2025, \$20.8 million had been spent, leaving \$24.2 million available. The Executive Office previously reported that a subaward contract has been executed with the Rhode Island Life Science Hub for the remaining funds.

As of November 2025, the Executive Office indicated that all State Fiscal Recovery funds allocated by the 2023 Assembly have been committed by the Life Science Hub's board of directors and are budgeted through December 2026; these funds must be spent by December 31, 2026. The following table displays the committed funds by programming purpose, as well as expenditures and remaining funds as of November 2025. *The Governor's revised budget includes the remaining funds. The Assembly concurred.*

Bioscience Investment	Committed	Approved	Remaining
Start Up Operations	\$ 1,750,000	\$ 1,750,000	\$ -
Ongoing Operations	3,150,000	3,150,000	-
Incubator - Ocean State Labs	9,836,500	5,656,381	4,180,119
Small Grant Funds	250,000	250,000	-
Equity Fund	5,000,000	-	5,000,000
Investment & Funding Programs	25,000,000	16,590,000	8,410,000
Total	\$ 44,986,500	\$ 27,396,381	\$ 17,590,119

Destination Marketing. Consistent with the enacted budget, the Executive Office's request includes \$1.4 million from general revenues to continue a program that conducts tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. The program was initially supported with \$3.0 million from federal State Fiscal Recovery funds. These funds have been fully disbursed, and the program has been supported by \$1.4 million annually from general revenues since FY 2025.

The constrained request excludes this funding. *The Governor's recommendation includes \$1.5 million from general revenues, \$0.1 million more than enacted, to continue the program. The Assembly concurred.*

Other Commerce Programs

Air Service Development Fund. Consistent with the enacted budget, the Executive Office requested \$2.7 million from general revenues to recapitalize the Air Service Development Fund, administered by the Commerce Corporation and used to reimburse marketing expenses for airlines connecting to Rhode Island T.F. Green International Airport. The intent of the program is to incentivize airlines to add more direct air routes to and from major metropolitan areas to their schedules at the airport. The Assembly provided \$2.5 million annually from FY 2017 to FY 2019. The 2020 Assembly recaptured \$0.5 million of unspent excess funds. Since then, annual funding has fluctuated from \$2.3 million for FY 2023 and FY 2024 to \$1.2 million for FY 2025. A multi-year agreement was signed with Breeze Airways in August 2022, with funding pending state appropriations; the request reflects sufficient funding to continue the agreement. The 2024 Assembly extended the sunset date three years to December 31, 2027. *The Governor recommended funding as requested and retained the sunset date of December 31, 2027. The Assembly concurred.*

Wavemaker Fellowships. The Executive Office requested \$1.0 million from general revenues, \$1.6 million less than enacted, for Wavemaker Fellowships. This is a student loan repayment tax credit program for graduates of accredited institutions of higher education who receive an associate's, bachelor's, or master's degree and who remain in, become a resident of, and are employed within the state in the fields of life, natural or environmental sciences; computer, information or software technology; engineering or

industrial design; and medicine or medical device technology. Awards are typically announced in late spring. Program eligibility was expanded over time to include individuals in healthcare and mental health, as well as teachers. Since FY 2016, a total of \$24.0 million has been appropriated. The 2024 Assembly approved total funds of \$4.1 million, which included \$0.5 million reserved for awards to primary care medical doctors, nurse practitioners, and physician assistants. The 2025 Assembly provided \$2.6 million to continue the program and extended the program's sunset date one year to December 31, 2026.

The amount of the tax credit is up to a maximum of \$1,000 for an associate's degree, \$4,000 for a bachelor's degree, and \$6,000 for a graduate degree for up to four years. Current law requires the Commerce Corporation to reserve 70.0 percent of the awards per calendar year for permanent residents of the state. It also requires that recipients must work at least 35 hours per week for an employer located in the state, which is defined as having at least 51.0 percent of its employees located in the state. The program allows awardees to receive up to four years of reimbursement. The Office of Revenue Analysis publishes a statutorily required evaluation of the program, which is available on the Department of Revenue's website.

Through November 2025, the Corporation had awarded eight two-year cohorts to a total of 1,589 fellows since FY 2016; the latest was announced in June 2025. The Corporation also allocates staffing costs for a program director. The Executive Office indicated that an additional application round closed in November 2025 and that a new cohort would be announced in FY 2026. *The Governor recommended funding as requested and proposed extending the sunset date one year to December 31, 2027. The Assembly concurred.*

Stay Invested in Wavemaker Fellowship Program - Cash Flow							
Fiscal Year Awards	2016-2022	2023	2024	2025	2026 Final	2027 Enacted	
Balance Forward	\$ -	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778	\$ 10,105,949	\$ 9,805,103	
Appropriation	10,150,000	3,200,000	4,000,000	4,076,400	2,566,621	1,016,621	
Total Resources	\$ 10,150,000	\$ 7,423,326	\$ 10,788,132	\$ 12,866,178	\$ 12,672,570	\$ 10,821,724	
Administrative Costs	(717,587)	(237,408)	(246,904)	(257,133)	(300,846)	(351,989)	
Award Utilization*	(5,209,087)	(397,786)	(1,751,450)	(2,503,096)	(2,566,621)	(2,375,825)	
Balance Forward	\$ 4,223,326	\$ 6,788,132	\$ 8,789,778	\$ 10,105,949	\$ 9,805,103	\$ 8,093,910	

*Shaded areas are estimates and omit unutilized 2018 and 2019 cohort awards deferred as a result of CARES Act loan forbearance.

Quasi-Public Appropriations

Industrial-Recreational Building Authority. Consistent with the enacted budget, the Executive Office requested \$105,094 from general revenues to honor the state's remaining debt obligation following the 2012 default of Capco on 2009 bonds issued by the Industrial Facilities Corporation for facility and machinery upgrades. Bonds issued by the Corporation are insured by the Industrial-Recreational Building Authority up to \$5.0 million and backed by the full faith and credit of the state. The Executive Office indicated that by July 1, 2027, the total outstanding debt will be \$279,713, and that monthly payments are scheduled through February 2030; it intends to request general revenues for the remaining balance over the life of the bond. *The Governor recommended funding as requested. The Assembly concurred.*

Commerce Corporation Operations. The Executive Office requested \$8.7 million from general revenues, \$0.2 million more than enacted, for Commerce Corporation's operations. The Executive Office indicated that the requested increase of \$0.2 million would provide a cost-of-living adjustment for all existing positions, consistent with adjustments for most state employees. Though not a direct appropriation, the Corporation also receives a share of the 5.0 percent hotel tax to support tourism and marketing. It should be noted that current law requires these funds to be spent directly on tourism-related expenses. The Corporation's allocation was \$8.5 million for FY 2025, \$8.3 million for FY 2024, \$7.9 million for FY 2023, and \$7.7 million for FY 2022.

The constrained request excludes the increase. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

I-195 Redevelopment District Commission. The Executive Office requested \$1.2 million from general revenues, consistent with the enacted budget, for operational expenses of the I-195 Redevelopment District Commission. The Commission was created by the 2011 Assembly as the responsible authority for the sale, marketing, and oversight of land made available as a result of the relocation of Interstate 195. From FY 2022 to FY 2024, the Commission added 3.5 full-time equivalent positions for a current total of 7.0. New positions are supported by Commission fee revenues and a total of \$0.5 million in additional operating support provided by the Assembly since FY 2023.

Other funding includes \$0.7 million from Rhode Island Capital Plan funds assumed in the enacted budget and \$4.0 million from general obligation bonds approved by voters in March 2021 for parks infrastructure and development. The Commission is also authorized by statute to assess fees for its services or commodities, provided that the City of Providence receives the greater of either half of the fees collected or those that would have been collected from projects under city ordinance. The Commission approved a fee schedule during a public hearing on August 28, 2018, of 1.4 percent of building costs. It has also instituted third-party fees for some services during the review process. As additional property is developed, those proceeds will grow. Consistent with legislation passed by the 2021 Assembly, the Commission also authorized an agreement for parkland naming rights with Twin River, which generates \$100,000 annually. *The Governor recommended funding as requested. The Assembly concurred.*

Polaris Manufacturing Extension Partnership. The Executive Office requested the enacted amount of \$500,000 from general revenues for the Polaris Manufacturing Extension Partnership. Polaris is a Providence-based non-profit organization that provides support to manufacturers within the state through training and consultation for sustainable growth, innovative technology strategies, and cost-efficient operations, as well as talent development. The 2022 Assembly increased funding by \$100,000 to provide a match for federal National Institute of Science and Technology funding; the Executive Office stated that Polaris received a three-year grant for tech scouting and that this grant is scheduled to be renewed in calendar year 2026.

Polaris is under the hierarchy of the University of Rhode Island Foundation and is affiliated with 401 Tech Bridge, a non-profit economic development organization that has received several funding awards from the Corporation under a variety of programs. *The Governor recommended funding as requested. The Assembly concurred.*

Small Business Innovation Research. The Executive Office requested \$1.0 million from general revenues, consistent with the enacted budget, to support the Innovate RI Small Business Fund and the Bioscience and Engineering Internship programs. The Science and Technology Advisory Council developed guidelines to administer the programs. From FY 2016 through FY 2026, funding remained consistent at \$1.0 million annually; through FY 2025, the Executive Office reported that \$3.7 million in matching grants had been awarded.

Matching grants are available to Rhode Island-based businesses with 50 or fewer employees that have at least 51.0 percent of its employees residing in the state. A business must also certify that at least 51.0 percent of its research will be conducted in the state. Pursuant to the guidelines, an applicant may receive a matching grant of 30.0 percent of the amount of the recipient's federal award, with a maximum matching grant not to exceed \$45,000 for a phase I award and a 10.0 percent match up to \$0.1 million for phase II awards. *The Governor's recommendation excludes this funding. A drafting error retains funding in the appropriation line that is intended for a similarly named program in FY 2027.*

He subsequently requested an amendment to correct the error. The Assembly concurred with the amended recommendation.

Urban Ventures. The Executive Office requested the enacted level of \$140,000 from general revenues to support an urban business incubator operated by Urban Ventures, a 501(c)(3) organization founded in January of 1999 under the State Urban Economic Development Agenda. Section 42-64-13.1 of the General Laws provides for the establishment of an urban enterprise equity fund and requires an annual appropriation to an urban business incubator. Historically, Urban Ventures has been the operator of the incubator and was previously funded through the community service grant program. The incubator is designed to assist and support entrepreneurial activities by minority and low- or moderate-income persons, and to assist urban communities and neighborhoods where there is insufficient economic and business investment to revitalize their local economies. *The Governor recommended funding as requested. The Assembly concurred.*

Airport Impact Aid. The Executive Office requested the enacted amount of \$1.0 million from general revenues passed through to communities that host the state's airports. There are six airports in Rhode Island located in Warwick, New Shoreham, Middletown, Smithfield and Lincoln, North Kingstown, and Westerly. The community payments are made proportionally based on the total number of landings and takeoffs. The Assembly annually authorizes that 60.0 percent of the appropriated funds must be distributed to each airport serving more than one million passengers based upon its percentage of the total passengers served by all airports serving more than one million passengers. The remaining 40.0 percent is distributed based on the shares of total takeoffs and landings during the prior calendar year. Each airport shall make a payment to the cities or towns in which any part of the airport is located within 30 days of receipt of payment from the Corporation, and each community shall receive at least \$25,000. *The Governor recommended funding as requested. The Assembly concurred.*

Blackstone Valley Visitor Center. Consistent with the enacted budget, the Executive Office requested \$75,000 from general revenues for the Blackstone Valley Visitor Center in Pawtucket. The Center receives more than 100,000 visitors annually and houses the Blackstone Valley Tourism Council's offices. The funding was first provided by the 2024 Assembly in response to the Blackstone Valley Tourism Council's request for additional operating support and was originally intended to be one-time. *The Governor recommended funding as requested. The Assembly concurred.*

Innovation Ecosystem. The 2025 Assembly provided \$250,000 from general revenues for a new innovation ecosystem initiative intended to strengthen collaboration between Rhode Island's higher education institutions and private industry to support workforce development. These funds may support research partnerships, internships, training programs, workforce assessments, business recruitment, and relocation incentives. The Executive Office's request removes the funding. *The Governor's recommendation did not include additional funding. However, it did include a separate appropriation of \$250,000 to showcase innovation, research, and industry within Rhode Island that is intended as a successor to this initiative. The Assembly also excluded the funding.*

Other Pass-Through Initiatives. The Executive Office requested the enacted level of \$1.4 million from general revenues for three initiatives that are passed through its budget but are not part of its core operations.

Science and Technology Advisory Council. The request includes the enacted amount of \$0.9 million for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research. The initial multi-year commitment ended in FY 2011; FY 2015 marked the last year of the second five-year commitment. In FY 2015, the Science and Technology Advisory Council was awarded a federal grant to continue the program, which requires state support. Funding provides the state match to federal grant awards to establish a partnership between state government, higher education, and industry to effect lasting improvements in research infrastructure and national research and development competitiveness. *The Governor recommended funding as requested. The Assembly concurred.*

Chafee Center. The request includes the enacted amount of \$476,200 from general revenues for the Chafee Center at Bryant University. The Chafee Center is the state's designated International Trade Office and works to increase the value of small and medium businesses' international exports. *The Governor recommended funding as requested.* **The Assembly concurred.**

East Providence Waterfront Commission. The request includes the enacted amount of \$50,000 from general revenues for the East Providence Waterfront Commission, of which \$45,000 is for Commission staff. The Commission is charged with facilitating the transformation of the East Providence waterfront into a model of urban revitalization. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Office

CPF - Broadband. The Assembly provided \$25.8 million from federal Capital Projects funds from FY 2024 through FY 2026 for projects to provide high-speed, reliable internet to all Rhode Islanders. The Executive Office reported that \$1.1 million was spent in FY 2025, leaving \$24.6 million remaining; as of October 2025, all funds have been awarded. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required.

The Executive Office did not indicate how funds should be distributed between years, but any unspent funds are automatically reappropriated. *The Governor recommended the remaining \$24.6 million for FY 2026.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Site Readiness. The Executive Office requested \$2.0 million from general revenues to assist municipalities in developing pad-ready industrial sites, \$1.0 million more than the enacted budget. Funding for this program has remained consistent since it was first approved by the 2019 Assembly; however, the Commerce Corporation reported that requests routinely exceed available funding. In 2021, voters authorized \$40.0 million from new general obligation bonds to fund an industrial site development program overseen by the Quonset Development Corporation.

The program began accepting applications on October 1, 2019. Funding is awarded for two categories: site-specific improvement and municipal assistance. Improvements considered by the Corporation include engineering, environmental, and survey studies; infrastructure improvements; land clearing; and building improvements. Minimum acreage thresholds for urban projects are two acres or 0.1 million square feet; projects in other areas should be at least one acre. Municipal assistance could include streamlining land-use and permitting processes, training for zoning and planning board members or building code officials, assistance with drafting zoning ordinances or planning documents, or marketing support. Through FY 2025, the Commerce Corporation awarded \$6.0 million to 75 projects.

The constrained request includes \$1.0 million less than requested, consistent with the enacted budget. *The Governor recommended funding as enacted.* **The Assembly excluded the funding, as \$1.0 million remains available for future awards.**

Advanced Industries Summit. The Executive Office requested \$0.3 million from general revenues for a new initiative to host a summit intended to showcase Rhode Island's strengths in advanced industries such as defense contracting and the blue economy. The summit would host government and private-sector officials from several hundred entities over multiple days, with follow-on programming that continues for several months. The requested amount reflects an estimate based on the expected scope and components of the summit, including a tech transfer challenge and related accelerator events, with the goal of attracting

investment and recruiting talent for the Rhode Island economy. The Executive Office indicated that funding would support the production, venue, staffing, security, communications, and coordination required to deliver a high-quality, multi-day convening with national-level participants. It did not anticipate using outside funds to support the event.

The constrained request excludes this funding. *The Governor did not recommend this request. He did include \$250,000 for a separate initiative to support efforts to showcase innovation, research, and industry within Rhode Island.* **The Assembly did not concur.**

Other Personnel and Operations. The Executive Office requested \$1.4 million from general revenues, \$16,186 more than enacted, for operations and personnel expenditures associated with 5.0 full-time equivalent positions. The requested increase reflects current service adjustments. As of November 2025, all 5.0 authorized full-time equivalent positions were filled. *The Governor recommended \$31,372 more than requested. This includes \$1,667 in statewide adjustments to health and other benefit rates, as well as \$29,219 to reflect statewide adjustments for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Capital. The Executive Office requested \$5.3 million from Rhode Island Capital Plan funds for the Executive Office's capital projects. This is consistent with the enacted amount for four projects. However, this request is inconsistent with the Executive Office's capital submission; it indicated that the capital submission is correct.

The approved plan also includes \$119.0 million from general obligation bonds for six projects approved by voters in November 2016, a March 2021 special election, and November 2024. This includes \$75.0 million for three projects overseen by the Quonset Development Corporation, \$20.0 million for land acquisition for the Port of Providence, \$20.0 million to support project collaborations between higher education institutions and the business community, and \$4.0 million for the parks located in the I-195 Redevelopment District. *The Governor recommended \$4.0 million from Rhode Island Capital Plan funds, \$1.3 million less than requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Executive Office of Housing

	FY 2026 Enacted	FY 2026 Revised	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,766,617	\$ 5,678,729	\$ 5,644,009	\$ 5,644,009
Contracted Services	437,625	299,999	1,202,625	1,080,625
Subtotal	\$ 6,204,242	\$ 5,978,728	\$ 6,846,634	\$ 6,724,634
Other State Operations	1,323,390	2,060,513	2,331,805	2,153,805
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	37,551,824	155,721,319	41,484,863	42,104,863
Capital	-	-	1,700,000	1,700,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 45,079,456	\$ 163,760,560	\$ 52,363,302	\$ 52,683,302
Sources of Funds				
General Revenue	\$ 6,464,465	\$ 6,967,125	\$ 8,343,617	\$ 7,333,617
Federal Aid	15,596,037	116,985,345	19,300,731	19,300,731
Restricted Receipts	23,018,954	39,808,090	23,018,954	24,348,954
Other	-	-	1,700,000	1,700,000
Total	\$ 45,079,456	\$ 163,760,560	\$ 52,363,302	\$ 52,683,302
FTE Authorization	38.0	38.0	38.0	31.0

Summary. The Executive Office of Housing requested \$62.6 million from all sources, including \$17.5 million from general revenues, \$22.1 million from federal funds, and \$23.0 million from restricted receipts. This is \$17.5 million more than enacted, including \$11.0 million from general revenues and \$6.5 million from federal funds. The request includes the enacted level of 38.0 full-time equivalent positions. A number of housing programs are in partnership with the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. Voters also approved \$120.0 million from general obligation bond funds in November 2024 for housing programs; these funds expand on existing Executive Office programs but are not reflected in its operating budget. *The Governor recommended \$10.2 million less than requested, including \$9.1 million less from general revenues, \$2.8 million less from federal funds, and \$1.7 million more from Rhode Island Capital Plan funds. His capital recommendation also includes a new \$120.0 million general obligation housing bond to go before voters on the November 2026 ballot. Of these funds, at least \$25.0 million must support production of homeownership units.*

The Assembly provided \$0.3 million more than recommended, including \$1.0 million less from general revenues, and 7.0 fewer positions, reflecting elimination of long-standing vacancies. It concurred with the proposed housing bond and further provided that up to \$10.0 million may be used to support a program for public housing development. Additional information regarding housing programs and policy structure is included in the Special Reports section of this publication.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Executive Office, this produced a general revenue target of \$6.1 million, including a current service increase of \$120,685 and a 7.5 percent reduction of \$0.4 million,

adjusted for certain exclusions. The constrained budget submitted by the Executive Office is \$3.2 million more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$2.2 million above the target. The enacted budget is \$1.2 million above the target.*

Housing Production Fund. The Executive Office requested the enacted amount of \$3.2 million from Housing Production Fund restricted receipts used to provide financial and technical assistance to support the creation and preservation of affordable housing. Funds are generated from the second tier of the Real Estate Conveyance Tax for residential property over \$0.8 million, with this threshold subject to an annual inflationary adjustment beginning January 1, 2026. The 2021 Assembly provided \$25.0 million for initial capitalization and established a rate of 0.46 percent, entirely dedicated to the Fund. The 2025 Assembly increased the second-tier rate to 0.75 percent, effective October 2025, of which 0.50 percentage points are dedicated to the Fund. As of the end of FY 2025, funds have supported awards totaling \$35.0 million, and \$2.6 million is available for additional awards. Based on November 2025 Revenue Estimating Conference data, collections are anticipated to be \$5.0 million for FY 2026 and \$6.0 million for FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Low-Income Housing Tax Credit. The Executive Office requested \$6.0 million from general revenues for redemptions from the Low-Income Housing Tax Credit Trust Fund. The enacted budget includes no funding as FY 2027 is the first year for which redemptions are anticipated. As established by the 2023 Assembly, credits are available to projects that are eligible for federal Low-Income Housing Tax Credits and have a demonstrated funding gap, to ensure development proceeds. The program has a June 30, 2028, sunset date and an annual report due each November. Current credits are estimated to be redeemed through at least FY 2033. The first \$30.0 million in credits were awarded in May 2025.

The Assembly has reserved a total of \$36.0 million, including \$4.0 million in FY 2026, against an existing award maximum of \$120.0 million based on the current sunset date. The allocation is shown as a transfer, not a direct expenditure within the Executive Office's budget. The design of the program is to forward-fund credits and thereby create a predictable effect on state resources as redemptions begin and continue over time. It would require \$16.8 million annually until FY 2031 to fully fund the existing limit. To partially support these costs, the 2025 Assembly dedicated all revenues from a new tax established on non-owner-occupied non-rental residential property, set at 0.5 percent annually on the portion of values exceeding \$1.0 million, effective July 1, 2026.

The constrained request excludes all funds. It does not address the legal obligation to redeem the tax credits. *The Governor's recommendation does not assume additional prefunding from general revenues nor that any redemptions will occur in FY 2027. The Assembly provided \$0.5 million from restricted receipts to reflect the first anticipated redemption of credits under the program in FY 2027.*

ARPA - Targeted Housing Development. The Assembly provided \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. The program is intended to provide additional gap financing necessary for critical affordable and mixed unit developments to proceed. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. The 2024 Assembly reallocated \$5.0 million for priority projects from this program to the Homelessness Assistance Program. As of the end of FY 2025, \$8.0 million has been spent, and all funds are obligated; the remaining \$18.0 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Housing Related Infrastructure. The Assembly provided \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable

housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional housing that meets affordable housing price and income criteria. As of the end of FY 2025, \$1.1 million has been spent, and all funds are obligated; the remaining \$1.9 million is automatically reappropriated for FY 2026. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$4.0 million is for housing-related infrastructure. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for grants and technical assistance to municipalities to reduce barriers to development caused by a lack of staff time and expertise. Of this amount, \$1.3 million supports municipal fellowships and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. As of the end of FY 2025, \$0.3 million has been spent, and all municipal fellow funds are obligated; the remaining \$2.0 million is automatically reappropriated for FY 2026. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$1.0 million is for municipal planning assistance.

In October 2025, the Executive Office announced \$0.6 million in transit-oriented development awards; the Governor subsequently requested to reclassify the remaining \$0.4 million for this subproject for the Enterprise Resource Planning implementation project in the Department of Administration's budget, consistent with reclassification authority contained in the enacted budget. This reduces total project funding to \$1.9 million, of which \$1.7 million remains to be spent. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.1 million of unspent funds to operating support for the Enterprise Resource Planning System.*

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with acquiring land, assembling financing, and navigating regulatory and legal processes. Funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024, and a president was appointed that September. As of the end of FY 2025, \$0.7 million has been spent; the remaining \$0.7 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Development of Affordable Housing. The Assembly provided \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. This includes \$90.0 million for an additional direct subsidy as a match to multiple sources of financing, including federal low-income tax credits, affordable housing general obligation bond funds, and the Housing Production Fund. Legislation requires that funds be distributed with the federal tax credit and bond funding administered by RI Housing under the existing application process. The remaining \$10.0 million supports a pilot program for low-income public housing vouchers and financing; all pilot funds have been obligated. The 2021 Assembly provided \$15.0 million. The 2022 Assembly added \$85.0 million and authorized the pilot program. The 2024 Assembly expanded allowable uses to site acquisition and predevelopment expenses to ensure all funds are obligated by the federal deadline.

As of the end of FY 2025, \$60.0 million has been spent, and all funds are obligated; the remaining \$40.0 million is automatically reappropriated for FY 2026. In November 2024, voters approved a \$120.0 million general obligation housing bond, including \$80.0 million to continue support for affordable housing development, of which \$10.0 million may be used to support a program for public housing development.

The Governor's recommendation includes all remaining funds for FY 2026. His capital recommendation also proposes a new \$120.0 million general obligation housing bond to be placed before the voters on the

November 2026 ballot. Of these funds, at least \$25.0 million must support production of homeownership units; amounts for other uses are not specified. The Assembly provided funding as recommended. It also concurred with the recommended \$120.0 million housing bond and further provided that up to \$10.0 million may be used to support a program for public housing development.

ARPA - Predevelopment and Capacity Building. The Assembly provided \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Executive Office of Housing. Funding is intended to assist with managing increased federal resources and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The 2021 Assembly provided \$0.5 million and required monthly progress reports beginning February 2022. The 2022 Assembly added \$1.0 million. The Assembly has since provided a total of 25.0 new full-time equivalent positions to expand the Executive Office's capacity. The Executive Office hired its first consultants in March 2022 and submitted its first report in March 2023. It has not submitted a report since July 2023. As of the end of FY 2025, all funds are obligated, and only \$41,192 remains to be spent and is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$13,857 of unspent funds to operating support for the Enterprise Resource Planning System.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. The program used nearly identical eligibility requirements to similar programs run by RI Housing, which will use funds to increase or make additional awards. As of the end of FY 2025, \$11.7 million has been spent, and all funds are obligated; the remaining \$8.3 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Affordable Housing Predevelopment. The Assembly provided \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development. Funds support predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and the capacity of affordable housing developers. RI Housing manages this program and awards supplement those it already provides. All funds were transferred to RI Housing in FY 2024. All funds have since been obligated, and, as of August 2025, the Pandemic Recovery Office indicates that only \$0.7 million remains to be disbursed. The request includes no funding for FY 2027. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Home Repair and Community Revitalization. The Assembly provided \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program. Of these funds, \$20.0 million is allocated for the acquisition and revitalization program, which was originally created using \$10.0 million from 2016 general obligation bonds. The 2023 Assembly also allocated \$4.5 million specifically for critical home repairs. The Executive Office contracted with the Providence Revolving Fund to manage the program, which opened in summer 2024. As of the end of FY 2025, \$14.8 million has been spent, all acquisition and revitalization funds have been awarded to 13 projects, and all home repair funds have been awarded to support 45 forgivable loans; total remaining funding of \$9.7 million is automatically reappropriated for FY 2026.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, including \$10.0 million for RI Housing's acquisition and revitalization program and \$80.0 million to increase and preserve affordable housing. In November 2025, the Executive Office announced it would continue the home repair program utilizing \$6.0 million of affordable housing bond funds. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

Facilities Management. The Executive Office intended to request \$1.7 million from general revenues for a new initiative to support its shelter facilities in Providence, including \$0.8 million for contracted property

management services and \$0.9 million for utilities expenses. Its actual request is double the amount, in error. The Executive Office indicates that these costs are currently supported by around \$2.1 million annually from residual State Fiscal Recovery funds, which are limited and will not be available after December 2026. Its prior year request unsuccessfully included \$0.6 million and 1.0 new position for facilities management work. It should be noted that projected Housing Resources and Homelessness restricted receipts would be sufficient to support these expenses.

By facility, the request includes \$1.2 million for the former Charlesgate Nursing Center on Randall Street, \$0.3 million for a former group home on Hartford Avenue, and \$0.2 million for the Echo Village pallet shelter on Victor Street. All three properties were transferred to or acquired by the Executive Office in the past three years. As of October, the facilities provide a total of 490 beds, including 405 at the former Charlesgate facility alone. The Executive Office's request inadvertently excludes \$1.7 million from Rhode Island Capital Plan funds included in its capital request for asset protection work at these facilities.

The constrained request excludes general revenues for this initiative, which assumes the expenses will be paid from other sources. *The Governor recommended \$3.4 million, consistent with the intended request, including \$1.7 million each from general revenues and Rhode Island Capital Plan funds. Future general revenue expenses are anticipated to total \$2.1 million annually.* **The Assembly provided funding as recommended, but shifted \$0.8 million in contracted facilities management costs to Housing Resources and Homelessness restricted receipts. A detailed description of the project is included in the Capital Budget section of this publication.**

Housing Opportunities for Persons with AIDS. Consistent with the enacted budget, the Executive Office requested \$0.4 million from federal funds for the administration of federal Housing Opportunities for Persons with AIDS. The federal grant is awarded every three years. RI Housing and the Executive Office previously agreed to transfer the grant to the state to consolidate homelessness and supportive housing initiatives. Housing for Persons with AIDS is the only federal program dedicated to the housing needs of low-income people living with HIV and AIDS. Funds may also be used for services including, but not limited to, assessment and case management, substance abuse and/or mental health treatment, nutritional services, job training, and placement assistance. *The Governor concurred.* **The Assembly concurred.**

Pathways to Removing Obstacles. The Executive Office received a grant in May 2025 to identify and remove barriers to affordable housing production and preservation. Federal funds totaling \$3.8 million also support Health Equity Zone-related housing work by the Executive Office of Health and Human Services. The enacted budget includes \$0.5 million for the Executive Office of Housing and \$0.6 million for the Executive Office of Health and Human Services. The two agencies requested a total of \$9.6 million for FY 2026 and FY 2027, significantly overstating available funds. The Executive Office of Housing subsequently indicated that all funds will now be used to support Health Equity Zone programming, and it intended to request \$0.5 million in each FY 2026 and FY 2027. *The Governor recommended a total of \$3.9 million across both agencies, including \$1.0 million for the Executive Office of Housing in each FY 2026 and FY 2027, which overstates available funds by \$81,869.* **The Assembly provided the recommended amount for the Executive Office of Housing and reduced funding for the Executive Office of Health and Human Services by \$81,869 for FY 2026 to correct the overstatement.**

ARPA - Homelessness Infrastructure. The Assembly provided \$45.0 million from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. Fund uses include acquisition or construction of new temporary or permanent housing for those at risk of homelessness, as well as additional wraparound services and administrative costs. Of this amount, \$10.0 million supports Crossroads Rhode Island-sponsored housing developments. The 2022 Assembly provided \$15.0 million. The 2023 Assembly added \$30.0 million and explicitly expanded allowable uses to prevention and stabilization programs. As of the end of FY 2025, \$40.8 million has been spent, and all funds are obligated; the remaining \$4.2 million is automatically reappropriated for FY 2026.

It should be noted that \$6.6 million of these funds were used to acquire the former Charlesgate facility. As a result, rent generated from the property is subject to the same restriction as State Fiscal Recovery funds. In October 2025, the Governor reclassified \$137,781 of these funds for the Enterprise Resource Planning implementation project in the Department of Administration's budget, consistent with reclassification authority contained in the enacted budget. *The Governor's recommendation includes all remaining program funds for FY 2026. The Assembly concurred.*

ARPA - Homelessness Assistance Program. The Assembly provided \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The Executive Office and RI Housing administer this program, which provides grants to service providers, with training and policy support from the Continuum of Care and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, and administrative support through the Affordable Housing Predevelopment initiative, discussed separately. The 2021 Assembly required monthly progress reports beginning in February 2022. The Executive Office submitted its first report in March 2023 and has not submitted a report since July 2023. The 2024 Assembly removed language regarding operating subsidies and added \$17.3 million for FY 2025. As of the end of FY 2025, \$29.8 million has been spent, and all funds are obligated, primarily through the Consolidated Homelessness Fund; the remaining \$9.0 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Site Acquisition. The Assembly provided \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program, which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The 2021 Assembly specified RI Housing as the managing entity and required that projects have a minimum deed restriction of at least 30 years and a non-recourse financing structure. The 2021 Assembly provided \$12.0 million. The 2022 Assembly added \$13.0 million. As of November 2025, all funds have been obligated, and \$0.5 million remains to be disbursed by RI Housing. No funds are requested for FY 2027. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$5.0 million is for site acquisition. *The Governor's recommendation includes \$900 of remaining funds for FY 2026. The Assembly concurred.*

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden of trash collection, ambulance calls, and other costs, which this program is intended to partially offset. This burden is a common objection to state plans to address siting of services to homeless populations. The 2024 Assembly reallocated \$0.3 million from this program to the Homelessness Assistance Program. As of the end of FY 2025, \$1.5 million has been spent, and all funds are obligated for 18 awards to 10 municipalities; the remaining \$0.7 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of unspent funds to operating support for the Enterprise Resource Planning System.*

Indirect Cost Recovery. The Executive Office requested the enacted amount of \$125,000 from restricted receipts from applying indirect cost recovery to its federal grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate; the current federal rate is 15.0 percent. The Executive Office's current grants are multi-year, and terms generally cannot be renegotiated. As a result, the requested restricted receipts are not assumed to offset any general revenue expenses for FY 2027. The Executive Office indicates that it is applying for indirect cost recovery for all new grants. *The Governor concurred. The Assembly concurred.*

Homelessness Assistance Grants. The Executive Office requested \$11.4 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. This is \$6.7 million more than enacted to reflect available funding. The enacted budget includes costs for 1.0 associated position, which are excluded from the request. Funds are typically allocated competitively to the private shelter system through the Consolidated Homelessness Fund. The constrained request includes \$3.4 million less for awards. *The Governor recommended \$8.0 million from federal funds, \$3.3 million more than enacted, to more closely reflect anticipated expenses.* **The Assembly concurred.**

Housing Resources and Homelessness Account. The Executive Office requested the enacted amount of \$19.7 million from Housing Resources and Homelessness Account restricted receipts. These funds are flexible but must broadly be used to support lead hazard reduction, rental subsidies, shelter operations, and other housing and homelessness initiatives. Historically, most funds have been allocated to providers through the Consolidated Homelessness Fund. The account is supported by dedicated portions of the whole home short-term rental tax and both tiers of the Real Estate Conveyance Tax. Based on November 2025 Revenue Estimating Conference data, collections are anticipated to be \$12.7 million for FY 2026 and \$15.7 million for FY 2027. The account is anticipated to end FY 2027 with a balance of \$23.1 million.

The 2014 Assembly increased the first tier of the conveyance tax from 0.40 percent to 0.46 percent and dedicated associated revenues to this account. The 2021 Assembly enacted a second tier, doubling the tax from 0.46 percent to 0.92 percent for the portion of residential property over \$0.8 million and dedicated associated revenue to the Housing Production Fund. The 2024 Assembly provided a one-time transfer of \$10.0 million. The 2025 Assembly provided a one-time transfer of \$2.5 million and dedicated 50.0 percent of revenue from a new whole home short-term rental tax, effective January 1, 2026, and equal to the 5.0 percent State Hotel Tax, from which these units were previously exempt. It also increased both tiers of the conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The allocation of revenue under the first tier is essentially unchanged. The second-tier rate is split at 0.50 percent for the Housing Production Fund and a new 0.25 percent allocation for the account. The 2024 Assembly also indexed the \$800,000 threshold to inflation beginning January 1, 2026. *The Governor recommended funding as requested.* **The Assembly concurred and separately allocated \$0.8 million from these funds to facilities management expenses as previously noted.**

Community Development Block Grants. The Executive Office requested \$9.9 million from federal Community Development Block Grant funds for program administration and 3.0 associated full-time equivalent positions. This is \$0.1 million less and 1.0 position fewer than enacted to reflect available funds. Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket receive their Community Development Block Grants directly from the U.S. Department of Housing and Urban Development as entitlement communities; the remaining 33 communities' grants are administered by the state. *The Governor recommended \$42,699 more than requested, which reflects a correction to salary assumptions and \$838 more for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Executive Office requested \$6.5 million from general revenues, \$1.5 million more than enacted, for personnel expenses for its remaining 35.0 full-time equivalent positions. The enacted budget includes turnover savings equivalent to 7.1 vacancies. The request restores all \$1.3 million of turnover savings and adds \$0.3 million for current service adjustments and \$0.3 million for the cost of 2.0 positions shifted from federal homelessness and Community Development Block Grant funds to general revenues. The Executive Office indicated that the administrative portion of these grants is insufficient to support the staff positions, and this adjustment more closely reflects available funding and FY 2025 spending. This is partially offset by \$0.3 million less for a series of positions downgraded to lower salaries than assumed in the enacted budget. As of November, the Executive Office has 8.0 vacancies.

The 2022 Assembly provided 4.0 new positions to manage increased federal resources and prepare for the creation of a new Executive Office of Housing. Consistent with the Governor's recommendation, the 2023

Assembly added 21.0 positions in conjunction with the creation of the Executive Office. Each subsequent year, the budget has reallocated staffing among functional duties, consistent with Executive Office requests and the Governor's recommendations. The current request again reallocates staffing among functional duties compared to the enacted assumptions, as shown in the following table.

Positions by Function	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Governor	Chg. to FY 2026 Enacted	FY 2027 Enacted	FY 2027 Enacted Chg. to Governor
Analysis	6.0	10.0	7.0	6.0	(1.0)	6.0	-
Implementation	21.0	19.0	17.0	19.0	2.0	17.0	(2.0)
Admin	3.0	3.0	7.0	7.0	-	4.0	(3.0)
Legal	3.0	1.0	2.0	1.0	(1.0)	1.0	-
Public Relations	2.0	1.0	1.0	2.0	1.0	-	(2.0)
Executive Leadership	3.0	4.0	4.0	3.0	(1.0)	3.0	-
Total	38.0	38.0	38.0	38.0	-	31.0	(7.0)

The constrained request contains \$0.4 million less from holding vacant around 3.0 additional positions. *The Governor recommended \$1.4 million less than requested, which reflects turnover savings equivalent to 8.0 vacancies, partially offset by \$8,649 more for statewide adjustments to health and other benefit rates. The Assembly concurred and eliminated 7.0 unfunded authorized positions vacant since FY 2024. The Secretary of Housing noted that these positions are not essential.*

Sojourner House. The Executive Office requested \$100,000 from general revenues for Sojourner House for supportive housing and rapid rehousing. Sojourner House is a Providence-based nonprofit founded in 1976 that provides safe housing and supportive services to survivors of abuse. It receives federal grants for this work, which require matching funds. Article 1 of the FY 2026 enacted budget includes language enumerating this funding. *The Governor concurred. The Assembly provided \$200,000 for FY 2027.*

ARPA - Statewide Housing Plan. The Assembly provided \$2.0 million from State Fiscal Recovery funds to support municipal planning efforts and to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. The Executive Office contracted with vendors for training and implementation support and four reports: the statewide housing plan, the housing reorganization plan, a vacant and underutilized property assessment, and a school cost study. As of the end of FY 2025, \$1.0 million has been spent and all funds are obligated; the remaining \$1.0 million is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

Other Operations. The Executive Office requested \$1.6 million from general revenues for all other operations, \$0.2 million more than enacted based on updated estimates. The increase reflects \$110,000 for information technology, \$35,000 for contracted design and construction services, and \$40,000 for contracted financial viability evaluations for housing developments applying for state incentives. The Executive Office's functions include financial and operational support for programs, including policy planning, rental assistance, lead abatement, nonprofit homeless service providers support, and Community Development Block Grant administration for most of the state's communities. The Executive Office subsequently indicated that its request overstates information technology expenses by \$60,000. Its prior year budget unsuccessfully requested \$3.1 million and 2.0 new positions to expand its analytics capacity.

The Governor recommended \$82,004 less than requested, which corrects for the overstatement and more closely aligns with FY 2025 experience. This is partially offset by \$133,365 more for statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly provided \$0.3 million less to reflect projected expenses.

Department of Labor and Training

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 2,150,384	\$ 1,868,939	\$ 1,881,759	\$ 1,881,759
Workforce Development Services	19,991,387	21,561,830	18,535,466	18,535,466
Workforce Regulation and Safety	5,347,291	5,412,757	5,558,728	5,558,728
Income Support	567,884,196	589,335,482	628,907,592	628,907,592
Injured Workers Services	11,233,092	12,422,422	12,566,297	12,566,297
Labor Relations Board	556,737	632,544	647,572	647,572
Governor's Workforce Board	25,104,596	27,707,947	25,034,326	32,067,831
Total	\$ 632,267,683	\$ 658,941,921	\$ 693,131,740	\$ 700,165,245
Expenditures by Category				
Salaries and Benefits	\$ 58,082,481	\$ 56,927,715	\$ 59,461,857	\$ 59,797,375
Contracted Services	8,866,661	7,972,538	7,399,200	13,988,824
Subtotal	\$ 66,949,142	\$ 64,900,253	\$ 66,861,057	\$ 73,786,199
Other State Operations	14,327,124	13,758,918	13,353,297	13,461,660
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	544,772,430	571,877,084	605,501,410	605,501,410
Capital	112,255	80,768	80,680	80,680
Capital Debt Service	-	-	-	-
Operating Transfers	6,106,732	8,324,898	7,335,296	7,335,296
Total	\$ 632,267,683	\$ 658,941,921	\$ 693,131,740	\$ 700,165,245
Sources of Funds				
General Revenue	\$ 18,179,242	\$ 18,877,241	\$ 18,332,180	\$ 18,332,180
Federal Aid	41,996,527	44,486,826	41,925,276	48,958,781
Restricted Receipts	35,411,768	38,689,401	37,022,458	37,022,458
Other	536,680,146	556,888,453	595,851,826	595,851,826
Total	\$ 632,267,683	\$ 658,941,921	\$ 693,131,740	\$ 700,165,245
FTE Authorization	461.7	461.7	461.7	441.7

Summary. The Department of Labor and Training requested \$693.0 million from all sources, including \$18.5 million from general revenues. Requested expenditures are \$60.8 million more than enacted, including \$0.3 million more from general revenues, \$1.8 million more from restricted receipts, and \$59.0 million more from other funds, primarily unemployment and temporary insurance funds. This is partially offset by a reduction of \$0.3 million from federal funds. The request includes the authorized level of 461.7 full-time equivalent positions.

The Governor recommended \$693.1 million from all sources, including \$18.3 million from general revenues. This is \$0.1 million more than requested, including \$0.1 million less from general revenues. He included the authorized level of 461.7 full-time equivalent positions.

He subsequently requested an amendment to add \$7.0 million from federal funds for FY 2027 to reflect the receipt of the Department's allocation of a new Rural Health Transformation Program grant. **The Assembly reduced the staffing authorization by 20.0 full-time positions to reflect long-standing unfunded vacancies and concurred with the remainder of the amended recommendation.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Labor and Training, this produced a general revenue target of \$17.6 million, including a current service adjustment of \$0.3 million and a 7.5 percent reduction of \$0.9 million, adjusted for certain exclusions. It should be noted that the current service adjustment erroneously includes \$0.2 million more for the Fireman's Relief Fund for a death benefit to be paid in FY 2026. The constrained budget submitted by the agency is \$40,081 less than the Budget Office target by reducing general revenues for Real Jobs Rhode Island. *The Governor's recommendation is \$0.8 million above the target.* **The Assembly concurred.**

Staffing. As it has historically done, the Department requested a reorganization of its staffing allocation among functions to align with available resources and support the authorized staffing level of 461.7 full-time equivalent positions. The various funding sources, primarily federal grants, cycle for a variety of reasons, including economic conditions. Notable changes include shifts to Unemployment Administration, primarily from Temporary Insurance. The complete staffing allocation by function is shown below.

Function	FY 2026 Enacted	FY 2027 Request	Chg. to Enacted	FY 2027 Governor	Chg. to Rev. Req.
Governor's Workforce Board	21.4	19.6	(1.8)	19.6	-
Workforce Development	68.9	67.3	(1.6)	67.3	-
Unemployment Administration	155.6	179.3	23.7	179.3	-
Temporary Insurance	93.9	67.9	(26.0)	67.9	-
Workers' Compensation	41.0	45.5	4.5	45.5	-
Employer Tax	40.6	43.0	2.4	43.0	-
Police and Fire	1.1	1.1	-	1.1	-
Workforce Regulation and Safety	36.7	35.5	(1.2)	35.5	-
Labor Relations Board	2.0	2.3	0.3	2.3	-
Other Staffing	0.5	0.2	(0.3)	0.2	-
Total	461.7	461.7	-	461.7	-

It should be noted that exact staffing costs are difficult to determine, as the Department budgeted certain funds intended to support staffing expenses as "operating transfers" across several functions. When asked to clarify the purpose of this funding mechanism, the Department stated that these funds are largely intended to supplement the reduced federal funding for staffing and operating expenses. However, it did not provide exact dollar amounts intended to supplement staffing expenses. Therefore, relevant items include House Fiscal Staff calculations of true staffing costs. The table below shows an agency-wide calculation of budgeted staffing expenses for the enacted budget, the FY 2027 request, and the FY 2027 recommendation.

Total Staffing	FY 2026 Enacted	FY 2027 Request	Chg. to Enacted	FY 2027 Governor	Chg. to Request
FTE Positions	461.7	461.7	-	461.7	-
Fully Funded Staffing Costs	\$ 63,388,161	\$ 63,875,938	\$ 487,777	\$ 64,064,279	\$ 188,341
Avg Cost Per FTE	137,293	138,349	1,056	138,757	408
Budgeted Staffing Costs	58,082,481	59,302,122	1,219,641	59,461,857	159,735
<i>Operating Transfers*</i>	<i>\$ (393,268)</i>	<i>\$ 822,401</i>	<i>\$ 1,215,669</i>	<i>\$ 822,401</i>	<i>\$ -</i>
Staffing Costs and Transfers	\$ 57,689,213	\$ 60,124,523	\$ 2,435,310	\$ 60,284,258	\$ 159,735

**Includes expenses intended for both staffing and operating costs*

Note that the average cost of a full-time position in the request does not increase from the enacted budget, consistent with the cost-of-living adjustment. The table also includes funds budgeted as “operating transfers” that partially or fully reflect staffing expenses according to the Department; however, certain funds within this designation are intended to supplement operating expenses, making the exact amount of true staffing expenses difficult to determine. *The Governor’s recommendation includes the staffing authorization as requested and \$0.2 million more than requested for staffing expenses, largely to account for statewide adjustments to health and other benefit rates.*

The Assembly provided funding consistent with the recommendation but reduced the staffing authorization by 20.0 full-time equivalent positions to more closely reflect historical experience on filled and funded positions. It has averaged at least 43.3 vacancies annually since FY 2022.

Real Jobs Rhode Island. The Department requested \$12.7 million from all sources for the Real Jobs Rhode Island program, which is \$1.2 million more than enacted and essentially consistent with the revised request. The total includes the enacted level of \$5.5 million from general revenues, along with \$1.0 million from federal funds, and \$6.3 million from restricted receipts. Federal funds are \$0.4 million more than enacted, entirely from Growing the Renewable Energy Employment Network, or GREEN, grant funds, to reflect the maximum amount available from this grant. The request also includes \$0.7 million more from restricted receipts.

The restricted receipts reflect the allocation approved for FY 2026 at the May 2025 Governor’s Workforce Board meeting. The Department noted that the Board’s restricted receipts support multiple programs, and the final resource allocation is subject to actual utilization. The program places participants in job openings, advances the skills of employed people, and creates a talent pipeline for businesses. Processes and programs offered vary by participant and partnership.

The following table illustrates spending by source for the program since it began in FY 2016.

Real Jobs RI - Spending by Source				
Source/Fiscal Year	General Revenues	Federal Funds	Restricted Receipts	Total
FY 2016	\$ -	1,111,149	1,064,653	\$ 2,175,802
FY 2017	\$ -	6,066,831	2,964,284	\$ 9,031,115
FY 2018	\$ -	4,510,071	7,607,314	\$ 12,117,385
FY 2019	\$ 3,950,000	3,915,207	10,846,691	\$ 18,711,898
FY 2020	\$ 5,450,000	5,038,985	8,357,602	\$ 18,846,587
FY 2021	\$ 4,905,737	2,605,092	501,813	\$ 8,012,642
FY 2022	\$ 5,450,000	1,260,954	3,228,230	\$ 9,939,184
FY 2023	\$ 5,484,073	13,326,275	5,300,000	\$ 24,110,348
FY 2024	\$ 5,449,999	20,382,692	2,932,664	\$ 28,765,355
FY 2025	\$ 5,494,060	8,528,357	5,083,137	\$ 19,105,554
FY 2026 Enacted	\$ 5,450,000	550,000	5,548,349	\$ 11,548,349
FY 2026 Revised	\$ 5,450,000	1,047,723	6,275,000	\$ 12,772,723
FY 2027 Req./Gov.	\$ 5,450,000	982,214	6,275,000	\$ 12,707,214

The constrained request reduces the general revenues appropriation by \$0.9 million. *The Governor recommended funding as requested. The Assembly concurred.*

Real Jobs Rhode Island - Nursing Facility Staff. Consistent with the enacted budget, the request includes \$600,000 from general revenues for enhanced training for direct care and support services staff pursuant to Rhode Island General Law, Section 23-17.5-36. Funds are used to improve the quality of care for residents and address the changing health care needs of nursing facility residents due to higher acuity and increased

cognitive impairments. The Department reported having worked to define the funding requirements and targeted the University of Rhode Island to provide existing certified nursing assistants with medication aide training, enhancing their skills and allowing nursing staff to focus more on patient care. *The Governor recommended funding as requested.* **The Assembly concurred.**

Governor's Workforce Board Grants. The Department requested \$5.7 million, \$0.7 million less than enacted, from restricted receipts to support the various Governor's Workforce Board workforce development initiatives, reflecting a higher allocation to Real Jobs Rhode Island than assumed in the enacted budget. This supports initiatives including youth work-based learning and career exploration, including Real Skills for Youth and Prepare RI, as well as workforce grants to employers, including Incumbent Worker Training, Work Immersion, and Workplace Accessibility. Partners include Skills for Rhode Island's Future, the Institute for Labor Studies and Research, and the Westerly Education Center. The Department noted that the Workforce Board's restricted receipts are used to fund multiple programs, and the final allocation of resources is subject to actual utilization. *The Governor recommended funding as requested.*

He subsequently requested an amendment to add \$7.0 million from federal funds for FY 2027 to reflect the receipt of the Department's allocation of a new Rural Health Transformation Program grant, primarily to support the Real Jobs Rhode Island program in providing pre-employment healthcare-related training opportunities in rural communities, as well as existing staff responsible for administering grant programming. **The Assembly concurred with the amended recommendation.**

Governor's Workforce Board Staffing and Operations. The Department requested \$4.3 million, \$0.4 million less than enacted, from restricted receipts for staffing and operations of the Governor's Workforce Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer's payroll tax; this funding can be used for staff, grants, and operations. The staffing request includes \$3.2 million to fully fund 19.6 full-time equivalent positions, which is \$0.2 million less and 1.8 fewer full-time equivalent positions than the enacted assumptions. All other spending is \$1.1 million, or \$0.2 million less than enacted, which largely reflects updated information technology contract costs.

The Governor recommended \$2,552 less than requested. This includes \$5,831 more for adjustments to health and other benefit rates and \$8,394 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.**

Workforce Development Grants. The Department requested \$5.9 million from all sources, including the enacted level of \$704,517 from general revenues, to support the Department's multiple workforce development initiatives. Federal funds include \$5.2 million from the Workforce Innovation and Opportunity Act, which is \$0.7 million less than enacted. Programming reductions include \$0.2 million each for youth programs, adult programs, and displaced worker programs, and \$0.1 million from Trade Adjustment Act funds, partially offset by \$10,891 more for apprenticeships. This is \$1.4 million less than the revised request, most of which reflects the end of certain grant fund cycles.

General revenues support apprenticeships for non-trade employment and work immersion programming, which provides subsidized employment. Workforce Innovation and Opportunity Act funds support subsidized on-the-job training, employment services, counseling, and skills or classroom training for adults and displaced workers; for youth participants, it supports high school equivalency, work-readiness, financial literacy, and wraparound services. Trade adjustment funding supports those separated from employment because of foreign competition. *The Governor recommended funding as requested.* **The Assembly concurred.**

Workforce Development Staffing and Operations. The Department requested \$11.6 million from all sources, of which \$0.2 million is from general revenues and \$11.5 million is from federal funds, for the remaining workforce development staffing and expenses. This is \$4,177 more than enacted from general revenues and \$1.2 million less from federal funds. The staffing request of \$9.4 million is \$0.6 million less than enacted, including \$26,882 less from general revenues, and would fund 63.7 full-time equivalent positions, 5.2 fewer than the enacted budget. All other spending is \$0.6 million less than enacted, including \$31,059 more from general revenues, reflecting general revenue spending consistent with FY 2025 spending, offset by a decrease in available federal funds.

The Governor recommended \$12,447 less than requested. This includes \$22,332 more for adjustments to health and other benefit rates and \$34,816 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Employer Tax Unit. The Department requested \$6.2 million, \$1.3 million less than enacted, from all sources for the staffing and operations of the Employer Tax Unit. The Unit administers the taxes that support Unemployment Insurance benefits to eligible jobless workers and Temporary Disability Insurance benefits to eligible workers idled by non-work-related injuries or illnesses.

The staffing request of \$6.2 million is \$0.6 million more than enacted, and supports the allocation of 43.0 full-time equivalent positions, 2.4 positions more than enacted assumptions and consistent with the revised request. The request includes \$50,281 more for all other spending within the Unit. The request also shifts \$1.9 million from available sources to the Unemployment Administration function to offset the cancellation of certain federal grants and to support higher anticipated expenses in that area.

The Governor recommended \$2,816 less than requested. This includes \$14,461 more for adjustments to health and other benefit rates and \$17,302 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Unemployment Benefits. The Department requested \$296.2 million, or \$46.9 million more than enacted, from federal and unemployment insurance funds for the payment of benefits. This is \$27.7 million, or 10.3 percent, more than the revised request, and 18.8 percent more than the enacted budget. The Department's request is based on its Labor Market Information unit's projections.

This program is primarily financed through employer payroll taxes that are experience-rated; employers with a higher percentage of former employees who receive unemployment benefits pay a higher tax rate. There are several different schedules of applicable rates, and the trust fund balance determines which schedule is used. As of January 1, 2026, the taxable wage base for most employers is \$30,800, and \$32,300 for employers at the highest tax rate; the new employer rate is unchanged at 1.21 percent. Compared to rates from calendar year 2025, the taxable wage base increased by 3.4 percent for most employers and 3.2 percent for employers at the highest tax rate. Additionally, based on trust fund balances, the lower Tax Schedule F has come into effect. *The Governor recommended funding as requested. The Assembly concurred.*

Unemployment Administration. The Department requested \$27.0 million, or \$2.7 million more than enacted, from all sources for the administration of the unemployment insurance program. This is \$1.9 million more than enacted from federal funds and \$0.8 million more from restricted receipts. The staffing request includes the allocation of 179.3 full-time equivalent positions, or 23.7 positions more than enacted assumptions and consistent with the revised request. The request would fund 147.6 positions, 13.9 positions more than the enacted budget. It should be noted that the request includes \$1.9 million from funds shifted from the Employer Tax Unit to offset the cancellation of certain federal grants and to support higher

anticipated expenses in this area. Based on the way the Department budgets these funds, it is difficult to determine how specific expenses are allocated, although the Department indicated that much of this would support staffing expenses.

The Governor recommended \$0.3 million more than requested. This includes \$54,699 more for adjustments to health and other benefit rates and \$0.2 million more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Temporary Disability Insurance Benefits. Consistent with the enacted budget, the Department requested \$240.0 million from the Temporary Disability Insurance Fund for benefit payments that protect eligible workers against lost wages from a non-work-related illness or injury. This is a 2.1 percent increase over the revised request and \$17.6 million, or 7.9 percent, more than FY 2025 spending of \$222.4 million. The Department requests benefit amounts based on its Labor Market Information unit's projections.

Both the temporary disability and caregiver programs are funded exclusively by contributions from employees paid into the Temporary Disability Insurance Fund; no general revenue funding or employer support is provided for any portion of program costs. Workers' contributions are determined annually and based on earnings, while the overall tax rate is determined by the costs and reserves needed for the continued solvency of the program. For calendar year 2026, the contribution rate is 1.1 percent for taxable wages up to \$100,000. Compared to calendar year 2025, the taxable wage base increased 12.1 percent, and the maximum contribution decreased by \$1.15 per week. *The Governor recommended funding as requested. The Assembly concurred.*

Temporary Caregiver Insurance Benefits. The Department requested \$46.0 million from the Temporary Disability Insurance Fund, \$13.7 million more than enacted, for temporary caregiver insurance benefit payments. As of January 1, 2026, the program allows eligible claimants up to eight weeks of benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law, or grandparent, or to bond with a newborn child, newly adopted child, or newly placed foster care child. This is \$6.0 million, or 15.0 percent, more than the revised request of \$40.0 million and \$11.7 million, or 34.2 percent, more than FY 2025 spending of \$34.3 million. The increase primarily reflects the recent benefit expansion. The Department requests benefit amounts based on its Labor Market Information unit's projections.

Both the temporary caregiver and disability programs are funded exclusively by contributions from employees paid into the Temporary Disability Insurance Fund; no general revenue funding or employer support is provided for any portion of program costs. Workers' contributions are determined annually and based on earnings, while the overall tax rate is determined by the costs and reserves needed for the continued solvency of the program. For calendar year 2026, the contribution rate is 1.1 percent for taxable wages up to \$100,000. Compared to calendar year 2025, the taxable wage base increased 12.1 percent, and the maximum contribution decreased by \$1.15 per week. *The Governor recommended funding as requested. The Assembly concurred.*

Temporary Insurance Staff and Operations. The Department requested \$12.2 million, or \$1.1 million less than enacted, from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request of \$9.1 million is \$0.6 million less than enacted and would fund 67.9 positions, which is 8.8 fewer than the enacted budget and consistent with the revised request. The request for all other expenses is \$0.4 million less than enacted, primarily from adjustments to centralized services, postage, and software subscriptions and security charges based on FY 2025 spending.

The Governor recommended \$0.1 million more than requested. This includes \$24,372 more for adjustments to health and other benefit rates and \$0.1 million more to reflect statewide adjustments to centralized

services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Workers' Compensation Staffing and Operations. The Department requested \$13.1 million, \$1.4 million more than enacted, from workers' compensation restricted receipts for the Workers' Compensation program. The request includes \$6.7 million, \$0.8 million more than enacted, for staffing costs to support the allocation of 45.5 full-time equivalent positions, which is 4.5 more positions than the enacted assumptions but consistent with the revised request.

The request for all other spending is \$6.4 million, or \$0.6 million more than enacted, from restricted receipts for Workers' Compensation program operations. This includes \$0.3 million more for centralized services provided by the Department of Administration to reflect FY 2025 spending. It also includes \$107,650 less from various contractual agreements, including \$179,282 less for medical services to participants and \$38,567 less for interpreters who assist non-English speaking participants, partially offset by \$50,701 more for participant training services and \$24,582 more for janitorial services; these adjustments all reflect FY 2025 spending. Additionally, the Department requested \$36,691 more for insurance fees at the Arrigan Center.

The Governor recommended \$0.2 million less than requested. This includes \$26,976 more for adjustments to health and other benefit rates and \$0.2 million less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Police and Fire Relief Funds. The Department requested \$3.7 million from general revenues for the Police and Fire Relief funds, which pay benefits to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled officers and firefighters, as well as disabled workers. This assumes \$3.0 million for survivor payments and \$533,484 for educational benefits. The request is \$50,359 more than enacted, including \$24,910 less for staffing costs and \$73,237 more for educational benefits to reflect increased tuition rates.

The Governor recommended \$1,147 less than requested. This includes \$227 more for adjustments to health and other benefit rates and \$1,374 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Other Workforce Regulation and Safety Staffing and Operations. The Department requested \$5.5 million from general revenues, \$133,766 more than enacted, for staffing and operations of the Workforce Regulation and Safety Division. The Division is responsible for enforcing and interpreting labor laws relating to apprenticeships; trade licensing; occupational safety in public facilities; enforcement of child labor laws; wage and hour requirements, including federal wage laws; and other programs intended to promote a safe and legal workplace in Rhode Island.

The staffing request includes an allocation of 35.5 full-time equivalent positions, 1.2 fewer than the enacted assumptions, but consistent with the revised request. The request includes \$0.1 million more than enacted for all other spending within the Division, similar to the revised request.

The Governor recommended \$77,671 more than requested. This includes \$28,606 of increased turnover savings, offset by \$38,439 more for adjustments to health and other benefit rates and \$67,817 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Office of Community Engagement. Consistent with the enacted budget, the Department requested \$100,000 from general revenues to support its Office of Community Engagement, which is housed in the central management division. The Office is tasked with supporting and developing partnerships that promote fair treatment, ensure quality employment, and utilize an equitable distribution of services and resources to engage communities. Funding supports cultural competency training and outreach, with \$72,000 for its community engagement partners and \$28,000 for training and travel. *The Governor recommended funding as requested.* **The Assembly concurred.**

Labor Relations Board. The Department requested \$650,385 from general revenues for the expenses of the Labor Relations Board. This is \$93,648 more than enacted. The staffing request includes \$103,732 more than enacted, and assumes the allocation of 2.3 full-time equivalent positions and correctly budgets an administrator position that was underfunded in the enacted budget. These are consistent with the revised request for FY 2026. The request for all other spending is \$10,084 less than enacted, primarily for contracted stenographic services to reflect FY 2025 spending.

The Governor recommended \$2,813 less than requested. This includes \$649 more for adjustments to health and other benefit rates and \$3,463 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.**

Other Staffing and Operations. The Department requested \$1.6 million from general revenues, \$1,600 more than enacted, for all other expenses, which primarily reflects an increase for centralized services provided by the Department of Administration, partially offset by staffing expenses. The staffing request includes the allocation of 0.2 full-time positions, 0.3 fewer positions than the enacted assumptions.

The Governor recommended \$0.2 million less than requested. This includes \$113 more for adjustments to health and other benefit rates and \$0.2 million less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.**

Department of Revenue

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Office of Director	\$ 3,168,518	\$ 2,928,632	\$ 2,929,554	\$ 2,929,554
Office of Revenue Analysis	1,173,041	1,203,798	1,203,684	1,203,684
Lottery Division	448,042,227	434,093,206	433,759,131	433,759,131
Division of Municipal Finance	2,045,839	2,004,345	2,068,751	2,068,751
Taxation	43,166,969	40,024,696	42,855,278	42,855,278
Registry of Motor Vehicles	41,296,967	42,823,778	41,997,621	41,997,621
State Aid	333,360,262	333,498,200	331,343,343	337,074,919
Collections	994,263	1,076,242	1,134,318	1,134,318
Total	\$ 873,248,086	\$ 857,652,897	\$ 857,291,680	\$ 863,023,256
Expenditures by Category				
Salaries and Benefits	\$ 74,415,510	\$ 73,610,029	\$ 76,048,420	\$ 75,528,420
Contracted Services	13,500,375	15,209,694	14,186,375	14,706,375
Subtotal	\$ 87,915,885	\$ 88,819,723	\$ 90,234,795	\$ 90,234,795
Other State Operations	445,807,469	431,144,856	430,941,449	430,941,449
Aid to Local Units of Government	338,420,741	335,659,327	335,036,445	340,768,021
Assistance, Grants, and Benefits	1,022,377	997,377	997,377	997,377
Capital	81,614	1,031,614	81,614	81,614
Operating Transfers	-	-	-	-
Total	\$ 873,248,086	\$ 857,652,897	\$ 857,291,680	\$ 863,023,256
Sources of Funds				
General Revenue	\$ 413,452,869	\$ 414,469,234	\$ 413,010,117	\$ 418,741,693
Federal Aid	493,061	400,000	300,000	300,000
Restricted Receipts	11,084,929	8,515,457	10,047,432	10,047,432
Other	448,217,227	434,268,206	433,934,131	433,934,131
Total	\$ 873,248,086	\$ 857,652,897	\$ 857,291,680	\$ 863,023,256
FTE Authorization	605.5	605.5	605.5	605.5

Summary. The Department of Revenue requested expenditures of \$866.3 million for FY 2027, including \$421.1 million from general revenues, \$0.3 million from federal funds, \$11.4 million from restricted receipts, and \$433.5 million from other sources, primarily lottery funds. The request is \$7.0 million less than the enacted budget. This includes \$7.6 million more from general revenues, \$0.2 million less from federal funds, \$0.3 million more from restricted receipts, and \$14.7 million less from other funds. The Department requested 605.5 full-time equivalent positions, consistent with the authorized level. *The Governor recommended \$857.3 million, including \$413.0 million from general revenues. This is \$16.0 million less than enacted, including \$0.4 million less from general revenues, which are \$8.1 million less than requested.* **The Assembly provided \$863.0 million from all sources, including \$418.7 million from general revenues, and authorized 605.5 full-time equivalent positions. It added \$0.9 million for aid to distressed communities and \$4.8 million for the motor vehicle excise tax.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Revenue, this produced a general revenue target of \$414.3 million, including a current service adjustment increase of \$6.4 million and a 7.5 percent reduction of \$5.6 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$5.6 million more than the Budget Office target. The proposals to achieve those reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$1.3 million below the target.* **The enacted budget is \$4.4 million above the target.**

Director's Office

Staffing and Operations. The Department requested \$3.1 million from general revenues for Director's Office staffing and operations. The request is \$52,270 less than enacted to support 10.0 full-time equivalent positions and includes \$0.3 million in turnover savings. The request appears to include current service adjustments on the reduced spending included in the revised request. As of mid-November 2025, the Office had 8.0 filled full-time equivalent positions. All other spending totals \$1.5 million, including \$1.4 million for centralized services provided by the Department of Administration, and is consistent with the enacted amount. *The Governor recommended \$0.2 million below the request, including \$2,986 more in statewide adjustments to health and other benefit rates, and \$189,684 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other charges based on updated data.* **The Assembly concurred.**

Office of Revenue Analysis

Staffing and Operations. The Department requested \$1.2 million from general revenues for the Office of Revenue Analysis' staffing and operations. Staffing expenses are \$28,850 more than enacted to reflect current service adjustments. The request fully funds the Office's 6.0 full-time equivalent positions, consistent with the enacted budget. All other spending totals \$0.1 million, primarily for data analysis and software licensing. *The Governor recommended \$1,793 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Lottery Division

Problem Gambling Expenses. Consistent with the enacted budget, the Department requested \$0.8 million from lottery funds for problem gambling programming mandated by Rhode Island General Law, Section 42-61.2-14. The casinos must reimburse the Division at least \$200,000 annually for compulsive and problem gambling programs established by the Division. This is the minimum; they pay more if the costs are higher. Additionally, the Division must provide up to \$150,000 from self-excluded gamblers' winnings to the Rhode Island Council on Problem Gambling for its research, education, and prevention of teenage gambling addiction activities, with the balance transferred to the general fund. *The Governor recommended the requested funding.* **The Assembly concurred.**

Commission Payments. The Department requested \$404.1 million from lottery funds for Lottery commission payments. Consistent with its revised request, this is \$15.1 million less than enacted and represents an estimate of payments that corresponds to the May 2025 Revenue Estimating Conference adopted estimate. The appropriations act historically includes language authorizing the payment of winning prize funds and commission payments to the local casinos for the fiscal year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Casino Staffing and Operations. The Department requested \$8.2 million from lottery funds for casino staffing and operations and 60.0 full-time equivalent positions. The request is \$231,392 less than enacted for salaries and benefits and includes \$45,160 for operating expenses, consistent with the enacted budget. The request assumes 37.0 positions at Lincoln and 23.0 positions at Tiverton, consistent with the authorized

number of positions, and current service adjustments on the reduced spending level reflected in the revised request. As of mid-November 2025, there were 53.0 filled full-time equivalent positions. *The Governor's recommendation is \$16,865 more than the request, reflecting statewide adjustments to health and other benefit rates. The Assembly concurred.*

Other Lottery Staffing and Operations. The Department requested \$20.2 million from lottery funds for all other staffing and operations and its 65.0 full-time equivalent positions. The request is \$0.9 million more than enacted for iGaming staffing and \$0.4 million less for central administration staffing. The enacted budget assumed 11.0 full-time equivalent positions for iGaming, though the Department reports that 14.0 positions are devoted to this initiative. The revised request reduces salaries and benefits by \$1.0 million; the FY 2027 request reflects a \$0.5 million increase from the revised request, mostly reflecting current service adjustments. As of mid-November 2025, there were 56.7 filled full-time equivalent positions of the 65.0.

The 2023 Assembly authorized casino gambling through digital media for participants age 21 and older located within the state, including table gaming hosted by a person and slot gaming, presented via the internet or other computer application. During July 2023, Bally's announced a partnership with Stakelogic, a Netherlands-based live casino software and studio technology supplier, to launch online games in 2024.

The Department requested \$10.3 million from lottery funds for its remaining operating expenses, which is \$0.2 million less than enacted and consistent with the revised request. This primarily includes \$0.2 million more for cyber liability expenses; \$0.9 million less for all other advertising and outreach activities; and \$0.5 million more for maintenance and repairs at the headquarters building. The Department reports that since the advertising account is historically underspent, these funds are allocated to other increased expenses.

The Governor recommended \$0.4 million more than requested, reflecting \$0.3 million in reduced turnover savings, \$0.1 million in statewide adjustments to health and other benefit rates, and \$41,613 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Division of Municipal Finance

City of Central Falls Pensions. The Department requested \$195,000 from general revenues for payments by the state to Central Falls pensioners affected by the city's bankruptcy. The request is consistent with the Department's revised request and \$25,000 below the enacted budget. The state's liabilities decrease over time as the number and value of payments decline. The appropriation is provided to the Division of Municipal Finance, but under current law, the program is administered by the Employees' Retirement System of Rhode Island. The General Treasurer will provide the Division with the final figure in June 2026 for payment at the beginning of FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Warwick Airport Audit. Section 1-2-17 of the Rhode Island General Laws requires the state to pay Warwick \$500,000 in the event the Federal Aviation Administration disapproves of municipal compensation services paid by the Rhode Island Airport Corporation. An audit completed in 2023 disallowed certain payments made by the airport to Warwick, thus triggering the statutory \$500,000 payment from general revenues for the first time in FY 2025. The Department's FY 2027 request includes funding for the statutory payment, matching the enacted amount. *The Governor recommended funding as requested. The Assembly concurred.*

Staffing and Operations. The Department requested \$1.9 million from general revenues for its 10.0 authorized full-time equivalent positions and other operations. This is \$45,176 more than enacted to reflect

current service adjustments. The enacted budget assumes turnover savings equivalent to about two positions, roughly consistent with the request. As of mid-November 2025, the Division had 7.0 filled full-time equivalent positions. The request also includes \$0.1 million for other operations, consistent with the enacted budget. *The Governor recommended \$2,736 more than requested, reflecting \$1,996 in statewide adjustments to health and other benefit rates, and \$740 to reflect statewide adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Local Aid

Motor Vehicle Excise Tax Program. The Department requested \$244.3 million from general revenues to reimburse local governments for revenues lost to phasing out the motor vehicle excise tax. The request is \$4.8 million more than enacted and is consistent with the 2.0 percent capped increase under current law. The 2022 Assembly enacted legislation ending the tax for each local government's FY 2024; East Providence entered the phase-out one year behind and ended the same way. After the phase-out is complete, the Director of Revenue must calculate and report to the executive and legislative branches the sales tax revenue growth to be distributed to local governments in the second fiscal year following the phase-out. The Governor's FY 2026 budget proposed eliminating this indexing, but the Assembly did not concur, capping the increase at 2.0 percent instead. *The Governor recommended \$4.8 million less than requested, based on his proposal to set future reimbursements to the amount received in FY 2026.* **The Assembly added \$4.8 million to fully fund the program at current law. A detailed description of the program and community data is included in the Special Reports section of this publication.**

Payment in Lieu of Taxes. Consistent with the enacted budget, the Department requested \$51.3 million from general revenues for the Payment in Lieu of Taxes program, which reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. These property types are exempt from taxation by state law. Reimbursement is statutorily based on 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The FY 2026 enacted budget includes \$51.3 million, fully funding the program. At the time of the request, the full entitlement cost was not calculated. *The Governor recommended \$2.3 million less than requested, which fully funds the program based on updated local data on foregone revenues.* **The Assembly concurred. A detailed description of the program and community data is included in the Special Reports section of this publication.**

Distressed Communities. The Department requested the enacted level of \$14.9 million from general revenues for the Distressed Communities Relief Fund, consistent with the current service estimate. The program was established in 1990 to aid communities with the highest property tax burdens relative to their taxpayers' wealth. Section 45-13-12 of the Rhode Island General Laws establishes the following four indices to determine eligibility: the percent of the tax levy to the full value of property, per capita income, the percent of personal income to the full value of property, and per capita full value of property. Since FY 2006, up to eight communities that fall into the lowest 20.0 percent for at least three of the four indices are eligible for assistance under the program. For FY 2026, eligible communities include Central Falls, Coventry, North Providence, Pawtucket, Providence, West Warwick, and Woonsocket. FY 2027 data was not available at the time of the budget request. *The Governor recommended funding as requested. Subsequently, updated census data resulted in East Providence being eligible for the program. The Governor later requested an amendment to add \$200,000.* **The Assembly added \$0.9 million to accommodate the addition of East Providence without reducing aid to the other communities. A detailed description of the program and community data is included in the Special Reports section of this publication.**

Property Tax Revaluation Program. The Department requested \$0.8 million, \$0.1 million more than enacted, from general revenues to reimburse communities conducting scheduled property revaluations or

statistical updates for FY 2027. The request reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations. Expenditures fluctuate annually on a triennial cycle, totaling \$1.4 million in FY 2025 and \$0.7 million in FY 2024. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Tangible Tax Exemption. The Department requested \$25.9 million to reimburse municipalities for a tax exemption program authorized by the 2023 Assembly. The request is \$5,241 above the enacted amount and consistent with the revised request. The exemption applies as of the December 31, 2023, assessment date, and would be effective for all tax years beginning on or after January 1, 2024.

The 2023 Assembly established a statewide exemption of \$50,000 from the tangible taxes levied by local governments, except for the public service corporation and renewable energy resources and equipment taxes. Each community is required to send its certified tax rolls to the Division of Municipal Finance by August 15 for the initial reimbursement on September 30, 2024. Subsequent reimbursements occur annually thereafter. Local governments will be reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the program and community data is included in the Special Reports section of this publication.*

Car Rental/Surcharge - Warwick Share. The Department requested \$1.1 million from restricted receipts to reflect revenues passed through to the City of Warwick for direct and indirect users of the Rhode Island T.F. Green International Airport. The request is \$0.1 million above the enacted amount and consistent with the revised request based on an updated estimate of collections. The 2002 Assembly enacted legislation to deposit the sales taxes and a portion of the vehicle rental surcharges collected by rental car companies at the airport into a restricted account for later distribution to the City of Warwick. The Department makes two payments over the year, one in December for the prior May through June period, and one in June for the prior July through April period. It should be noted that FY 2025 spending totaled \$1.1 million, as proceeds exceeded the pre-pandemic level of \$1.0 million during FY 2019. *The Governor recommended funding as requested. The Assembly concurred.*

Division of Taxation

Enhanced Collections. Consistent with the enacted budget, the Department requested \$0.5 million from general revenues for contracted data mining to support enhanced collection initiatives done in recent years. State law previously allowed the posting of the top 100 delinquent individual and business taxpayers, measured by the largest outstanding tax liabilities in excess of 90 days. The 2024 Assembly removed the numerical limit and established a liability floor of \$50,000 to incentivize more voluntary compliance. The 2024 Assembly also authorized \$0.7 million for implementation costs, including \$0.2 million for 3.0 full-time equivalent taxpayer assistance representatives and \$0.5 million for contracted data mining and legal services for out-of-state collections. The Division awarded a contract in June 2025, and work on the initiative has begun. *The Governor recommended funding as requested. The Assembly concurred.*

Financial Institution Data Matching Program. In FY 2026, based on a Division of Taxation proposal, the Governor's budget proposed expanding its statutory authority, allowing it to develop and operate an automated financial institution data match system to collect tax debts from delinquent taxpayers. This change to its authority would allow the Division to quickly, securely, and accurately receive information from over 13,000 financial institutions on bank accounts for potential levies against large tax debtors. The Assembly concurred with the proposal and revenue enhancement. The Department reports that the Division did not receive any bids on this request for proposals and, as of January 2026, is exploring sole-source discussions with a vendor. *The Governor recommended funding consistent with the enacted level. The Assembly concurred.*

Adult Use Marijuana. Consistent with the enacted budget, the Department requested \$0.1 million from restricted receipts to support compliance with the implementation of adult-use marijuana tax provisions, budgeted as contracted services. The enacted budget authorizes 2.0 full-time equivalent positions to support compliance, but does not allocate restricted funds for this purpose. The Department is unable to assign specific individuals to implement this tax provision, as no employees have dedicated their full work hours to it. Possible uses of these funds will be for training, mileage reimbursement when not utilizing a state vehicle, seizure and destruction if applicable, and other general operating expenses. Spending in FY 2025 totaled \$31,397. *The Governor recommended funding as requested. The Assembly concurred.*

Integrated Tax System Maintenance and Support. The Department requested \$6.6 million from general revenues for its maintenance, support, and a vendor services contract, including contingency contract payments. The request is \$0.5 million more than enacted and \$43,141 above the revised request. In May 2024, an amendment was added to the contract for additional infrastructure, data migration, and support. The Department reports that its FY 2026 request did not account for the increase in cloud storage costs, software licenses, or maintenance and operations, and thus these expenses were also not included in the enacted budget. The FY 2027 request and the FY 2026 revised request reflect these omitted expenses. *The Governor recommended the enacted level of funding. The Assembly added \$520,000 to cover the expected cost, consistent with its revisions to FY 2026.*

Tax Increment Financing. Consistent with the enacted budget, the Department requested \$4.6 million from restricted receipts to reflect the projected disbursement of tax incentive financing proceeds. This includes support for both the Downtown Pawtucket Redevelopment Economic Activity Fund, authorized by Chapter 45-33.4 of the General Laws, and the tax increment financing agreements with the Commerce Corporation, authorized separately under Chapter 42-64.21 of the General Laws.

The Governor recommended \$1.4 million less than enacted, based on changes to the Downtown Pawtucket Redevelopment Economic Activity Fund. His budget assumes the transfer of \$1.3 million from excess cash reserves from the Pawtucket Economic Activity Taxes restricted receipt account to general revenues during FY 2026. These funds were set aside in anticipation of a potential bond issuance that did not occur. The Assembly concurred.

Tax Amnesty Initiative. The Department requested \$750,000 from general revenues for expenses related to implementing a new 75-day tax amnesty program. The program would allow taxpayers with tax debts for periods prior to December 31, 2025, to apply to receive a waiver of penalties and a reduction of 25.0 percent of the interest owed during the tax period covered by the amnesty program. The requested funding would cover vendor programming costs and the marketing budget, as well as mailing costs. The Department anticipates that the program will generate \$25.0 million in new one-time revenues. That estimate includes \$11.8 million in personal income tax, \$6.5 million in sales and use tax, \$6.3 million in business corporation taxes, and \$0.5 million in public utilities taxes.

The last tax amnesty program was held in 2017–2018. According to the 2018 tax amnesty report, 37.9 percent of the revenue collected was “new money,” including non-filers or those with no known tax obligation to the state. This new initiative would run from December 15, 2026, until February 15, 2027. The administration of the program would be absorbed by existing staff, and no new authorization for full-time equivalent employees would be necessary.

The program shall provide that, upon written application by a taxpayer and payment of all taxes and interest due to the state of Rhode Island, the tax administrator shall not seek to collect any penalties that may be applicable and shall not seek the civil or criminal prosecution of any taxpayer for the taxable period for which amnesty has been granted. Amnesty shall be granted only to those taxpayers applying during the period who have paid the tax and interest due upon filing the amnesty tax return. Amnesty shall be granted

for only the taxable period specified in the application and only if all conditions are satisfied by the taxpayer. All applicants will have to apply and make payments electronically.

The constrained request excludes funding for this initiative. *The Governor recommended funding as requested. The Governor's budget assumes \$26.3 million in one-time revenues, including \$18.3 million in tax payments and \$8.1 million in departmental revenues, mostly interest on overdue payments. The Assembly concurred.*

Tax Technology Assessment. The Department requested \$0.5 million from general revenues to assess the needs for the Division's integrated software system by engaging an outside vendor for review. The current integrated software contract expires in July 2027. The funding would be used to assess the Division's future technological needs and develop a long-term plan for support and maintenance.

The Department's constrained request excludes funding for this initiative. *The Governor did not recommend the requested funding. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$32.5 million, primarily from general revenues, for all other expenses, including \$27.9 million to support the Division's 233.0 full-time equivalent positions. The request is \$0.6 million more than enacted. It includes current service adjustments based on FY 2026 revised staffing levels and reduces seasonal staff expenses by \$0.2 million, consistent with the revised request. As of mid-November 2025, the Division has 196.0 filled full-time equivalent positions.

The remaining \$4.5 million, mostly from general revenues, supports the Division's other operations, including postage and postal services, supplies, software maintenance, travel, and centralized services. These are \$0.3 million more than enacted, almost entirely in increased postage costs, consistent with the revised request to more closely reflect FY 2025 spending.

The Governor recommended \$0.3 million less than requested, assuming \$0.7 million in increased turnover savings and omitting the \$0.3 million postage increase. He also included \$0.2 million for statewide adjustments to health and other benefit rates, and \$0.5 million more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses and other charges based on updated data. The Assembly assumed an additional \$0.5 million in turnover savings based on similar savings available for FY 2026.

Division of Motor Vehicles

Rhode Island Motor Vehicle System. The Department requested \$6.2 million, \$0.2 million more than enacted, from restricted receipts for support of the Rhode Island Motor Vehicle System and related information technology expenses. FY 2027 marks year three of the current five-year contract, signed May 23, 2024. The Department reports that the requested increase reflects a shift of related information technology expenses, not part of the current contract, from general revenues to the newly increased transaction fee. This is requested to free up general revenues to cover unbudgeted cost increases for other unrelated expenses, such as contracted security and cleaning expenses.

The FY 2026 appropriations act increased the technology surcharge on all Division of Motor Vehicle transactions from \$2.50 to \$3.50 to maintain this system and cover the increased technology costs within the system's contract, ongoing maintenance, and enhancements. The Department anticipated that this increased fee would generate \$1.5 million annually. Notably, the Department's original FY 2026 request identified the need for only \$0.7 million in new resources to cover increased expenses. The enacted budget provided for the use of \$0.8 million more than that based on the expected fee revenues, providing flexibility on additional future system expenses. The current and FY 2027 requests appear to exhaust all projected receipts. *The Governor recommended funding as requested. The Assembly concurred.*

Federal CDL Grants. The Department requested \$0.3 million from federal funds, \$0.2 million less than enacted, for information technology expenses and 4.0 full-time equivalent positions to support its ongoing Commercial Driver's License Improvement Grants. This reflects shifting all funding for salaries and benefits to contracted professional services; the Department notes that it relies more on contracted information technology staff than on full-time equivalent positions, given the technical requirements of the grants. This is \$0.1 million less than the revised request, which also shifts funds to contractors. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Staffing. The Department requested \$23.8 million from general revenues for the Division's remaining 212.5 full-time equivalent positions. The request is \$35,080 less than enacted, reflecting reduced staffing expenses consistent with the revised request, changes in employee benefit selections, current service adjustments, and additional turnover savings equivalent to approximately 0.5 positions. The enacted budget funds 192.0 full-time equivalent positions. As of mid-November 2025, the Division had 177.0 filled full-time equivalent positions.

The FY 2025 final budget included \$22.7 million for all other staffing, and the Division spent \$62,305 above the budgeted amount. The overspend was primarily on overtime, where overspending was \$128,460. *The Governor recommended \$1.4 million more than requested, reflecting \$0.9 million in decreased turnover savings and \$0.4 million in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Department requested \$11.8 million from general revenues, \$0.3 million more than enacted, for all other expenses for the Division of Motor Vehicles. This includes \$4.4 million for centralized services provided by the Department of Administration, consistent with the enacted budget. The request includes an additional \$36,000 for janitorial services. It also includes \$0.3 million for driver's license imaging fees, the cost of producing a physical license or identification card, consistent with its revised request. The Department reported that the increase in driver's license imaging fees is a result of extending its current contract through an option-year extension while it solicits bids. It reported that the bid has been submitted, but complications required an extension to the current contract, resulting in an increase.

The Governor recommended \$1.0 million less than requested, which excludes the requested increase for driver's license imaging fees to maintain general revenues at the Budget Office's current service level adjusted for statewide initiatives, and is \$0.7 million less for statewide adjustments to centralized services, including a new charge for accounts and control expenses and other charges based on updated data. The adjustment includes a significant revision to facility charges. **The Assembly concurred.**

Division of Collections

Staffing and Operations. The Department requested \$1.1 million for its authorized 8.0 full-time equivalent positions and operations expenses for the Central Collections Unit. The Unit assists state agencies in collecting delinquent debts cost-effectively and is required to submit an annual report on its net revenue impact to the state. The Unit began as a pilot program established by the 2018 Assembly, and its authorization has been extended through 2033. This is \$93,494 more than enacted, reflecting current service adjustments. The request funds approximately 7.0 positions and operating expenses, consistent with the enacted budget. *The Governor recommended \$45,561 more than requested, including \$1,942 in statewide adjustments to health and other benefit rates, and \$44,619 to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Legislature

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
General Assembly	\$ 8,749,179	\$ 10,502,044	\$ 9,044,494	\$ 9,044,494
Fiscal Advisory Staff	2,688,479	2,708,425	2,745,909	2,745,909
Legislative Council	6,046,683	6,320,747	6,269,894	6,269,894
Joint Comm. On Legislative Affairs	35,774,281	42,055,040	37,551,117	36,251,117
Office of the Auditor General	8,152,398	8,299,350	8,440,943	8,440,943
Special Legislative Commissions	13,900	13,900	13,900	13,900
Total	\$ 61,424,920	\$ 69,899,506	\$ 64,066,257	\$ 62,766,257
Expenditures by Category				
Salaries and Benefits	\$ 51,521,527	\$ 52,538,913	\$ 53,898,586	\$ 52,598,586
Contracted Services	1,613,800	2,048,000	1,775,700	1,775,700
Subtotal	\$ 53,135,327	\$ 54,586,913	\$ 55,674,286	\$ 54,374,286
Other State Operations	5,075,093	12,171,593	5,374,971	5,374,971
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,300,000	2,300,000	2,300,000	2,300,000
Capital	914,500	841,000	717,000	717,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 61,424,920	\$ 69,899,506	\$ 64,066,257	\$ 62,766,257
Sources of Funds				
General Revenue	\$ 58,734,623	\$ 67,160,602	\$ 61,280,709	\$ 59,980,709
Federal Aid	-	-	-	-
Restricted Receipts	2,690,297	2,738,904	2,785,548	2,785,548
Other	-	-	-	-
Total	\$ 61,424,920	\$ 69,899,506	\$ 64,066,257	\$ 62,766,257
FTE Authorization	298.5	298.5	298.5	298.5

Summary. The Legislature estimated FY 2027 expenditures of \$63.8 million and 298.5 full-time equivalent positions. This includes \$61.0 million from general revenues and \$2.8 million from restricted receipts. *The Governor added \$303,333, including \$292,248 from general revenues. This includes \$0.2 million in statewide adjustments to health and other benefit rates and \$0.1 million to reflect statewide adjustments to centralized services provided by the Department of Administration, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly included general revenue turnover savings of \$1.3 million.**

Office of the Lieutenant Governor

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,305,099	\$ 1,305,997	\$ 1,336,500	\$ 1,336,500
Contracted Services	48,000	48,000	48,000	48,000
Subtotal	\$ 1,353,099	\$ 1,353,997	\$ 1,384,500	\$ 1,384,500
Other State Operations	166,120	178,265	189,869	189,869
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,519,219	\$ 1,532,262	\$ 1,574,369	\$ 1,574,369
Sources of Funds				
General Revenue	\$ 1,519,219	\$ 1,532,262	\$ 1,574,369	\$ 1,574,369
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,519,219	\$ 1,532,262	\$ 1,574,369	\$ 1,574,369
FTE Authorization	8.0	8.0	8.0	8.0

Summary. The Office of the Lieutenant Governor requested total expenditures of \$1.6 million from general revenues, or \$101,371 more than enacted, for FY 2027. The request includes funding for 8.0 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommended \$55,150 more than enacted, which is \$46,221 less than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Lieutenant Governor, this produced a general revenue target of \$1.4 million, including a current service adjustment of \$29,204 and a 7.5 percent reduction of \$109,032. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.1 million above the target.* **The Assembly concurred.**

Seasonal Policy Interns. Consistent with its revised request, the Office requested \$78,370, or \$33,588 more than enacted for seasonal policy interns who work for the Office. The seasonal policy interns assist with administrative tasks and Office initiatives. They also help the Office pursue federal grants for its work related to the State Long-Term Care Coordinating Council. The request funds three seasonal policy interns; the enacted budget funds two. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$1.3 million, or \$67,783 more than enacted, to fully fund 8.0 full-time equivalent positions. The request includes salary increases for seven positions, reflecting current service adjustments and promotions. *The Governor recommended \$36,382 less than requested. This assumes only current service adjustments and adds \$2,196 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Office requested \$0.2 million from general revenues for other operations, consistent with enacted funding. This includes \$0.1 million for centralized information technology services provided by the Department of Administration. The funding also supports legal expenses and office supplies. *The Governor recommended \$23,749 more than enacted to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Office of the Secretary of State

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Administration	\$ 5,975,167	\$ 6,166,081	\$ 6,097,668	\$ 6,097,668
Corporations	2,913,879	2,679,735	2,794,958	2,794,958
State Archives	761,449	900,352	868,658	868,658
Elections and Civics	4,107,040	3,757,022	5,117,860	5,238,148
State Library	668,263	662,568	680,710	680,710
Office of Public Information	865,724	854,283	699,705	699,705
Total	\$ 15,291,522	\$ 15,020,041	\$ 16,259,559	\$ 16,379,847
Expenditures by Category				
Salaries and Benefits	\$ 8,850,050	\$ 8,839,949	\$ 9,074,831	\$ 9,195,119
Contracted Services	1,134,330	1,154,330	1,215,115	1,215,115
Subtotal	\$ 9,984,380	\$ 9,994,279	\$ 10,289,946	\$ 10,410,234
Other State Operations	4,349,442	4,028,062	4,991,913	4,991,913
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	418,000	418,000	418,000	418,000
Capital	539,700	579,700	559,700	559,700
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 15,291,522	\$ 15,020,041	\$ 16,259,559	\$ 16,379,847
Sources of Funds				
General Revenue	\$ 12,861,732	\$ 12,548,882	\$ 13,841,085	\$ 13,961,373
Federal Aid	2,000,000	2,000,000	2,000,000	2,000,000
Restricted Receipts	429,790	411,159	418,474	418,474
Other	-	60,000	-	-
Total	\$ 15,291,522	\$ 15,020,041	\$ 16,259,559	\$ 16,379,847
FTE Authorization	62.0	62.0	62.0	63.0

Summary. The Office of the Secretary of State requested FY 2027 expenditures totaling \$18.4 million, which is \$3.1 million more than the FY 2026 enacted budget. The request includes \$1.9 million more from general revenues, \$11,810 less from restricted receipts, \$1.2 million more from Rhode Island Capital Plan funds, and 2.0 new positions for a total of 64.0 full-time equivalent positions. *The Governor recommended \$2.1 million less than requested, including \$1.0 million less from general revenues. The Assembly added \$120,288 from general revenues and 1.0 new full-time program coordinator position and concurred with the remainder of the recommendation.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Secretary of State, this produced a general revenue target of \$12.8 million, including a current service adjustment of \$0.8 million and a 7.5 percent reduction of \$0.9 million, adjusted for certain exclusions. The Office did not submit a constrained budget.

The Governor's recommendation is \$1.0 million above the target. The enacted budget is \$1.2 million above the target.

Help America Vote Act. Consistent with the enacted budget and the revised request, the Office requested \$2.0 million from federal Help America Vote Act election security grant funds. A total of \$9.5 million has been awarded from six election security grants, with \$4.4 million available through FY 2025. Funding can be used for a variety of information technology and security expenses, election administration training grants, and risk-limiting audits. The Office has indicated that funds will be used to enhance the voter registration system, upgrade voting equipment, and implement cybersecurity improvement projects, but the request is a placeholder pending an updated estimate of the amount it expects to spend in FY 2027. FY 2025 expenditures totaled \$913,819. *The Governor recommended funding as requested. The Assembly concurred.*

Statewide Voter List Maintenance Mailing. The enacted budget includes \$750,000 for FY 2026 to conduct voter registration list maintenance by mailing a form to every registered voter in Rhode Island before the November 2026 elections. This is excluded from the Office's FY 2027 request, as the mailing is intended to be a one-time expense scheduled to be completed in April 2026. *The Governor excluded funding as requested. The Assembly concurred.*

Program Coordinator (1.0 FTE). The Office requested \$120,288 from general revenues for a new Program Coordinator position within the Elections and Civics division. The Office indicated that this new position would supervise the Rhode Island Address Confidentiality Program, which provides survivors of crimes such as domestic violence, stalking, and sexual assault with a substitute mailing address to protect their residences from public records. The Office reported that this program currently has no full-time staff member assigned to it, which limits the capacity to conduct outreach and training or to offer expanded services. *The Governor did not recommend funding. The Assembly provided funding and staffing as requested.*

Other Election Expenses. The Office requested \$3.0 million from general revenues for the Elections and Civics division, \$1.7 million more than enacted. Staffing expenses total \$0.7 million for 4.0 full-time equivalent positions, which is \$32,241 less than enacted, largely reflecting the reclassification of a part-time clerical position to a contracted service. All other spending is \$1.7 million more than enacted to reflect costs associated with the November 2026 elections; this is \$0.4 million more than the Budget Office's current service estimate. The Office indicated that its request reflects prior spending during election years; however, FY 2025 spending for this purpose was \$1.3 million, \$0.5 million less than requested. *The Governor recommended \$0.3 million less than requested, primarily to reflect the current service estimate. This includes \$1,475 more in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Semiquincentennial Commission. Consistent with the United States Semiquincentennial Commission Act of 2016, the 2021 Assembly enacted legislation creating the Commission to prepare celebrations for the 250th anniversary of the country's founding. The Office requested \$175,696 from general revenues for the Semiquincentennial Commission dedicated to preparing commemorative celebrations. This is \$197,252 less than the enacted budget and the revised request, which reflects a decrease in operational expenses partially offset by current service adjustments to fully fund a full-time equivalent coordinator position. The Office indicated that no events were planned for FY 2027 at the time of the request and that the requested operating costs of \$50,000 are a placeholder. The coordinator position will be filled through FY 2027, as it will be tasked with "closing out" the program after the celebrations. *The Governor recommended funding as requested. The Assembly concurred.*

Deputy State Archivist (1.0 FTE). The Office requested \$148,208 from general revenues for a new Deputy State Archivist position. The Office indicated that this new position would improve response times

for service requests, manage increasing accessions and the processing of records, grow the Office's digital archives, and support other agencies in the review of regulations. The Office requested \$126,756 for this position last year, but it was not recommended by the Governor or approved by the Assembly. *The Governor did not recommend funding. The Assembly concurred.*

Historical Records Trust Fund. The 1993 Assembly created the Historical Records Trust Fund. Fees collected by municipalities are deposited in a restricted receipt account to be used for the preservation of public records of historical value that municipalities maintain. The account is funded by a \$4.00 fee collected by municipalities for every instrument filed at the municipal level for various land transactions, such as deeds and mortgages, as well as for probate filings. The municipality retains \$1.00 of the fee, and \$3.00 is deposited into the State Archives' restricted receipt account, known as the Historical Records Trust Fund. The fee was last increased in FY 2008; as such, inflation has decreased its value by over one-third, meaning that it cannot support the same level of service. *The Governor's budget maintains the current fee. The Assembly concurred.*

Other State Archives Operations. The Office requested \$869,680 from all sources, including \$476,700 from general revenues and \$392,980 from restricted receipts, for the staffing and operations of the State Archives. This is \$108,231 more than enacted, including \$120,041 more from general revenues. The staffing request to fully fund 3.0 full-time equivalent positions totals \$495,784 from all sources, which is \$89,731 more than enacted, including \$68,787 more from general revenues. This is 0.2 full-time equivalent positions more than assumed in the enacted budget; revisions to how related staff are allocated vary annually based on available funds. The table below displays the enacted and requested staffing allocation. Positions previously assumed to be partially funded by the Archives are now assumed to be entirely funded by Records Center collections.

State Archives & Records Center FTE Position Allocation	FY 2026 Enacted		FY 2026 Rev./ FY 2027 Request		Change to Enacted	
	Archives	Records	Archives	Records	Archives	Records
Reference Analyst	0.4	0.6	1.0	0.0	0.6	(0.6)
Local Government Records Coordinator	0.4	0.6	1.0	0.0	0.6	(0.6)
State Archivist & Public Records Administrator	0.4	0.6	1.0	0.0	0.6	(0.6)
Principal Planning & Program Specialist	0.4	0.6	0.0	1.0	(0.4)	0.4
Administrative Assistant	0.4	0.6	0.0	1.0	(0.4)	0.4
Administrative Records & Technical Service Specialist	0.4	0.6	0.0	1.0	(0.4)	0.4
Digital Archivist	0.4	0.6	0.0	1.0	(0.4)	0.4
Total	2.8	4.2	3.0	4.0	0.2	(0.2)

The request also shifts \$51,254 for rental payments from restricted receipts to general revenues to reflect available funds. All other spending is \$185,556; of this, \$169,076 is from general revenues, which is \$18,500 more than enacted for a document preservation project.

The Office distributed more costs to general revenues because restricted Historical Records Trust revenues will be insufficient to cover current and requested funding levels. The request would require \$392,980 from Historical Records Trust revenues to support all staffing and operational costs, accounting for an estimated \$87,081 negative prior year balance; the request exceeds resources by \$208,155. *The Governor concurred with the staffing reallocation. He recommended \$1,022 less than requested, including \$1,516 from general revenues, primarily for staff training to reflect FY 2025 expenditures, and included \$978 more in statewide adjustments to health and other benefit rates. The Assembly concurred.*

New State Archives Facility. The Office requested \$0.8 million from Rhode Island Capital Plan funds for FY 2027 as part of a \$60.0 million multi-year capital plan to develop a new State History Center facility on

a site located on Capitol Hill in Providence and create additional storage space for the State Archives collection in the Carothers Library at the University of Rhode Island. The archives have been stored in two different leased facilities for over 30 years, the first of which was susceptible to flooding. The Office also indicated that available storage capacity is insufficient, leading to the use of third-party, improper, or high-risk storage for artifacts. The request is based on a feasibility study released in July.

The request is \$3.8 million less than the approved capital plan for FY 2027. The approved plan includes \$0.5 million for FY 2025 for the aforementioned study encompassing site selection, architectural, and design work, as well as \$4.5 million for FY 2027, pending the outcome of the study.

*The Governor recommended \$45.0 million from new general obligation bond funds to go before the voters in November 2026 and shifted the approved \$4.5 million from Rhode Island Capital Plan funds to FY 2028. His plan assumes continued use of leased facilities for additional storage space for the State Archives collection beyond the Center's capacity. **The Assembly concurred and added \$60,000 from Rhode Island Capital Plan funds for FY 2026 to reflect additional feasibility study expenses. A more detailed description of the project is included in the Capital Budget section of this publication.***

Lease Agreement. The Office requested \$632,000 from general revenues, \$338,000 more than enacted, to support a new agreement for leased space on West River Street in Providence that houses the Corporations and Elections and Civics divisions. The existing 10-year lease, which includes monthly rental payments and property taxes, expired on December 31, 2025. The Office indicated that it planned to propose a short-term lease extension until July 2026, and reported that it was in the process of negotiating a new 10-year lease, for which it added \$63,000 to reflect assumed increased rental and property taxes, as well as additional administrative and maintenance expenses that will be part of the lease.

The request also adds \$275,000 for renovations to enhance staff members' physical security, including consolidating the Elections and Civics division into a single secure space and constructing a security vestibule at the entrance. The Office indicated that these renovations are included in the lease negotiations. *The Governor recommended \$41,586 more than requested based on an updated cost estimate provided by the Division of Capital Asset Management and Maintenance. He included legislation in Article 9 of 2026-H 7127 for the approval of a 10-year lease agreement. **The Assembly concurred.***

Records Center. The Office requested \$1.2 million from other funds, \$64,924 less than enacted, for the Records Center, an internal service program that appears separately in the appropriations act. Its expenses are budgeted in user agencies that pay a portion of their operating costs for record storage and retrieval. The request assumes \$64,924 less than enacted to fund 4.0 full-time equivalent positions. This is 0.2 fewer full-time equivalent positions than assumed in the enacted budget. Positions previously assumed to be partially funded by the Records Center are now assumed to be entirely funded by the State Archives. *The Governor recommended \$943 more than requested to reflect statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Tours and Visitors Center. The Office requested \$60,000, including \$35,000 from general revenues, for tour offerings to enhance the visitor experience at the Rhode Island State House, educational engagement, and to fund the State House Visitor Center and Gift Shop and its online retail site. The request is \$28,250 less than enacted, primarily from the inadvertent omission of tour guide salaries. The request includes \$20,000 for a student civic liaison program, \$4,000 for student civic leadership awards, \$750 for an annual civic education teacher award, \$500 for pop-up exhibitions of state artifacts, and \$9,750 for all other supplies and equipment to fund State House tours. The request assumes \$25,000 from restricted receipts supported by merchandise sales to fund the Visitor Center, Gift Shop, and its online retail site. *The Governor recommended \$24,888 more than requested from general revenues to correct the omission of tour guide support. **The Assembly concurred.***

State Grants. The Office requested the enacted level of \$318,000 from general revenues for state grants to four local cultural organizations and civic priorities. This includes \$168,000 to support the historical libraries of the Rhode Island Historical Society, the Rhode Island Black Heritage Society, and the Newport Historical Society in accordance with Chapter 29-2 of the General Laws, for the purpose of caring for, preserving, and cataloging the property of the state. The request also includes \$100,000 to support the Rhode Island Council for the Humanities' research, education, and programs for individuals and organizations, including schools, and \$50,000 to support the state's participation in the We the People Civics Challenge. *The Governor recommended funding as requested. The Assembly concurred.*

OpenGov Application and Website. The Office requested \$400,000 from Rhode Island Capital Plan funds for a new expense to rewrite the code for the state's OpenGov application and website to improve and modernize three functions that share an integrated interface: the government directory, open meetings portal, and quasi-public board and commission appointments. The project requires rewriting existing code, new programming, and designing a new website to integrate these functions, partly because there is no pre-built system that meets these requirements; it is consistent with the capital budget submission, which programs \$800,000 over FY 2027 and FY 2028.

A similar request for this project last year was not recommended by the Governor or approved by the Assembly. *The Governor did not recommend funding. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Salaries and Benefits. The Office requested \$8.1 million, or \$0.6 million more than enacted, from general revenues to support the remaining 50.0 full-time equivalent positions in the Administration and Corporations divisions, State Library, and Office of Public Information for FY 2027. This request assumes proceeds from the State Archives and Records Center that may not be sufficient to support positions as budgeted. The request does not include turnover savings; the enacted budget assumes turnover savings equivalent to 1.5 full-time equivalent positions. The Office reported that the remaining increase reflects current service adjustments, numerous position changes, and one fellowship position that was erroneously overbudgeted by \$24,888. *The Governor recommended \$0.4 million less than requested. He added \$16,921 for statewide adjustments to health and other benefit rates. He also corrected the error in the fellowship position and assumed \$0.4 million of turnover savings. The Assembly concurred.*

Other Operations. The Office requested \$1.8 million, \$0.1 million less than enacted, from general revenues for all other operations, including utilities, maintenance, repairs, and centralized services. This largely reflects the exclusion of a one-time server replacement in FY 2026, partially offset by increased information technology expenses for application security software and costs associated with a cybersecurity and infrastructure security assessment previously conducted and paid for by the federal government. *The Governor recommended \$31,649 less than requested, primarily based on FY 2025 expenditures. This includes \$11,149 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Office of the General Treasurer

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
General Treasurer	\$ 4,666,238	\$ 5,432,599	\$ 4,461,906	\$ 4,461,906
Unclaimed Property	3,338,043	3,370,898	3,437,867	3,437,867
Employees' Retirement System	16,318,192	16,467,169	16,769,028	16,769,028
Crime Victim Compensation	1,652,443	1,623,196	1,649,346	1,649,346
Subtotal	\$ 25,974,916	\$ 26,893,862	\$ 26,318,147	\$ 26,318,147
Expenditures by Category				
Salaries and Benefits	\$ 14,952,022	\$ 15,094,173	\$ 15,548,532	\$ 15,548,532
Contracted Services	6,543,252	6,607,300	6,447,300	6,447,300
Subtotal	\$ 21,495,274	\$ 21,701,473	\$ 21,995,832	\$ 21,995,832
Other State Operations	3,010,724	2,874,272	2,891,848	2,891,848
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,372,993	2,237,392	1,349,742	1,349,742
Capital	95,925	73,150	73,150	73,150
Capital Debt Service	-	-	-	-
Operating Transfers	-	7,575	7,575	7,575
Total	\$ 25,974,916	\$ 26,893,862	\$ 26,318,147	\$ 26,318,147
Sources of Funds				
General Revenue	\$ 4,600,223	\$ 5,387,264	\$ 4,417,820	\$ 4,417,820
Federal Aid	833,127	829,769	833,984	833,984
Restricted Receipts	19,906,235	20,058,316	20,435,722	20,435,722
Other	635,331	618,513	630,621	630,621
Total	\$ 25,974,916	\$ 26,893,862	\$ 26,318,147	\$ 26,318,147
FTE Authorization	92.0	92.0	93.0	93.0

Summary. The Office of the General Treasurer requested \$26.6 million, which is \$0.6 million more than enacted and includes \$0.2 million more from general revenues. The Office requested 93.0 full-time equivalent positions, one more than the authorized level. *The Governor recommended \$26.3 million, which is \$0.3 million more than enacted and \$0.2 million less than requested. General revenues are \$0.2 million less than enacted and \$0.4 million less than requested. He recommended the additional position as requested. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office, this produced a general revenue target of \$4.2 million, including current service reductions of \$0.1 million and a 7.5 percent target reduction of \$297,186, adjusted for certain exclusions. The Office did not submit a constrained budget. *The Governor's recommendation is \$0.2 million above the target. The Assembly concurred.*

Staffing. The Office requested \$15.3 million for 93.0 full-time equivalent positions. This is \$0.4 million and one position more than enacted. General revenues of \$2.7 million are \$0.2 million less than enacted. The request includes current service adjustments and the restoration of \$0.1 million of turnover savings. The equivalent of 2.0 positions is shifted from the Treasurer's General program to the Retirement System and Unclaimed Property. *The Governor recommended \$0.2 million more than requested, including \$14,112 more from general revenues. This includes \$235,526 to correct for understated salaries and benefits in the request and \$10,162 in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Crime Victim Compensation. The Office requested \$1.6 million for the Crime Victim Compensation program, which is \$9,999 less than enacted from all sources, including \$11,691 more from general revenues and \$21,690 less from restricted receipts. The request includes \$0.6 million for the 4.0 full-time equivalent positions that staff the program, cost allocations for a portion of 13 other positions, and \$0.9 million for claims. Historically, restricted receipts and federal funds have been sufficient to support administrative costs; however, restricted receipts have been declining for several years and were further impacted by court closures resulting from the COVID-19 pandemic. The request assumes \$228,310 will be collected in FY 2027; the revised request assumes \$220,000 in receipts. Receipts collected during FY 2025 totaled \$206,575; FY 2024 collections were \$209,990. Since FY 2020, receipts have declined by nearly 45 percent.

The Governor recommended \$6,902 more than requested, including \$6,385 more from general revenues. This includes \$1,533 in statewide adjustments to health and other benefit rates, \$1,620 to reflect adjustments to centralized facilities management billings through the Department of Administration based on updated data, and \$3,749 more for claims. **The Assembly concurred.**

Retirement System Aide (1.0 FTE). The Office requested \$0.1 million from Retirement System restricted receipts and authorization for one new retirement aide position to reduce the time it takes to receive the first benefit check after a member retires. This new position would perform data validation for members, data validation audits, and prepare other necessary audits, allowing retirement counselors to focus on providing customer service and processing retirements more quickly. *The Governor recommended the position as requested.* **The Assembly concurred.**

Other Retirement System Personnel and Operations. The Office requested \$16.4 million from Retirement System restricted receipts for the Retirement System's operations, including \$9.4 million to support 43.0 full-time equivalent positions, plus cost allocations for portions of another 29 positions. The request includes \$0.4 million for Board legal counsel and hearing officers, \$0.7 million for actuarial services, and \$2.0 million for the computer system. This is \$0.1 million more than enacted, all of which is for salaries and benefits and assumes current service adjustments, additional turnover savings from the hiring of a new Executive Director at the end of October, and revisions to cost allocations. *The Governor recommended \$0.2 million more than requested. This includes \$10,170 to reflect adjustments to centralized facilities management billings through the Department of Administration based on updated data. Nearly all the remaining increase is for understated salaries and benefits in the request.* **The Assembly concurred.**

Unclaimed Property. The Office requested \$3.4 million from restricted receipts to administer the Unclaimed Property program. This includes \$2.2 million to support the 9.0 full-time equivalent positions assigned to the program, as well as cost allocations for a portion of 20 other positions. Additionally, there is \$0.8 million for audit firms that remit revenues to the program, and \$0.5 million for other expenses, including information technology, advertising, and data validation services. This is \$0.1 million more than enacted, all of which is for salaries and benefits and reflects an increase in cost allocations of 0.6 positions and current service adjustments. *The Governor recommended \$20,096 more than requested. This includes \$4,104 in statewide adjustments to health and other benefit rates and \$2,643 to reflect adjustments to centralized facilities management billings through the Department of Administration based on updated data. The remaining \$13,349 is to correct for understated salaries and benefits in the request.* **The Assembly concurred.**

Relocation. The Office requested \$500,000 as a placeholder for a possible relocation, which is \$400,000 more than enacted, including \$300,000 from general revenues. This is similar to requests made in the past two budgets. The Office indicated that it was notified by the Division of Capital Asset Management and Maintenance during FY 2024 that it would need to be relocated from 50 Service Avenue in Warwick in December 2024, while the building's climate control system is being renovated. It appears that the Division subsequently decided not to relocate the building's tenants during the renovation, although the Office indicated that temporary relocation may still be necessary. *The Governor did not recommend the requested funding.* **The Assembly concurred.**

Cash Management Assessment. The Office requested the enacted amount of \$150,000 from general revenues for the second phase of a project to evaluate and propose changes to banking services. The state's FY 2022 and FY 2023 financial statements found that the complexity of Treasury operations has increased substantially over the years, without significant modifications to investments in technology and personnel to support those efforts and ensure that internal control best practices are maintained. The first phase, which cost \$160,000 and concluded during FY 2025, was the assessment process. It included assessing and inventorying cash and banking activities and providing recommendations to streamline the functions performed by the cash team, with a focus on modernizing capabilities and mitigating risks related to cash movement and settlement. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Affordability Study. The Office excluded the \$160,000 from general revenues enacted for FY 2026 for the Public Finance Management Board's debt affordability study. The Board is required, at least every two years, to oversee the undertaking of a debt affordability study, including the establishment of recommended debt capacity limits. The last study was conducted in December 2023, which is FY 2024. The next study will be submitted during FY 2026. No expenditure is expected for FY 2027, consistent with current service adjustments. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$3.0 million for all other salaries and benefits for the remaining 35.0 full-time equivalent positions and the associated cost allocations, equivalent to three positions. This is \$21,995 more than enacted and includes \$41,044 more from general revenues. The request reflects current service adjustments, restoration of \$0.1 million of enacted turnover savings, and revisions to cost allocations among programs. Consistent with the revised request, the FY 2027 request also modifies the cost allocations from the enacted budget, shifting costs from the General Treasury program to the Retirement System and Unclaimed Property. *The Governor recommended \$33,134 more than requested, including \$13,096 from general revenues. This includes \$6,410 in statewide adjustments to health and other benefit rates and \$26,724 to correct for understated salaries and benefits in the request.* **The Assembly concurred.**

Other Operations. The Office requested the enacted level of \$1.2 million for all other expenses. The request includes the enacted level of \$1.0 million from general revenues, of which \$0.2 million is for bank fees and \$0.5 million is for centralized services provided by the Department of Administration. The request includes \$0.1 million for facilities management, \$0.4 million for information technology, and \$15,022 for utilities. The enacted budget added \$0.2 million from general revenues to account for the decentralization of utility billings, increases in those expenses, and adjustments to other centralized services based on anticipated expenses. *The Governor recommended \$0.1 million less than requested from general revenues to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Rhode Island Board of Elections

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,929,510	\$ 1,909,228	\$ 2,416,313	\$ 2,416,313
Contracted Services	1,406,497	1,406,497	1,623,433	1,623,433
Subtotal	\$ 3,336,007	\$ 3,315,725	\$ 4,039,746	\$ 4,039,746
Other State Operations	1,136,924	1,211,486	1,828,728	1,828,728
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	3,000,000	3,000,000
Capital	2,000	454,067	278,683	278,683
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,474,931	\$ 4,981,278	\$ 9,147,157	\$ 9,147,157
Sources of Funds				
General Revenue	\$ 4,474,931	\$ 4,981,278	\$ 9,147,157	\$ 9,147,157
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 4,474,931	\$ 4,981,278	\$ 9,147,157	\$ 9,147,157
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Rhode Island Board of Elections requested \$9.3 million from general revenues, or \$4.8 million more than enacted. Its request includes the enacted authorization of 13.0 full-time equivalent positions. *The Governor recommended \$9.1 million from general revenues, which is \$4.7 million more than enacted and \$0.1 million less than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Board of Elections, this produced a general revenue target of \$8.8 million, including a current service adjustment of \$4.5 million and a 7.5 percent reduction of \$184,805, adjusted for certain exclusions. The constrained budget submitted by the agency is \$17,098 more than the Budget Office target, achieved by increasing turnover savings. *The Governor's recommendation is \$0.3 million above the target.* **The Assembly concurred.**

Seasonal Elections Expenses. The Board requested \$1.6 million from general revenues to conduct the November 2026 elections. The request is \$1.2 million more than enacted and \$0.1 million more than the Budget Office current service estimate. It includes \$0.4 million for seasonal staff and \$1.1 million for election operating expenses for FY 2027. Compared to the Budget Office current service estimate, it includes \$0.1 million more for an election night reporting service, which allows the Board to post election results on its website once polls close. The Board reported that this service was previously provided by a state vendor at no cost; however, charges would now apply beginning with the 2026 elections. As such, the Board planned to engage in a request for proposals for this service in December; the requested amount represents an estimate. It further indicated that \$30,000 in federal Help America Vote Act funds are

available to support this service through the Secretary of State's budget; general revenues will be used to support expenses beyond this allotment, which the Board estimated to be \$100,000.

The constrained request includes \$0.3 million from turnover savings for seasonal staff. The Board noted that this would inhibit its ability to prepare mail ballots, set up polling places, and maintain equipment during the November 2026 elections. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Elections Equipment Contracts. The Board requested \$1.2 million from general revenues, \$16,936 more than enacted, to fulfill two contractual obligations for election equipment. The Board of Elections is required by law, in consultation with the Secretary of State, to submit the specifications for new equipment. The current contract for voter tabulation equipment costs \$641,842 in FY 2027 and contains an option to purchase upon completion of the agreement in FY 2028. The accessible voting contract incorporates election support services, network maintenance, software upgrades, and supplies; the contract costs \$529,817 in FY 2027 and runs through FY 2028. *The Governor recommended funding consistent with the request. The Assembly concurred.*

New Poll Pads. The Board requested \$376,683 to purchase 578 poll pads with a service life of six to eight years. The 2025 Assembly allocated \$500,000 from general revenues in the final FY 2025 budget to support election-related technology, including poll pad purchases; it also added language to ensure that any unspent funds for this purpose would be automatically reappropriated. The Board's revised request includes \$429,492 from these funds to purchase 660 poll pads. The Board indicated that the combined requested amounts for both years would result in a fully upgraded poll pad inventory.

It should be noted that the FY 2025 underspend may be lower than the reappropriated amount because of some other unanticipated expenses that were pending insurance reimbursement at the time of the preliminary closing. *The Governor recommended \$100,000 less than requested for FY 2027, though his revised recommendation adds \$22,575 to the FY 2026 request. The Assembly concurred.*

Campaign Finance System Replacement. The Board requested \$202,118 for FY 2027, \$137,118 more than enacted, to replace its current campaign finance system that dates back to 2002. The 2025 Assembly allocated \$500,000 from general revenues in the final FY 2025 budget to support election-related technology, including campaign finance system upgrades; it also added language to ensure that any unspent funds for this purpose are automatically reappropriated. The Board's revised request includes \$70,508 from these funds to replace its current campaign finance system, for a total request of \$135,508 for FY 2026. It indicated that the requests for both years would support monthly payments in accordance with a five-year contract that runs through FY 2030; however, the request appears to be understated by \$4,492 for FY 2027.

It should be noted that the FY 2025 underspend may be lower than the reappropriated amount because of some other unanticipated expenses that were pending insurance reimbursement at the time of the preliminary closing. *The Governor recommended funding consistent with the request. The Assembly concurred, as funds are available in other areas to support the full amount of the contract.*

Rent and Utilities. Consistent with the enacted budget, the Board requested \$670,000 from general revenues for its Cranston facility, including \$570,000 for rent and \$100,000 for utilities. FY 2025 spending was \$6,175 above the currently requested amount, largely reflecting increased electricity costs, suggesting the request may be understated; the Board reported that its request does not reflect estimated expenses. The Board's rent agreement has three components: offices, warehouse, and expenses that reflect a monthly renovation reimbursement with a five-year term, which has been increasing over time. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Public Financing of Elections. Consistent with the Budget Office's current service estimate, the Board of Elections requested \$3.0 million from general revenues for the Matching Public Funds campaign finance program, required by state law. General officers are elected every four years, and the Board is responsible for administering and implementing the Campaign Contributions and Expenditures Act mandates and the state's Matching Public Funds program. To be eligible for matching funds, a candidate must sign a statement of oath pledging to comply with the limitations on campaign contributions and expenditures and with all terms and conditions of the statute. The Board provided matching public funds of \$2.3 million to five candidates for FY 2023, \$1.7 million to four candidates for FY 2019, and \$2.6 million to seven candidates for FY 2015.

Within an election cycle, general office candidates, whether from a political party or unaffiliated, are eligible to receive two dollars of public funds for each private qualified dollar raised from a single source up to \$500, and one dollar for each dollar raised by a single source above \$500. The total amount of public funding available to a candidate is adjusted every four years, based on the average consumer price index. For the November 2022 election, the matching fund limits for candidates were \$1.5 million for the Governor and \$375,000 for candidates for other general offices. The Board uses the consumer price index release from January of the election year to formulate the cap on matching fund amounts; the request represents an estimate. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

Other Salaries and Benefits. The Board requested \$2.0 million from general revenues for its regular staff and commissioners during FY 2027. This is \$103,089 more than enacted. The Board reported that the increase includes salary revisions based on staff turnover and adds two commissioner stipends in error. As of October 2025, 11.0 full-time equivalent positions are filled, and 11.8 positions have been filled on average. Both the enacted budget and the request assume that all positions are filled.

The constrained request includes \$0.1 million of turnover savings, equivalent to 1.0 full-time equivalent position. *The Governor recommended \$46,886 less than requested from general revenues. This includes \$4,912 more for statewide adjustments to health and other benefit rates and \$15,242 more for longevity pay for three positions inadvertently excluded from the request, offset by \$0.1 million less from increased turnover savings and the exclusion of two commissioner stipends.* **The Assembly concurred.**

Other Operations. Consistent with the enacted budget and the revised request, the Board requested \$247,924 from general revenues to fully fund all other expenses. This includes \$167,949 for centralized service billings, \$14,569 more than FY 2025 spending; \$16,000 for postage services, \$3,606 more than FY 2025 spending; and \$13,000 for insurance premiums, \$3,184 more than FY 2025 spending. *The Governor recommended \$20,686 more than requested from general revenues to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Rhode Island Ethics Commission

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,978,046	\$ 1,995,305	\$ 2,050,140	\$ 2,050,140
Contracted Services	64,275	64,275	64,275	64,275
Subtotal	\$ 2,042,321	\$ 2,059,580	\$ 2,114,415	\$ 2,114,415
Other State Operations	366,985	393,509	432,157	432,157
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	10,326	7,326	10,326	10,326
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,419,632	\$ 2,460,415	\$ 2,556,898	\$ 2,556,898
Sources of Funds				
General Revenue	\$ 2,419,632	\$ 2,460,415	\$ 2,556,898	\$ 2,556,898
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,419,632	\$ 2,460,415	\$ 2,556,898	\$ 2,556,898
FTE Authorization	12.0	12.0	12.0	12.0

Summary. The Rhode Island Ethics Commission requested \$2.5 million from general revenues, or \$80,558 more than enacted, for FY 2027. The request fully funds the authorized level of 12.0 full-time equivalent positions. *The Governor recommended \$2.6 million from general revenues, which is \$0.1 million more than requested to reflect statewide adjustments.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Ethics Commission, this produced a general revenue target of \$2.3 million, including a current service increase of \$44,569 and a 7.5 percent reduction of \$162,721, adjusted for some exclusions.

The constrained budget submitted by the agency is \$3,294 lower than the Budget Office target, achieved by laying off 1.5 full-time equivalent positions. *The Governor's recommendation is \$255,418 above the target.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$2.0 million from general revenues to fully fund its 12.0 authorized full-time equivalent positions, which are currently filled. The request is \$68,016 more than enacted. This includes current service adjustments, including step increases, updated benefit costs, and employee selections.

The Commission's constrained request includes savings of \$202,004 from laying off an administrative position for a full year and an investigator position for half a year. *The Governor recommended \$4,078*

more than requested, almost all of which reflects statewide adjustments to health and other benefit rates. The Assembly concurred.

Case Management System. The 2025 Assembly included language that allowed for the reappropriation of unspent funds for the completion of a case management system in FY 2026. The Governor reappropriated \$98,871 for this project, and the Commission did not include funding for FY 2027 as it anticipated the project would be completed in FY 2026. *The Governor recommended \$52,630 for FY 2027 based on revised estimates from the Division of Enterprise Technology Strategy and Services. He also included \$23,524 in his FY 2026 revised recommendation. The Assembly concurred.*

Other Operations. The Commission requested \$0.5 million from general revenues for its operations. The request includes \$0.2 million for rent and electricity, \$0.2 million for centralized information technology charges through the Department of Administration, and \$0.1 million for various office expenses. This is \$12,542 more than the enacted amount, including \$10,277 more for electricity, \$4,500 more for its lease, \$945 more for software licenses, and \$3,180 less for internet billings. The Commission expects electricity costs to be \$9,718 more than in FY 2025 and \$2,000 more than the FY 2026 revised request. The lease for its office space includes an escalator clause that will be reached in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Office of the Governor

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 8,571,283	\$ 8,577,734	\$ 8,783,409	\$ 8,783,409
Contracted Services	13,000	13,000	13,000	13,000
Subtotal	\$ 8,584,283	\$ 8,590,734	\$ 8,796,409	\$ 8,796,409
Other State Operations	595,761	623,903	679,029	679,029
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	150,000	150,000	150,000	150,000
Capital	4,874	4,874	4,874	4,874
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 9,334,918	\$ 9,369,511	\$ 9,630,312	\$ 9,630,312
Sources of Funds				
General Revenue	\$ 9,334,918	\$ 9,369,511	\$ 9,630,312	\$ 9,630,312
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 9,334,918	\$ 9,369,511	\$ 9,630,312	\$ 9,630,312
FTE Authorization	45.0	45.0	45.0	45.0

Summary. The Office of the Governor requested FY 2027 expenditures of \$9.5 million from general revenues, which is \$0.2 million more than enacted; it included the authorized level of 45.0 full-time equivalent positions. *The Governor recommended \$9.6 million from general revenues, which is \$0.3 million more than enacted and \$0.1 million more than requested.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Governor, this produced a general revenue target of \$8.8 million, including current service adjustments of \$194,168 and a 7.5 percent reduction of \$690,075, adjusted for centralized information technology charges. The constrained budget submitted by the Office is consistent with the Budget Office target, achieved by eliminating the contingency fund and increasing turnover savings by \$540,075. *The recommendation is \$0.8 million above the target.* **The Assembly concurred.**

Salaries and Benefits. The Office of the Governor requested \$8.8 million from general revenues for salary and benefit expenses for its 45.0 authorized positions. The request is \$194,168 more than enacted from general revenues. The request funds 42.0 full-time equivalent positions, 0.5 positions less than enacted. It includes the Budget Office's calculation of current service adjustments and offsets any other increases with additional turnover savings. As of mid-November 2025, the Office has averaged 42.5 positions filled for FY 2026.

The Office's constrained budget request further increases turnover savings by \$540,075, which is equivalent to around six positions. *The Governor recommended \$17,958 more than requested, nearly all of which is for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Contingency Fund. The Office requested the enacted amount of \$150,000 from general revenues for the contingency fund. The funds may be used for expenditures in any state department or agency where funding is insufficient, where required due to unforeseen circumstances, or for non-recurring items of an unusual nature.

The Office's constrained request eliminates the fund. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Other Operations. The Office requested FY 2027 expenditures of \$0.6 million from general revenues for all other operations, consistent with the enacted budget. This includes \$0.3 million for information technology charges and \$0.3 million for remaining expenses. *The Governor recommended \$0.1 million more than requested to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,275,210	\$ 2,286,977	\$ 2,359,647	\$ 2,359,647
Contracted Services	54,750	93,310	111,150	111,150
Subtotal	\$ 2,329,960	\$ 2,380,287	\$ 2,470,797	\$ 2,470,797
Other State Operations	439,727	395,614	331,082	331,082
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	3,000	8,179	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,772,687	\$ 2,784,080	\$ 2,801,879	\$ 2,801,879
Sources of Funds				
General Revenue	\$ 2,249,158	\$ 2,285,857	\$ 2,358,433	\$ 2,358,433
Federal Aid	523,529	498,223	443,446	443,446
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,772,687	\$ 2,784,080	\$ 2,801,879	\$ 2,801,879
FTE Authorization	15.0	15.0	15.0	15.0

Summary. The Rhode Island Commission for Human Rights requested \$2.9 million from all sources, which is \$99,511 more than enacted, including \$125,935 more from general revenues and \$26,424 less from federal funds. The request includes 16.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommended the authorized level of 15.0 positions and \$70,319 less than requested, including \$16,660 from general revenues and \$53,659 from federal funds.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission for Human Rights, this produced a general revenue target of \$2.1 million, including a current service increase of \$43,459 and a 7.5 percent reduction of \$151,193, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$9,984 more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$0.2 million above the target.* **The Assembly concurred.**

Federal Receipts. The request assumes \$0.5 million from federal funds will be available for FY 2026, including \$0.1 million from unspent FY 2025 funds and \$0.4 million from new receipts, for \$0.5 million of expenses. New receipts are estimated to be \$46,980 less than received in FY 2025, and the request reduces FY 2027 spending by \$26,424, with costs shifted to general revenues. The Commission indicated that there have been significant reductions to federal personnel overseeing these programs and that Housing and Urban Development funding could cease entirely at any point. As a result, it is reducing its reliance on federal funding for core expenses, such as personnel, and attempting to preserve existing funds. It is projected to spend down all remaining funds by the end of FY 2027. Housing and Urban Development

funds have specific restrictions on spending, which must directly concern advancement of fair housing cases. Equal Employment Opportunity funds do not have these restrictions and are therefore more flexible. *The Governor recommended \$53,659 less than requested to reflect revisions to the FY 2026 request, increasing the use of available funds. The Assembly concurred.*

Paralegal (1.0 FTE). The Commission requested \$138,352 from all sources, including \$69,176 each from general revenues and federal funds, for 1.0 new full-time equivalent paralegal position. The Commission indicated the paralegal will save time for its two existing staff attorneys, benefiting due process, enforcement of anti-discrimination laws, and the speed with which cases are processed. It has contracted with an agency to provide paralegal services since April 2024, for which its revised request includes \$50,960; it spent \$46,622 in FY 2025 and \$14,918 in FY 2024. The Commission unsuccessfully requested this position in both FY 2025 and FY 2026.

The constrained request is \$138,352 less and excludes the requested position. *The Governor recommended \$60,000 for continuing paralegal contracted services in lieu of the requested position. The Assembly concurred.*

Salaries and Benefits. The Commission requested \$2.4 million from all sources for salaries and benefits for its 15.0 authorized full-time equivalent positions. The request is \$101,279 more than enacted, including \$104,648 more from general revenues and \$3,369 less from federal funds. This reflects current service adjustments, changes to medical benefit selections, and restoration of \$30,000 of turnover savings included in the enacted budget. As of November 2025, the Commission has 1.0 vacancy.

The constrained request includes \$154,509 less from general revenues achieved by laying off 1.5 full-time equivalent positions. The Commission reported that this proposal would eliminate its ability to enforce anti-discrimination laws and estimated a \$55,913 loss of federal funds annually. *The Governor recommended \$16,842 less than requested, including \$32,359 less from general revenues, which primarily reflects \$46,228 of turnover savings equivalent to an average of 0.3 vacancies. This is partially offset by a correction to salary assumptions and \$7,979 in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Relocation. The Commission requested \$127,900 from general revenues for lease expenses, which is \$81,451 less than enacted from federal funds. The Governor's FY 2026 budget recommendation proposed to relocate certain state agencies from leased property over time, including moving the Commission from 180 Westminster Street to the Shepard building once its current lease ends. The FY 2026 enacted budget does not contain any associated costs or savings from this because the lease ends in FY 2027. The current request assumes the relocation occurs upon expiration of the Westminster lease at the end of August 2026, with the remaining 10 months of FY 2027 at the Shepard building. Annualized costs at the Shepard building are estimated at \$94,711, which is less than half of FY 2025 lease expenses. *The Governor assumed the relocation as planned and added \$6,757 to reflect an updated estimate of centralized services billings, based on projected use of space and current rates. The Assembly concurred.*

Other Operations. The Commission requested \$0.2 million from all sources for all other expenses, including \$0.2 million from general revenues and \$9,425 from federal funds. The request is \$58,669 less than enacted. This includes \$47,889 from general revenues, mainly reflecting updated estimates for centralized information technology services, and \$10,780 from federal funds, mostly from reduced travel costs. *The Governor recommended \$18,118 more than requested, which reflects statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Public Utilities Commission

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 10,707,411	\$ 10,658,776	\$ 11,133,108	\$ 11,133,108
Contracted Services	3,623,239	3,651,239	3,621,239	3,621,239
Subtotal	\$ 14,330,650	\$ 14,310,015	\$ 14,754,347	\$ 14,754,347
Other State Operations	1,082,624	1,263,105	1,168,005	1,168,005
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	95,000	95,000	95,000	95,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 15,508,274	\$ 15,668,120	\$ 16,017,352	\$ 16,017,352
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	753,555	771,107	759,025	759,025
Restricted Receipts	14,754,719	14,897,013	15,258,327	15,258,327
Other	-	-	-	-
Total	\$ 15,508,274	\$ 15,668,120	\$ 16,017,352	\$ 16,017,352
FTE Authorization	57.0	57.0	57.0	57.0

Summary. The Public Utilities Commission and the Division of Public Utilities requested FY 2027 expenditures of \$15.8 million, which is \$0.3 million more than enacted from all sources, primarily restricted receipts. Restricted receipts are generated from billing the regulated utilities for expenses of both the Division of Public Utilities and Carriers and the Public Utilities Commission, the quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce utility standards. Although two distinct entities, for simplicity, this analysis will refer to them as the Commission. The Commission requested the enacted level of 57.0 full-time equivalent positions. *The Governor recommended \$16.0 million, which is \$0.5 million more than enacted and \$0.2 million more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$11.0 million from federal funds and restricted receipts, \$0.3 million more than enacted, for salaries and benefits. This includes \$0.4 million more from restricted receipts and \$0.1 million less from federal funds. The Commission later stated that it intended to request the enacted amount of \$76,700 from federal funds for the One Call Dig Safe program. The request would provide for current service adjustments and reduced turnover savings. The enacted budget includes about \$0.2 million in turnover savings, and the request is about half of that, similar to the requested revisions to FY 2026. *The Governor recommended \$123,892 more than requested. This corrects the error and includes \$21,976 for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Microgrid Consultant. The Commission's request includes the \$100,000 from restricted receipts in the enacted budget for a consultant to advise it in developing a rate structure to integrate microgrids into the state's power system. A consultant began work in July 2024. The Commission reported that it will soon issue a report, which will include recommended next steps for implementation. It noted that it would only

require funding for FY 2027 if the General Assembly directed it to take those next steps. *The Governor recommended funding as requested. The Assembly concurred.*

Affordable Clean Energy Security. The Commission requested the enacted level of \$200,000 from restricted receipts for expert consultants and legal counsel to review the procurement activities of electric distribution companies seeking renewable energy resources, particularly offshore wind energy. Under the Affordable Clean Energy Security Act, these companies can charge up to \$200,000 in fees to offshore wind energy bidders to pay for all reasonable costs of contracted professional services that the Commission may hire. For FY 2023, the first year, \$90,344 was spent. FY 2024 expenditures were \$35,779. In FY 2025, only \$644 was spent. *The Governor recommended funding as requested. The Assembly concurred.*

Gas Pipeline Safety. The Commission requested the enacted level of \$86,462 from the federal gas pipeline safety grant for contracted professional services and operating costs. The purpose of the funding is to develop, support, and maintain inspection and enforcement activities for state gas and hazardous liquid pipeline safety programs. *The Governor recommended funding as requested. The Assembly concurred.*

Transportation Network Company Regulatory Oversight. The Commission requested the enacted amount of \$4,250 from restricted receipts for the operating costs associated with regulating transportation network companies. Related staffing expenses are about \$50,000 and represent allocated time spent by several staff on this activity. State law allows the Commission to regulate transportation network companies, such as Lyft and Uber, and establishes the application and annual renewal fees to operate in the state. *The Governor recommended funding as requested. The Assembly concurred.*

Dual Party Phone Relay Service. The Commission requested the enacted amount of \$168,415 from restricted receipts for the Dual Party Phone Relay Service. The Commission collects a surcharge from its telecommunications service providers to manage this service. State law requires that it remit \$100,000 to the Commission on the Deaf and Hard of Hearing and \$50,000 to the Department of Human Services for telephone equipment and the emergency and public communication access program. Expenses appear in those budgets. The Commission spent only \$66,478 for this in FY 2025, reporting that it switched to a less expensive vendor. It estimates current expenses should run around \$75,000 per year, though this is not reflected in the request. *The Governor recommended funding as requested. The Assembly concurred.*

Rate Case Reserve Account. The Commission requested the enacted level of \$2.0 million from restricted receipts for expenses incurred for hearings and investigations of rate case applications and other filings. Expenditures are for materials, external legal counsel, stenographers, engineers, accountants, economists, and expert witnesses, which are billed back to the utility company up to \$750,000 per state proceeding and \$250,000 for federal ones. Expenditures are typically below budgeted amounts. They were \$1.0 million in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Energy Facility Siting Board. The Commission requested the enacted level of \$225,000 from restricted receipts to support the work of the Energy Facility Siting Board. The Board regulates the issuance of licenses to construct major energy facilities. All expenses related to investigations are billed to the applicants. Funding is used for expert witnesses, stenographers, print notices, and advisory opinions. Expenses are typically below budgeted amounts; they were \$12,739 in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Commission requested \$2.1 million from restricted receipts for all other operations, \$5,500 less than the enacted amount and consistent with its revised request. The request includes \$0.4 million for asset protection, \$0.4 million for legal services, and \$0.2 million for centralized services. This is \$0.9 million more than spent in FY 2025. *The Governor recommended \$88,881 more than requested, mostly reflecting statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Office of Inspector General

	FY 2026		FY 2026		FY 2027		FY 2027	
	Enacted		Final		Recommended		Enacted	
Expenditures by Category								
Salaries and Benefits	\$	-	\$	-	\$	-	\$	900,000
Contracted Services		-		-		-		-
Subtotal	\$	-	\$	-	\$	-	\$	900,000
Other State Operations		-		-		-		300,000
Aid to Local Units of Government		-		-		-		-
Assistance, Grants, and Benefits		-		-		-		-
Capital		-		-		-		100,000
Capital Debt Service		-		-		-		-
Operating Transfers		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	1,300,000
Sources of Funds								
General Revenue	\$	-	\$	-	\$	-	\$	1,300,000
Federal Aid		-		-		-		-
Restricted Receipts		-		-		-		-
Other		-		-		-		-
Total	\$	-	\$	-	\$	-	\$	1,300,000
FTE Authorization		-		-		-		12.0

Summary. The FY 2027 enacted budget creates a new Office of Inspector General to investigate the management and operations of agencies as they relate to the prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds. The Inspector General would be able to initiate investigations into executive-branch state and quasi-state agencies, as well as municipal governments that utilize state funds. The legislation creates a five-member independent advisory commission that will submit a list of three qualified candidates to the Governor. The Inspector General shall be appointed by the Governor with the advice and consent of the Senate and shall serve for a five-year term. *The Governor's budget did not contemplate this new office.* **The Assembly provided \$1.3 million from general revenues and 12.0 full-time equivalent positions to support the operation of this new office. The funding represents about six months of full operations. This assumes hiring is done over time once the Inspector General position is filled.**

Executive Office of Health and Human Services

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 249,104,658	\$ 280,450,784	\$ 357,203,287	\$ 425,768,931
Medical Assistance	3,977,332,126	3,923,300,000	4,051,748,427	4,182,473,275
Total	\$ 4,226,436,784	\$ 4,203,750,784	\$ 4,408,951,714	\$ 4,608,242,206
Expenditures by Category				
Salaries and Benefits	\$ 44,562,245	\$ 47,973,847	\$ 54,010,083	\$ 54,773,062
Contracted Services	153,765,788	163,821,380	255,441,134	277,795,377
Subtotal	\$ 198,328,033	\$ 211,795,227	\$ 309,451,217	\$ 332,568,439
Other State Operations	16,393,425	17,487,712	19,946,451	19,506,465
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	4,011,699,966	3,974,334,645	4,079,428,164	4,256,041,420
Capital	15,360	133,200	125,882	125,882
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,226,436,784	\$ 4,203,750,784	\$ 4,408,951,714	\$ 4,608,242,206
Sources of Funds				
General Revenue	\$ 1,490,421,244	\$ 1,464,561,684	\$ 1,549,504,451	\$ 1,579,706,831
Federal Aid	2,709,529,994	2,692,455,589	2,844,819,555	3,010,272,939
Restricted Receipts	26,485,546	46,733,511	14,627,708	18,262,436
Other	-	-	-	-
Total	\$ 4,226,436,784	\$ 4,203,750,784	\$ 4,408,951,714	\$ 4,608,242,206
FTE Authorization	243.0	248.0	252.0	257.0

Summary. The Executive Office requested \$4,591.7 million from all sources, including \$1,590.4 million from general revenues, \$2,982.0 million from federal funds, and \$19.3 million from restricted receipts and a staffing level of 251.0 full-time equivalent positions.

The request is \$365.3 million more than enacted, including \$99.9 million more from general revenues, \$272.5 million more from federal funds, and \$7.2 million less from restricted receipts. The staffing request includes seven new positions and transfers one from the Department of Health.

The Governor recommended expenditures of \$4,409.0 million from all sources, including \$1,549.5 million from general revenues. This is \$182.5 million more than enacted and \$182.8 million less than requested from all sources. It is \$59.1 million more than enacted and \$40.9 million less than requested from general revenues. The Governor included 252.0 full-time equivalent positions, which is 9.0 more than enacted.

He requested several amendments, including \$68.8 million from federal funds, and five new positions for the Rural Health Transformation Program and other program changes. The amendments include \$1.6 million from general revenues for Newport Hospital's Noreen Drexel Birthing Center and made other program changes to adjust spending compared to his original recommendation.

The Assembly provided \$4,608.2 million from all sources, including \$1,579.7 million from general revenues, \$3,010.3 million from federal funds, and \$18.3 million from restricted receipts. The Assembly increased the Governor’s original recommendation by \$199.3 million, including \$30.2 million from general revenues, \$165.5 million from federal funds, and \$3.6 million from restricted receipts.

The Assembly concurred with the requested amendments, updated for the May caseload conference estimate and added \$40.7 million to fully fund the Governor’s rate review proposal in FY 2027, rather than spreading it over two years. It also included \$18.1 million more for payments to hospitals, \$5.8 million more for nursing facilities, and \$9.2 million to increase the resource threshold to qualify for long-term care and other Medicaid services.

The Assembly also included legislation to sunset the primary care health assessment fee applied to all covered lives to support primary and other health care programs on October 1, 2026, to align with federal guidance.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Executive Office of Health and Human Services, this produced a general revenue target of \$1,447.4 million, including a current service adjustment increase of \$74.1 million and a 7.5 percent reduction of \$117.1 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$30.1 million above the Budget Office target, and the proposals to achieve those reductions are noted among the items described below, where appropriate. *The Governor’s recommendation is \$102.1 million above the target. The enacted budget is \$132.3 million above the target.*

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2026 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	175%	180%	185%	200%	250%	261%
1	\$ 15,960	\$ 22,025	\$ 27,930	\$ 28,728	\$ 29,526	\$ 31,920	\$ 39,900	\$ 49,987
2	21,640	29,863	37,870	38,952	40,034	43,280	54,100	67,776
3	27,320	37,702	47,810	49,176	50,542	54,640	68,300	85,566
4	33,000	45,540	57,750	59,400	61,050	66,000	82,500	103,356
5	38,680	53,378	67,690	69,624	71,558	77,360	96,700	121,146
6	44,360	61,217	77,630	79,848	82,066	88,720	110,900	138,936
7	50,040	69,055	87,570	90,072	92,574	100,080	125,100	156,725
8	55,720	76,894	97,510	100,296	103,082	111,440	139,300	174,515

For families with more than 8 members, add \$5,680 for each additional member for the 100 percent calculation.

Medicaid Expenses - State/National Comparison. The following table compares national and state FY 2022 Medicaid spending using the Medicaid and Children’s Health Insurance Program Payment and Access Commission (MACPAC) MACStats Data Book (December 2024). It shows spending for all enrollees, including individuals who receive Medicare and for whom the state provides a partial Medicaid benefit, including co-payments, deductibles, and Part D drug coverage. There is a separate Medicaid report in the Special Reports section of this publication that provides more extensive detail on the information in this table, as well as overall Medicaid spending, benefits, programs, rules, and comparisons.

Medicaid Expenses/Cost Per Enrollee				
	All Enrollees		Full Benefit Enrollees	
Population	US	RI	US	RI
Children	\$ 3,786	\$ 6,706	\$ 3,798	\$ 6,698
Adults	5,443	5,125	6,431	5,182
Expansion	7,569	6,567	7,641	6,567
Blind/Disabled	25,483	21,977	28,363	22,958
Aged	19,191	11,917	25,177	13,854
Average	\$ 8,813	\$ 8,623	\$ 9,361	\$ 8,762

Source: MACStats: Medicaid and CHIP Data Book December 2024;
Medicaid Benefit Spending for FY 2022

Caseload Estimating Conference. The Medical and Caseload Estimating Conference, as outlined in Rhode Island General Law, Chapter 35-17, meets at least twice a year, in November and May, to provide for a more stable and accurate method of financial planning and budgeting. The conference estimators take testimony from the Executive Office for medical assistance expenses, including long-term care, managed care programs, hospitals, pharmacy, and other medical services.

The Department of Human Services provides testimony for Rhode Island Works, the Supplemental Security Income program, general public assistance, and child care. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides testimony for private services for individuals with developmental disabilities. The separate agencies report a preliminary estimate in testimony, which forms the basis for the caseload estimate adopted by the State Budget Officer and House and Senate Fiscal Advisors.

The estimates are based only on current law and practice. The November Caseload Estimating Conference adopted estimate is the starting point for the Governor’s revised and budget year recommendations. Any changes made in the Governor’s budgets to the estimate for medical assistance, cash assistance, or services to adults with developmental disabilities must represent a statutory or policy change not contemplated in the current law estimate. Any expenditure revisions in the May estimate are incorporated into the final appropriation, adjusted for any changes made by the Assembly.

Medical Assistance

The Caseload Estimating Conference met on November 4, 2025, and based on current law, set the FY 2027 medical assistance expenditures at \$3,987.9 million, including \$1,443.6 million from general revenues. This is \$46.9 million more than enacted, including \$17.2 million more from general revenues.

The following table itemizes medical assistance expenditures as enacted by the 2025 Assembly, adopted by the caseload estimators, recommended by the Governor, and enacted by the 2026 Assembly. Each category is discussed separately.

Federal legislation, contained in H.R. 1, enacted in July 2025, includes changes to the Medicaid program that will take effect over several fiscal years. The FY 2027 estimate accounts for the projected effects of two of these changes: community engagement work requirements and eligibility for a “qualified alien.” The specific impacts on each category are described in the following items where appropriate. Federal guidelines have not been issued as of January 2026.

The Governor recommended \$4,006.3 million, including \$1,454.6 million from general revenues, which is \$18.5 million more than the conference estimate, including \$11.0 million from general revenues. This includes \$39.4 million, of which \$15.1 million is from general revenues, for his proposed increase for the biennial rate review, which is spread over two years, caps rates at Medicare, and starts October 1, 2026.

This increase is offset by other proposals, each noted separately. As noted, he requested several amendments to increase payments for nursing facilities' behavioral health daily rate and add \$1.6 million from general revenues for Newport Hospital's Noreen Drexel Birthing Center as a separate grant.

Medical Assistance	FY 2026 Enacted	FY 2026 Final	FY 2027 Nov. CEC	FY 2027 Gov. Rec.	FY 2027 May CEC	FY 2027 Enacted
Hospitals						
State Directed Payments	\$ 331.3	\$ 331.3	\$ 331.3	\$ 331.3	\$ 331.3	\$ 331.3
Regular Payments	51.7	43.7	59.4	58.8	54.7	54.9
DSH Payments	13.9	13.9	13.9	23.9	13.9	38.9
Upper Payment Limit Reimbursements	25.2	27.5	27.5	27.5	27.5	27.5
Total	\$ 422.1	\$ 416.4	\$ 432.1	\$ 441.5	\$ 427.4	\$ 452.6
Long Term Care						
Nursing/Hospice Care	\$ 477.3	\$ 453.0	\$ 478.0	\$ 473.7	\$ 483.0	\$ 483.7
Home & Community Care	293.8	296.0	291.5	303.3	304.6	340.1
Total	\$ 771.1	\$ 749.0	\$ 769.5	\$ 777.1	\$ 787.6	\$ 823.8
Managed Care						
RIte Care	\$ 1,052.4	\$ 1,034.4	\$ 1,098.6	\$ 1,093.5	\$ 1,113.3	\$ 1,116.1
RIte Share	3.2	4.0	4.5	4.5	3.3	3.3
Fee For Service	61.9	51.7	62.1	62.1	54.4	54.4
Total	\$ 1,117.5	\$ 1,090.0	\$ 1,165.3	\$ 1,160.2	\$ 1,171.0	\$ 1,173.8
Rhody Health Partners	\$ 341.2	\$ 337.7	\$ 348.9	\$ 350.6	\$ 336.5	\$ 340.2
Medicaid Expansion	\$ 730.8	\$ 724.9	\$ 701.6	\$ 697.4	\$ 735.8	\$ 734.6
Rhody Health Options	\$ 220.4	\$ 247.8	\$ 247.8	\$ 255.6	\$ 270.3	\$ 287.9
Pharmacy	\$ 7.8	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.2	\$ 1.2
Pharmacy Part D Clawback	\$ 96.4	\$ 93.9	\$ 98.1	\$ 98.1	\$ 95.9	\$ 95.9
Other Medical Services	\$ 233.8	\$ 216.9	\$ 223.3	\$ 224.5	\$ 223.5	\$ 227.0
Medical Assistance Total	\$ 3,941.0	\$ 3,877.9	\$ 3,987.9	\$ 4,006.3	\$ 4,049.2	\$ 4,137.1
Federal Funds	\$ 2,507.3	\$ 2,464.5	\$ 2,537.0	\$ 2,544.4	\$ 2,584.7	\$ 2,641.1
General Revenues	\$ 1,426.4	\$ 1,406.1	\$ 1,443.6	\$ 1,454.6	\$ 1,453.5	\$ 1,485.0
Restricted Receipts	\$ 7.4	\$ 7.4	\$ 7.4	\$ 7.4	\$ 10.9	\$ 10.9

\$ in millions

The 2025 Assembly included legislation establishing an assessment to generate \$30.0 million annually to support primary care and other critical healthcare programs. The current assessments are based on a per-member per-month fee applied to all covered lives, including self-insured. For the Executive Office of Health and Human Services, the estimated cost on behalf of its Medicaid enrollees was \$7.0 million, of which \$2.1 million is from general revenues.

The Assembly provided \$4,137.1 million, including \$1,485.0 million from general revenues, \$2,641.1 million from federal funds, and \$10.9 million from restricted receipts. This is \$130.7 million more from all sources than recommended, including \$30.4 million more from general revenues. It is \$87.9 million more than the May caseload estimate, including \$10.0 million more from general revenues, \$47.7 million more from federal funds, and \$3.6 million more from restricted receipts. The Assembly concurred with the requested amendments, included full funding of the Governor's proposal for biennial rates in FY 2027, and made other program changes, discussed separately.

The May Caseload Estimating Conference assumed state-only costs of \$9.2 million for the primary care health assessment after October 1 because federal match limitations are based on guidance released after the November caseload conference. The Assembly included Section 15 of Article 12 to sunset the assessment on October 1, 2026, and reduced expenses by \$9.2 million in the managed care programs.

Any program changes requiring legislation are contained in Article 8 of 2026-H 7127, Substitute A, as amended, and included in *Section VI: Special Reports* of the publication.

Budget Proposals

The Executive Office's request includes 12 proposals impacting the medical assistance program. This includes \$30.7 million for the biennial rate review increase, which is excluded from the constrained budget, along with 11 other proposals for constrained savings totaling \$274.0 million, including \$103.4 million from general revenues. Each proposal in the table is discussed in the following sections, or the specific program where the changes are made. *The Governor recommended program changes totaling \$7.6 million, which is \$4.4 million more from general revenues.*

The Assembly added \$130.7 million, including \$30.4 million from general revenues, to the Governor's original recommendation. This includes updates for the May caseload conference estimate, funding the biennial rate increase in one year and not two as recommended, providing hospital and nursing home annual increases at current law, and increasing the uncompensated care payment to community hospitals, and other program changes.

Biennial Rate Increase. The 2022 Assembly required the Office of the Health Insurance Commissioner to undertake a comprehensive review of social and human service programs to be done in consultation with the Executive Office. Required information includes rates currently paid, date of last increase, wait lists, assessment of programs, and national and regional reporting for comparison of state Medicaid rates and rates paid by private insurers and private pay for similar programs.

The statute requires incorporating the components of the completed assessment and review in FY 2027 budget submissions, along with any variances from the rate recommendations. The final report, submitted August 29, 2025, reviewed and made recommendations on \$751.5 million in fee-for-service activity and when extended to the managed care plans, the base activity totals \$1,114.9 million. The report's recommendation includes rate increases valued at \$112.8 million, averaging 10.1 percent. This includes expenses of the Executive Office and Office of Healthy Aging housed within the Department of Human Services. It also includes expenses in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for its privately operated program for adults with developmental disabilities, which accounts for about half of all fee-for-service-based expenses.

The Executive Office requested \$30.7 million, of which \$12.3 million is from general revenues for a rate increase based on the report and \$0.6 million for system changes. The request modifies the report assumptions and effective date. First, it assumes the rate increase would be Medicare pays for the same service. Second, it applies a 50.0 percent reduction to that, with the expectation of phasing in the increase over a two-year period. Lastly, it assumes an October 1, 2026, start, meaning FY 2027 would contain only three-fourths of the cost of the first half of the increase.

For FY 2027, the increases include: \$15.0 million for home and community-based services, including through the Rhody Health Options programs; \$12.1 million for services through RItE Care, Rhody Health Partners, and the expansion plan; and \$3.6 million for other medical services. The services include behavioral health care providers, children's services, and home and community-based direct care services.

The constrained request does not include this proposal or administrative expenses. *The Governor's budget adds \$39.4 million, including \$15.1 million from general revenues, to fund the rate increase following the methodology that was the basis for the Executive Office's request. This includes rates capped at Medicare and effective on October 1, 2026. The recommendation differs from the request as it includes updated data and the related \$2.6 million for administrative expenses and premium tax payments for those that flow*

through the managed care plans. This is shown in the following table. The budget also includes the requested system changes. He included Section 6 seeking Assembly approval for the rate increase.

It should be noted that the Governor's recommendation also provides \$18.3 million, of which \$7.7 million is from general revenues, for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' privately operated program for adults with developmental disabilities, and \$0.5 million for the Office of Healthy Aging's home care program for a total of \$58.2 million, including \$23.0 million from general revenues. This assumes funding over two years.

OHIC Rate Review	FY 2027					
	Request		Governor		Enacted	
	Gen. Rev.	Total	Gen. Rev.	Total	Gen. Rev.	Total
Home and Community Based Services	\$ 6.2	\$ 15.0	\$ 7.7	\$ 20.1	\$ 16.5	\$ 42.7
Behavioral Health Care Services	4.6	12.1	5.5	14.2	10.9	28.4
Children's Services	1.5	3.6	1.0	2.5	1.9	5.1
Managed Care Administration/Taxes	-	-	0.9	2.6	1.9	5.1
Total	\$ 12.3	\$ 30.7	\$ 15.1	\$ 39.4	\$ 31.2	\$ 81.4

\$ in millions

The Assembly included \$81.4 million, of which \$31.2 million is from general revenues, in the Executive Office's FY 2027 budget. This provides a total of \$115.3 million for all three agencies to fully fund the rate proposal in FY 2027.

Eligibility Changes. The state provides medical benefits to optional populations through its Medicaid waiver. This includes coverage through the RItE Care program for children and their parents. There are individuals who are not eligible for the Supplemental Security Income program because their income is too high, or individuals with high medical bills who are otherwise not eligible for Medicaid.

The Executive Office's constrained request proposes six months of savings totaling \$54.7 million, of which \$23.7 million is from general revenues, from making changes to eligibility impacting RItE Care parents and individuals receiving services under two other optional programs; each is discussed separately.

The reduction includes expenditure savings of \$54.7 million offset by \$3.9 million in additional state costs incurred when Medicaid funding is lost for other programs for which that match is linked to maintaining current coverages. There are also one-time special changes totaling \$0.4 million, of which \$40,000 is from general revenues. *The Governor did not recommend the proposal. The Assembly concurred.*

Optional Population - Nursing Home Residents. For nursing home residents, the current income limit is up to 225 percent of poverty after meeting their required contribution, also known as the cost of care. The Executive Office proposed lowering that to 175 percent for savings of \$49.7 million, including \$21.4 million from general revenues, impacting about 1,700 residents. *The Governor did not recommend the proposal. The Assembly concurred.*

Optional Population - Medically Needy. Individuals approved for a federal disability receive state Medicaid benefits primarily through the Rhody Health Partners program. Those who are not disabled and have an income of around \$20,100 can also have Medicaid benefits through the expansion program. The state also provides a path for Medicaid eligibility if someone does not fit either criteria but has high medical bills. This population is referred to as "medically needy," and about 900 individuals are enrolled in the program. The Executive Office proposed eliminating this optional population for savings of \$2.7 million, including \$1.1 million from general revenues. Beneficiaries would be able to get coverage through HealthSource RI. *The Governor did not recommend the proposal. The Assembly concurred.*

Optional Population - Rlite Care Parents. The state provides medical benefits to parents with children who have a family income at or below 138 percent of poverty, which is \$45,540 for a family of four. The Executive Office proposed lowering that to 116 percent, or \$38,280 for a family of four, resulting in a projected savings of \$2.3 million, including \$1.2 million from general revenues. This change would impact approximately 900 parents. Beneficiaries would be able to get coverage through HealthSource RI. *The Governor did not recommend the proposal.* **The Assembly concurred.**

Medicaid CNOM Programs. The enacted budget includes \$21.1 million, including \$9.0 million from general revenues, for health and human service agency programs for which the state leverages federal funds because of special approval through the Medicaid waiver. This includes home care, adult day, home modification, personal care attendant, and transportation programs through the Department of Human Services. It also includes residential programs in the Department of Children, Youth and Families and early intervention services in the Executive Office's budget.

The agencies request a total of \$20.6 million, including \$8.9 million from general revenues, for these programs in FY 2027. The services were previously state-only, and the state must maintain its optional population to continue to receive these federal funds. If the eligibility changes listed above are accepted, the state will no longer be able to claim Medicaid match for these services.

The proposed savings do not reflect the November caseload estimate, which may alter the baseline for a given initiative. They also exclude any other initiatives being implemented. That means the value of the savings may also change. *The Governor did not recommend the proposal.* **The Assembly concurred.**

Hospital Rates Freeze. The Executive Office's constrained request proposes savings of \$19.1 million from all sources, including \$8.0 million from general revenues, from keeping inpatient and outpatient hospital rates at the FY 2026 level. The November Caseload Conference estimate includes \$26.6 million, of which \$8.4 million is from general revenues for the rate increases. This means the revised values of the freeze proposal are \$7.5 million lower, primarily from federal funds. The expenses adopted at the caseload conference are spread across the hospital program and the managed care products, including the expansion program, which has a higher Medicaid match rate. This proposal assumes the savings in the fee-for-service program only, with expenses matched at the regular match rate.

These savings affect payments made by the state and through the managed care plans and require a statutory change and a change under the Medicaid waiver. Also, this proposal may cause a cost shift to the outpatient upper payment limit reimbursement in the fee-for-service program, which pays the difference between Medicare and Medicaid payments. However, there is a separate proposal to eliminate those supplemental payments.

The Governor included Section 2 to replace the current law price index applicable for July 1, 2026, with a 2.5 percent rate increase for inpatient and outpatient services for FY 2027 only. The budget includes savings of \$1.5 million, of which \$0.5 million is from general revenues, from reducing the rates included under current law in the November Caseload Conference estimate. The rates ranged from 2.6 percent for payments through managed care plans to 3.3 percent for fee-for-service reimbursements. The Assembly did not concur and added \$1.5 million, of which \$0.5 million is from general revenues, to reflect current law.

Nursing Facilities Rate Freeze. The Executive Office proposed savings of \$31.8 million from all sources, including \$13.4 million from general revenues, by keeping rates at FY 2026 levels. The November caseload estimate includes \$12.5 million, of which \$4.7 million is from general revenues, in the fee-for-service program and the managed care plans. The savings are only shown in the fee-for-service program, not spread across the appropriate programs, and are \$19.3 million less than the savings proposal.

*The Governor included Section 2 to replace the current law price index applicable for October 1, 2026, with a 2.5 percent rate increase for inpatient and outpatient services for FY 2027 only. The budget includes savings of \$5.0 million, including \$2.1 million from general revenues, from reducing the rates included under current law in the November Caseload Conference estimate. The rates ranged from 2.6 percent for payments through managed care plans to 3.2 percent for fee-for-service reimbursements. **The Assembly did not concur and added \$5.0 million, of which \$2.1 million is from general revenues, to reflect current law.***

Optional Services - GLP-1. The Executive Office's constrained request proposes savings of \$20.3 million from all sources, including \$6.3 million from general revenues, from eliminating the optional coverage for GLP-1 medication for weight loss treatment to those eligible for Medicaid coverage through the RItE Care or expansion programs. *The Governor recommended the proposal and included Section 6 to make the change. **The Assembly concurred.***

Care Coordination Capitated Payment. The Executive Office's constrained request proposes savings of \$29.7 million from all sources, including \$9.3 million from general revenues from eliminating optional case management services in RItE Care, Rhody Health Partners, and expansion programs. This is an optional benefit included in the monthly capitated payments made to the managed care plans. *The Governor did not recommend the proposal. **The Assembly concurred.***

Patient-Centered Medical Home - Kids. The Executive Office's constrained request proposes savings of \$2.8 million from all sources, including \$1.2 million from general revenues, from eliminating the payment made to pediatric providers through the PCMH-kids (Patient Centered Medical Home) program administered by the Care Transformation Collaborative of Rhode Island. This is an optional program and is a \$3.00 per month/per member payment, which is included in the monthly capitated payments made to the managed care plan. *The Governor did not recommend the proposal. **The Assembly concurred.***

Certified Community Behavioral Health Clinic Rates. The Executive Office's constrained request proposes savings of \$24.8 million from all sources, including \$7.4 million from general revenues, from a 15.0 percent reduction to the rates paid to the managed care plans for services provided by Certified Community Behavioral Health Clinics. The November Caseload Estimating Conference included \$154.0 million, of which \$39.5 million is from general revenues; the proposal value is calculated on a \$165.1 million base reflecting FY 2026 enacted assumptions. *The Governor did not recommend the proposal. **The Assembly concurred.***

Community Health Worker Benefit. The Executive Office's constrained request proposes savings of \$23.4 million from all sources, including \$6.9 million from general revenues, from eliminating services provided by community health workers. This far exceeds projected spending on this item, as it is based on the May 2025 Caseload Conference estimate. The FY 2026 enacted budget includes only \$6.2 million, of which \$1.7 million is from general revenues, because it reduced adopted expenses by \$15.0 million, reflecting an overstatement in the underlying projections that maintained some anomalous expenses that were found to be improper, prompting a recent rule-making process to ensure the integrity of the program. The November Caseload estimate includes only \$3.5 million for these expenses, of which \$1.2 million is from general revenues. The updated estimate also incorporates recent federal changes. *The Governor did not recommend the proposal. **The Assembly concurred.***

Federally Qualified Health Centers Rate Freeze. The Executive Office's constrained request proposes savings of \$9.3 million from all sources, including \$3.2 million from general revenues, from freezing rates paid to the federally qualified health centers at FY 2026 levels. The rates are adjusted each July 1, as required in the state's Principles of Reimbursement for Federally Qualified Health Centers agreement. *The Governor included savings of \$3.3 million from limiting the rate increase to 2.5 percent, and included Section 6 to make this change. The November Caseload Conference estimate includes a 5.0 percent*

increase. The Assembly provided the 2.5 percent rate increase, as included in the May caseload conference, to reflect the market basket rate adjustment for July 1.

Substance Use Disorder Residential Rate Freeze. The Executive Office's constrained request proposes savings of \$1.6 million from all sources, including \$0.7 million from general revenues, by freezing the rates paid for substance use disorder residential treatment services at the FY 2026 level. This would require a change to the Medicaid State Plan, which includes an annual July 1 rate increase for these services.

The Governor recommended the proposal to eliminate the annual rate increase while retaining the rates as part of the biennial rate review. He included Section 6 for the change. The value of the change is \$1.6 million, of which \$0.7 million is from general revenues. Separate recommendations that increase the biennial rates effectively restore the \$1.5 million. The Assembly concurred and included an updated value of the change at \$0.4 million, including \$0.2 million from general revenues.

Hospitals

The Caseload Estimating Conference estimate includes hospital expenses totaling \$432.1 million, of which \$143.7 million is from general revenues. It also includes \$86.9 million for direct medical services and supplemental hospital payments, \$331.3 million for state-directed payments, and \$13.9 million for uncompensated care payments to state hospitals.

The Governor recommended \$9.4 million more than the caseload estimate, including \$4.1 million more from general revenues, as described below. He requested an amendment, as part of the Rural Health Transformation Program, necessary legislation to seek federal approval to implement the Hospital at Home Program, and added \$1.6 million from general revenues, as a separate grant, for Newport Hospital's Noreen Drexel Birthing Center.

The Assembly provided \$452.6 million, including \$147.7 million from general revenues and \$304.9 million from federal funds. This is \$25.2 million more than the May caseload estimate and \$11.1 million more than the Governor's recommendation. It concurred with the amendments for the Hospital at Home program and birthing center support.

Hospitals. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$432.1 million, of which \$143.7 million is from general revenues. The estimate is \$10.0 million more than the revised estimate, including \$5.5 million more from general revenues, to reflect several adjustments. The estimate assumes a 3.3 percent increase for both inpatient and outpatient rates and a 1.5 percent increase in the aggregate number of patient days.

The estimate also includes \$331.3 million, of which \$103.5 million is from general revenues, for state-directed payments; \$13.9 million, of which \$5.8 million is from general revenues, for uncompensated care payments; and \$27.5 million, of which \$9.3 million is from general revenues, for upper payment limit reimbursements made to the community hospitals.

The budget request was submitted before the November Caseload estimate; it contains earlier estimates of current service adjustments and a constrained request to change eligibility, freeze rates, and eliminate a supplemental payment.

The Governor recommended \$9.4 million more than the caseload estimate, including \$4.1 million more from general revenues, based on the proposal that affects annual rate increases, and increasing the disproportionate share payment to hospitals; each is discussed separately. He subsequently requested an amendment to add \$1.6 million from general revenues for Newport Hospitals' Noreen Drexel Birthing Center as a separate grant. As noted, he requested an amendment to seek federal approval for the Hospital-

at-Home program. The Assembly provided \$452.6 million, including \$147.7 million from general revenues, which is \$25.2 million more than the May estimate. The Assembly did not concur with limiting the annual rate increase and added \$25.0 million for uncompensated care payments. The Assembly concurred with the amendments.

Hospital Payments	FY 2026 Enacted	FY 2026 Final	FY 2027 Nov. CEC	FY 2027 Governor	FY 2027 May CEC	FY 2027 Enacted
State-Directed Managed Care						
State	\$ 99,474,096	\$ 101,727,438	\$ 103,499,742	\$ 103,499,742	\$ 98,829,465	\$ 98,829,465
Federal	231,870,851	229,617,509	227,845,205	227,845,205	232,515,481	232,515,481
Subtotal	\$ 331,344,947	\$ 331,344,947	\$ 331,344,947	\$ 331,344,947	\$ 331,344,946	\$ 331,344,946
Regular Payments						
State	\$ 22,108,408	\$ 18,703,616	\$ 25,066,816	\$ 24,867,224	\$ 23,121,706	\$ 23,143,366
Federal	29,546,752	24,996,422	34,333,222	33,962,263	31,578,333	31,773,272
Subtotal	\$ 51,655,160	\$ 43,700,038	\$ 59,400,038	\$ 58,829,487	\$ 54,700,039	\$ 54,916,638
DSH/Community Hospitals						
State	\$ 312,394	\$ 312,394	\$ 421,000	\$ 4,652,510	\$ 421,000	\$ 10,981,010
Federal	687,606	687,606	579,000	6,347,490	579,000	15,018,990
Subtotal	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 11,000,000	\$ 1,000,000	\$ 26,000,000
DSH/Eleanor Slater Hospital						
State	\$ 5,482,500	\$ 5,482,500	\$ 5,430,900	\$ 5,430,900	\$ 5,430,900	\$ 5,430,900
Federal	7,417,500	7,417,500	7,469,100	7,469,100	7,469,100	7,469,100
Subtotal	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000
Upper Payment Limit						
State	\$ 8,860,612	\$ 9,410,821	\$ 9,304,015	\$ 9,318,273	\$ 9,303,120	\$ 9,303,120
Federal	16,365,474	18,044,194	18,151,000	18,136,742	18,151,895	18,151,895
Subtotal	\$ 25,226,086	\$ 27,455,015	\$ 27,455,015	\$ 27,455,015	\$ 27,455,015	\$ 27,455,015
Total	\$ 422,126,193	\$ 416,400,000	\$ 432,100,000	\$ 441,529,449	\$ 427,400,000	\$ 452,616,599

State-Directed Payments. The conference estimate includes \$331.3 million, of which \$103.5 million is from general revenues, for the state-directed payments made through the managed care plans to promote quality improvements at community hospitals. This is consistent with the enacted budget; however, after adjusting for the updated Medicaid rate and expenses among eligibility groups, general revenues are \$4.0 million more than enacted.

This supplemental payment is determined by inflating relevant managed care hospital-specific inpatient and outpatient claims to close the gap between what Medicaid currently pays to what commercial insurance pays for similar services. Although not current law for FY 2027, the hospitals made a \$211.7 million license fee payment in FY 2026 that offsets the general revenues portion of this payment. Current service estimates assume a similar fee for FY 2027. *The Governor recommended funding consistent with the caseload estimate. The Assembly concurred.*

Regular Payments. The conference estimate includes \$59.4 million, of which \$25.1 million is from general revenues, for inpatient and outpatient services. This is \$7.7 million more than enacted, including \$3.0 million more from general revenues. Most of the increase is growth in inpatient days; it also includes the 3.3 percent annual July rate increase for each service.

The Governor included Section 2 to replace the current law price index applicable for July 1, 2026, with a 2.5 percent rate increase for inpatient and outpatient services for FY 2027 only. He included savings of \$0.6 million, of which \$0.2 million is from general revenues, in the fee-for-service program.

The overall savings, including the managed care plans, are \$1.5 million, of which \$0.5 million is from general revenues, from reducing the rates included under current law in the November Caseload Conference estimate. The rates ranged from 2.6 percent for payments through managed care plans to 3.3 percent for fee-for-service reimbursements. The Assembly provided \$54.9 million, including \$31.8

million from general revenues, which is \$0.2 million more than the May estimate. The Assembly did not concur with the limit on the annual rate increase. It did include the amendment to seek federal approval for the Hospital at Home program, discussed separately.

Hospital at Home Program. The federal Acute Care Hospital at Home Program allows patients who require an acute level of care to receive services in their home rather than a hospital. Care New England and Brown University Health are approved to provide this service. The continuation and expansion of the current pilot program is included in the Rural Health Transformation Program. *The Governor requested an amendment, as part of the initiatives included in the Rural Health Transformation Program, to allow the Executive Office to seek federal approval for the program, as part of the resolution language in Article 8.* **The Assembly concurred and included Section 9 of Article 8.**

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$13.9 million for disproportionate share payments to the state's hospitals for uncompensated care costs. This includes \$5.6 million from general revenues and matching federal funds. This total is consistent with the enacted budget and revised request, including a \$12.9 million payment for Eleanor Slater Hospital and \$1.0 million for community hospitals.

The Governor's recommendation adds \$10.0 million, including \$4.2 million from general revenues, to pay for the expected increase in uncompensated care costs incurred by hospitals serving individuals who lose health coverage because of recent federal changes. The Assembly provided another \$15.0 million, including \$6.3 million from general revenues, to bring total funding to \$38.9 million, \$25.0 million more than enacted.

Upper Payment Limit Reimbursements. The November caseload estimate of \$27.5 million, including \$9.3 million from general revenues, is consistent with the FY 2026 revised caseload estimate, which was increased based on updated information. The budget request was submitted prior to the November Caseload estimate. Hospitals currently receive quarterly inpatient and outpatient supplemental reimbursements that provide adjustments to increase resources to community hospitals by paying a rate equal to what Medicaid would pay for the same services.

The constrained request eliminates the inpatient and outpatient upper payment limit reimbursements for savings of \$25.9 million, including \$10.9 million from general revenues. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly concurred.**

Hospital License Fee. The 2025 Assembly included a three-tier system for the hospital license fee, with separate rates applicable to revenues generated by inpatient and outpatient services at community hospitals. The tiers are based on the hospital type, including the volume and type of patients served. The rates are intended to average 5.81 percent for 2026 for the base year 2023, and the budget assumes total revenues of \$228.5 million. This includes \$4.0 million from the Eleanor Slater Hospital fee, which has a separate rate of 5.25 percent for all services using base year 2023.

Hospital License Fee	FY 2026 Enacted			FY 2027 Governor/Enacted		
	Community Hospitals	Eleanor Slater	Combined	Community Hospitals	Eleanor Slater	Combined
Base Year	2023	2023		2023	2023	
Tax Rate	5.81%	5.25%		5.81%	5.25%	
Total	\$ 228,514,027	\$ 4,035,606	\$ 232,549,633	\$ 228,514,027	\$ 4,035,606	\$ 232,549,633

**Average charge with separate tiers and rates for in/outpatient services*

The Governor included Section 1 of Article 8 to extend the three-tiered system for the community hospitals with FY 2027 payments totaling \$228.5 million based on 2023 revenue. This section also extends the hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues, totaling

*\$4.0 million. The budget assumes total revenues of \$232.5 million from both payments. **The Assembly concurred.***

H.R. 1 Provider Taxes. Recent federal legislation contained in H.R. 1 reduces the current 6.0 percent threshold on provider taxes by 0.5 percent annually, starting in FY 2028, until it reaches 3.5 percent in FY 2032. The provider taxes subject to this change apply to hospitals and managed care organizations, but not to nursing homes. The impact of the phase-down of the provider taxes is included in the Governor's out-year forecast and in the final Federal Compliance Advisory Group report issued by the Executive Office in October 2025. The loss of revenue in the final year is estimated at \$150.9 million, of which \$91.3 million is attributable to the hospital license fee. Although the managed care tax is only 2.0 percent, related fees are treated like taxes for the purposes of this limit and increase the effective tax to over 4.5 percent. Final federal guidance was issued on February 2, 2026.

Provider Tax Estimated Revenue Impact*					
FY	Threshold	Hospital License Fee	MCO Services Taxes	Total	
2028	5.50%	\$ (12.2)	N/A	\$	(12.2)
2029	5.00%	\$ (31.9)	N/A	\$	(31.9)
2030	4.50%	\$ (51.7)	\$ (8.6)	\$	(60.3)
2031	4.00%	\$ (71.5)	\$ (32.9)	\$	(104.4)
2032	3.50%	\$ (91.3)	\$ (59.6)	\$	(150.9)

**Page 33 of Federal Compliance Advisory Group Report; \$ in millions*

Long Term Care

The Caseload Estimating Conference estimate includes fee-for-service long-term care expenses of \$769.5 million, of which \$324.7 million is from general revenues. This includes \$478.0 million for nursing facilities and hospice care and \$291.5 million for home and community care. The estimate is \$1.6 million less than enacted, including \$5.2 million more from general revenues; it is \$22.9 million above the revised estimate for FY 2026.

The increase includes the scheduled October 1, 2027, rate increase of 3.2 percent and updated utilization trends. Long-term care fee-for-service costs, combined with the \$247.8 million in Rhody Health Options, are \$1,017.3 million, including \$426.6 million from general revenues.

The budget request was submitted before the November Caseload estimate; it contains earlier estimates of current service adjustments. The request includes \$10.2 million to increase rates, which is reversed in the constrained request. The constrained request also makes changes to eligibility and freezes nursing facility rates.

The Governor recommended \$7.6 million more than the conference estimate, including \$3.7 million less from general revenues, to reflect his proposed changes to the annual rate increase for nursing homes and biennial rate review for home and community-based programs. He requested an amendment to add \$0.8 million, including \$0.4 million from general revenues, to increase the behavioral health care daily rate and the necessary language for this change in the fee-for-service program.

The Assembly provided \$823.8 million, of which \$348.8 million is from general revenues, which is \$36.2 million more than the May caseload conference estimate and \$46.8 million more than recommended. It did not concur with the recommended changes to the annual rate increases, but concurred with the amendment to remove access to the behavioral health daily rate effective April 1, 2027. The Assembly also funded the full Governor's proposed rate increase rather than only half, and increased Tier C assisted living rates.

The Assembly also included Sections 2, 3, and 5 to double the allowable resource limit to be eligible for services. They would be increased to \$8,000 for an individual and \$12,000 for a couple, effective January 1, 2027. The Assembly added \$9.2 million, of which \$3.9 million is from general revenues to account for this change.

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2027 expenditures of \$478.0 million, of which \$201.2 million is from general revenues for the state's nursing facilities. The estimate is \$0.7 million more than enacted, including \$2.6 million less from general revenues and \$25.0 million more than the revised estimate for FY 2026. The estimate also includes the October 1, 2026, rate increase estimated at 3.2 percent, the annualization of rebased rates for FY 2026, and an increase in the number of individuals requiring services.

The Executive Office's constrained budget proposals regarding freezing rates at the FY 2026 level and eligibility changes estimate savings of \$77.2 million, including \$32.5 million from general revenues from nursing home expenses. As noted previously, these proposals are based on earlier estimates of costs. *The Governor recommended \$4.3 million less than the estimate, including \$1.5 million from general revenues, from the proposed 2.5 percent rate increase included in Section 2 of Article 8. He requested an amendment to add \$0.8 million, of which \$0.4 million is from general revenues and necessary legislation, to increase the behavioral health daily rates effective April 1, 2027.*

The Assembly provided \$483.7 million, including \$204.5 million from general revenues, which is \$0.7 million more than the May caseload estimate and \$10.0 million more than recommended. It did not concur with the limit on the October 1 rate increase of 2.3 percent, but did concur with the higher per diem rate and included Section 8 of Article 8 to effectuate the change.

Home and Community Care. The Caseload Estimating Conference estimate includes \$291.5 million for home and community care expenses, including \$123.0 million from general revenues for FY 2027. This is \$1.0 million less than enacted, including \$2.2 million less from general revenues and \$6.9 million more than the revised estimate. The estimate includes caseload and rate increases consistent with the Executive Office's testimony at the caseload conference and does not reflect any changes from the biennial rate review.

The request includes \$10.2 million to increase rates based on the biennial rate review, which is reversed in the constrained request. The constrained budget also includes savings of \$0.9 million, of which \$0.4 million is from general revenues, from eligibility changes. *The Governor recommended \$11.8 million more than the estimate, of which \$5.2 million is from general revenues to reflect the inclusion of one-half of the biennial rate increase.*

He also included \$1.0 million more than enacted as a placeholder for anticipated wage increases for personal care attendants in unions that have not yet ratified new contracts. This is not shown in the caseload tables as it is budgeted within Central Management. He requested an amendment to shift the general revenues to the medical assistance program.

The Assembly provided \$340.1 million, including \$144.3 million from general revenues, which is \$35.5 million more than the May caseload estimate and \$36.8 million more than recommended. It concurred with the amendment and added \$9.2 million, including \$3.9 million from general revenues, to increase the resource threshold for benefit eligibility. The Assembly also added \$0.2 million, including \$0.1 million from general revenues, to raise the assisted living Tier C rate by 13 percent effective January 1, 2027.

Managed Care

The November Caseload Estimating Conference estimate includes managed care expenses of \$1,165.3 million, of which \$481.6 million is from general revenues. The estimate includes RItE Care expenses at \$1,098.6 million, RItE Share expenses at \$4.5 million, and fee-for-service expenses at \$62.1 million. A discussion of each follows.

The estimate is \$47.8 million more than enacted, including \$17.3 million more from general revenues and \$58.5 million more than the FY 2026 revised estimate. The estimate assumes a decrease in enrollment resulting from recent federal changes that limit eligibility for certain non-citizens and impose work requirements for parents with older children. It also assumes an increase in the average cost of neonatal intensive care unit expenses and births, as well as a 5.0 percent price increase.

The budget request was submitted before the November Caseload estimate; it contains earlier estimates of current service adjustments and several new proposals. The constrained budget proposes savings of \$89.4 million, including \$31.1 million from general revenues, changes to eligibility, and benefit elimination.

The Governor recommended \$5.1 million less than the conference estimate, including \$1.6 million less from general revenues, from proposals that affect rates for hospitals, federally qualified health centers, and services included in the biennial rate review. The Governor's recommendation also includes \$0.8 million, of which \$0.3 million is from general revenues to cover premium assistance to qualifying parents who lose benefits because of the expiration of the enhanced subsidies.

The Assembly provided \$1,173.8 million, including \$477.9 million from general revenues, which is \$2.8 million more than the May caseload conference estimate and \$13.6 million more than recommended for the biennial rate increase fully in FY 2027, to restore the proposed rate limits for hospitals, and account for the sunset of the primary care assessment.

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$1,098.6 million, including \$450.9 million from general revenues, revisions to the caseload enrollment, and demographics influencing program costs. This is \$46.3 million more than enacted, including \$19.0 million from general revenues and is \$57.4 million more than the revised estimate. The estimate assumes a decrease in enrollment resulting from recent federal changes that limit eligibility for certain non-citizens and impose work requirements for parents with older children. It also assumes an increase in the average cost of neonatal intensive care unit expenses and births, as well as a 5.0 percent price increase.

*The Governor recommended \$5.1 million less than the conference estimate, including \$1.6 million less from general revenues, reflecting proposals for rate changes, limits for GLP-1 coverage, and premium assistance enrollment. **The Assembly provided \$1,116.1 million, including \$453.5 million from general revenues, which is \$2.8 million more than the May caseload conference estimate to fund the Governor's proposed biennial rate increase fully in FY 2027, restore the proposed rate limits for hospitals, and account for the sunset of the primary care assessment.***

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$4.5 million, including \$1.9 million from general revenues, and is \$0.2 million more than the revised estimate. The program allows families eligible for medical assistance to remain on their employer-based health insurance plan. The state pays the health care premiums and co-payments of RItE Share eligible participants if the coverage is similar to the cost and services offered through RItE Care, and enrollment is projected to be about 2,480 individuals. *The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$3.3 million, consistent with the recommendation.***

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$62.1 million, of which \$26.2 million is from general revenues. Expenses for additional services provided to those in the contracted managed care system are \$0.2 million more than enacted and \$0.2 million less than the FY 2026 revised estimate. This includes neonatal intensive care unit expenses, lower rebates, delays in enrolling members in managed care plans, and children's behavioral health services expenses. The Executive Office's request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$54.4 million, consistent with the May caseload estimate.*

Rhody Health Partners

The Caseload Estimating Conference estimate includes expenditures of \$348.9 million in FY 2027, of which \$143.0 million is from general revenues, for the Rhody Health Partners managed care program for adults with disabilities. The estimate is \$12.2 million more than the revised estimate, including \$2.8 million more from general revenues. This estimate assumes increasing enrollment, monthly costs, additional rebates, and no Risk Share payment.

The Executive Office's request includes \$2.0 million, of which \$0.9 million is from general revenues, for the rate increase. This is excluded from the constrained request, which includes total savings of \$8.2 million, of which \$3.5 million is from general revenues, from proposals that also make changes to eligibility and program benefits.

The Governor recommended \$1.7 million more than the conference estimate, including \$0.9 million more from general revenues, reflecting proposals that limit rate increases to hospitals, nursing facilities, and federally qualified health centers. The recommendation also includes \$2.1 million for the proposed biennial rate increase. The Assembly provided \$340.2 million, of which \$139.3 million is from general revenues, and is \$3.7 million more than the May estimate. This reflects full funding for the biennial rate increase proposal, maintaining current law on nursing home and hospital rates, and accounting for the sunset of the primary care assessment.

Medicaid Expansion

The November caseload estimate includes \$701.6 million to provide Medicaid coverage to adults from ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. This includes updated enrollment of approximately 89,000 enrollees and is \$39.9 million less than the revised estimate. The estimate also includes \$81.6 million from general revenues for the state match, \$3.9 million less than the revised request.

The estimate assumes that monthly managed care enrollment and fee-for-service spending decrease with the implementation of H.R. 1 provisions that limit eligibility for certain non-citizens and impose work requirements. The estimate includes a 5.0 percent price trend for the anticipated 73,000 beneficiaries.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and the impact of the biennial rate review. The Executive Office's constrained request includes total savings of \$8.2 million, of which \$3.5 million is from general revenues, from proposals that make changes to eligibility and program benefits, and exclude the biennial rate review increase.

The Governor recommended \$4.2 million less than the conference estimate, including \$0.4 million less from general revenues, from proposals that limit rate increases to hospitals, nursing facilities, and federally qualified health centers, and coverage for GLP-1 treatment. The recommendation also adds \$2.1 million for the proposed biennial rate increase. The Assembly provided \$734.6 million, including \$79.2 million

from general revenues, which is \$1.2 million less than the May caseload conference estimate. This includes fully funding the biennial rate increase proposal, maintaining current law rates for hospitals and nursing homes, and accounting for the sunset of the primary care assessment.

Rhody Health Options

The state has a managed care contract with Neighborhood Health Plan of Rhode Island to manage acute care and long-term care services for individuals eligible for both Medicare and Medicaid. The November Caseload Conference estimate includes \$247.8 million, of which \$101.9 million is from general revenues, for the Rhody Health Options program.

The estimate is \$27.4 million more than enacted and \$5.1 million more than the FY 2026 revised estimate. It assumes a 5.0 percent increase in the monthly cost per person and a 3.5 percent decline in enrollment.

The budget request was submitted prior to the November Caseload estimate; it contains earlier estimates of current service adjustments and the rate increase. The request includes \$4.9 million for the rate increase, which is excluded from the constrained budget. The constrained budget also includes savings of \$4.7 million, of which \$2.7 million is from general revenues, from the proposal that makes changes to eligibility.

The Governor recommended \$7.8 million more than the conference estimate, including \$2.1 million less from general revenues, from proposals that limit rate increases to hospitals and nursing facilities. The recommendation also adds \$8.4 million for the proposed biennial rate increase.

The Assembly provided \$287.9 million, of which \$118.9 million is from general revenues, which is \$17.6 million more than the May caseload estimate and \$32.3 million more than recommended. This fully funds the biennial rate proposal, maintains current law rates for hospitals and nursing homes, and accounts for the sunset of the primary care assessment.

Pharmacy

The November Caseload Estimating Conference estimate includes pharmacy expenses of \$99.4 million; this includes direct pharmacy costs and the state's estimated Medicare Part D clawback payment. It is \$4.8 million less than enacted, including \$1.1 million more from general revenues. The budget request was submitted prior to the November Caseload estimate, and it contains earlier estimates of current service adjustments.

*The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$97.1 million, consistent with the May caseload estimate.***

Fee-for-Service. The Caseload Estimating Conference estimate includes \$1.3 million for FY 2027 pharmacy expenses, which reflects fee-for-service pharmacy costs offset by federal rebates; this is \$6.5 million less than enacted based on updated projections.

The budget request was submitted prior to the November Caseload estimate. It contains earlier estimates of current service adjustments and a proposal to change eligibility related to pharmacy expenses, and assumes savings of \$0.1 million, including \$45,739 from general revenues. *The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$1.2 million consistent with the May caseload estimate.***

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$98.1 million, which is \$1.7 million more than enacted and \$3.5 million more than the revised estimate. This reflects a 3.3 percent increase in monthly costs and a 0.4 percent increase in enrollment compared to the revised request and would cover about 38,700 individuals.

The benefit provides coverage with deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid and Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs, matched by the federal participation rate. The state no longer directly pays for the drug costs; however, it does pay a portion of the savings to the federal government or a clawback, calculated based on a nationwide formula. Dual eligibles do not pay any annual deductible but a \$1 co-payment for generic drugs or a \$3 co-payment for brand names. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$95.9 million consistent with the May caseload estimate.**

Other Medical Services

The Caseload Estimating Conference estimate includes expenditures for other medical services at \$223.3 million, which includes \$73.1 million from general revenues, \$142.9 million from federal funds, and \$7.4 million from restricted receipts. The estimate is \$10.5 million less than enacted and \$6.0 million more than the revised estimate, including \$9.1 million and \$4.3 million more from general revenues, respectively.

Payments include the federal Medicare premiums made on behalf of qualified Medicare recipients so that they can retain the federal benefit and not be solely reliant on Medicaid for medical coverage. The total is \$117.3 million, or \$8.0 million more than the revised estimate and \$5.1 million less than enacted; this payment is 47.0 percent of all other expenses in the medical services category.

The estimate also includes \$69.4 million, or \$31.5 million more than enacted, for the Certified Community Behavioral Health Clinic initiative. Other payments for rehabilitation services are \$64.7 million, including physical and occupational therapy, dialysis, physician and optometry services, behavioral health care services, durable medical equipment, and transportation services. The payments increase by \$5.4 million above the revised estimate to reflect projected spending.

The \$7.4 million from restricted receipts provides direct general revenue savings for the children's health account, consistent with the enacted budget. Every insurance provider that delivers certain services to children with special health care needs receives an assessment equivalent to the amount paid by the Executive Office of Health and Human Services for those services, not to exceed \$12,500 per service per child per year. Expenses that would otherwise require general revenues are paid from this account. The payments from insurance providers are assessments deposited in children's health restricted receipt accounts. The assessment covers program expenses in three categories: comprehensive, evaluation, diagnosis, assessment, referral, and re-evaluation services; home health services; and child and adolescent intensive treatment services. Each category has a number of specific services within it.

The budget request was submitted prior to the November caseload estimate; it contains earlier estimates of current service adjustments and the biennial rate increase, primarily on behavioral health care services. The constrained request includes savings of \$8.2 million, of which \$3.5 million is from general revenues, from proposals that make changes to eligibility and program benefits, freeze rates, and exclude the biennial rate increase.

The Governor recommended \$1.2 million more than the estimate, of which \$0.7 million is from general revenues, from proposals that limit rate increases for federally qualified health centers and the proposed biennial rate increase. The recommendation eliminates the annual rate increase for substance use disorder

residential rates that are also included in the biennial rate review. The Assembly provided \$227.0 million, of which \$76.5 million is from general revenues. This is \$3.5 million more than the May caseload estimate to fully fund the Governor's biennial rate increase proposal.

Administration Technology Projects

Unified Health Infrastructure Project/RIBridges. Unified Health Infrastructure Project costs are included in the budgets of the Executive Office of Health and Human Services, Department of Human Services, and HealthSourceRI through the Department of Administration's budget. The expenses to operate the eligibility system, now known as RIBridges, include the design and development, maintenance and operation, financial consultants, postage and notification, and staff from the Division of Enterprise Technology Strategy and Services to assist with the system functions, and are identified separately in the agency budget submissions. This allows for comparing expenses to the enacted budget and prior years.

For FY 2027, those expenses are \$108.3 million, or \$10.5 million more than enacted from all sources, as shown in the following table.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2025	\$ 205,240,103	\$ 628,342,219	\$ 49,262,861	\$ 41,060,887	\$ 928,190,542
FY 2026 Final					
EOHHS	\$ 15,082,328	\$ 55,483,396	\$ 7,587,139	\$ -	\$ 78,152,863
DHS	3,050,887	9,777,346	-	-	12,828,233
HealthSource RI/Contact Center	-	-	-	6,193,480	6,193,480
Total	\$ 18,133,215	\$ 65,260,742	\$ 7,587,139	\$ 6,193,480	\$ 97,174,576
FY 2027 Request					
EOHHS	\$ 29,906,293	\$ 59,634,779	\$ 150,000	\$ -	\$ 89,691,072
DHS	3,180,285	9,260,979	-	-	12,441,264
HealthSource RI/Contact Center	-	-	-	6,166,265	6,166,265
Total	\$ 33,086,578	\$ 68,895,758	\$ 150,000	\$ 6,166,265	\$ 108,298,601
FY 2027 Governor					
EOHHS	\$ 38,651,742	\$ 72,628,976	\$ 150,000	\$ -	\$ 111,430,718
DHS	3,339,273	9,843,543	-	-	13,182,816
HealthSource RI/Contact Center	-	-	-	6,155,247	6,155,247
Total	\$ 41,991,015	\$ 82,472,519	\$ 150,000	\$ 6,155,247	\$ 130,768,781
FY 2027 Enacted					
EOHHS	\$ 38,651,742	\$ 73,628,976	\$ 150,000	\$ -	\$ 112,430,718
DHS	3,339,273	9,843,543	-	-	13,182,816
HealthSource RI/Contact Center	-	-	-	6,155,247	6,155,247
Total	\$ 41,991,015	\$ 83,472,519	\$ 150,000	\$ 6,155,247	\$ 131,768,781
FY 2016 through FY 2027 Enacted	\$ 265,364,333	\$ 777,075,480	\$ 57,000,000	\$ 53,409,614	\$ 1,157,133,899

Other expenses supporting the eligibility system are budgeted in multiple agencies and considered part of the project. This includes dedicated eligibility technician staff time and other approved staff at the Department of Human Services to enter the necessary information into the system and review client information for eligibility determination.

The Executive Office's request includes \$80.3 million from all sources, including \$27.5 million from general revenues; detailed information on these expenses is provided in the following sections. This is

\$10.0 million more than enacted, including \$7.4 million more from general revenues. This excludes expenses for The Work Number, discussed separately.

*The Governor recommended \$31.7 million more than enacted and \$21.7 million more than requested. General revenue changes include \$16.2 million more than enacted and \$8.7 million more than requested. Of the total change, \$32.7 million, including \$12.9 million from general revenues, is for changes to comply with H.R. 1. The Governor requested an amendment to shift \$1.0 million from general revenues for H.R. 1 community engagement activities, noted separately, to the RI Bridges program. **The Assembly concurred with the amended recommended total but shifted \$1.0 million from federal funds available from FY 2026 to RIBridges and excluded the general revenues.***

H.R. 1. The request includes \$10.0 million, of which \$4.0 million is from general revenues, for anticipated system changes and operating expenses to comply with the federal requirements in H. R. 1. The Executive Office has identified 21 system modifications needed for compliance that are scheduled to be phased in over several years. This includes changes for HealthSource RI, the Medicaid program, including work requirements, and the Supplemental Nutrition Assistance Program.

As part of the FY 2026 enacted budget, the 2025 Assembly directed the Secretary of the Executive Office of Health and Human Services to convene an advisory working group to assist in the review and analysis of potential impacts of any adopted federal actions related to Medicaid programs. The working group shall develop options for administrative action or General Assembly consideration to address any federal funding changes that impact Rhode Island's Medicaid programs and report its findings no later than October 31, 2025. The federal legislation, contained in H.R. 1, was signed into law in July 2025 and includes numerous changes to the Medicaid program that will affect participants and states and take effect over several fiscal years.

H.R. 1 Community Engagement. The Executive Office received a \$2.0 million federal grant in FY 2026 to help individuals meet the work, education, or volunteering requirements under the community engagement section of H.R. 1. This involves coordination with the Departments of Human Services and Labor and Training. There is also a media campaign, focus groups, and translation services. It was not included in its request in either fiscal year.

*The Governor included the federal funds in his revised recommendation and added \$1.0 million from general revenues for FY 2027. Funding will support a project manager and other expenses yet to be determined. Later, he requested an amendment to instead shift the \$1.0 million from general revenues into the RIBridges program to explore federal match opportunities. **The Assembly shifted \$1.0 million from federal funds from FY 2026 to FY 2027 based on the Executive Office's third quarter report and reduced general revenues accordingly.***

The following table shows examples of those changes included in the October 30, 2025, final report from the state's Federal Compliance Advisory Group. The full report is available on the Executive Office of Health and Human Services website at <https://eohhs.ri.gov/initiatives/medicaid-initiatives/federal-compliance-advisory-group>.

H.R.1		FY 2026	FY 2027	FY 2028	Total
Community Engagement Work Requirements	New requirements for those ages 19-64 (expansion population) to work or participate in qualifying activities at least 80 hours/month	\$ 3,176,000	\$ 2,388,000	\$ -	\$ 5,564,000
	Exempts parents of dependent children or the medically frail				
Qualified Alien	Defines which individuals are eligible for Medicaid benefits	\$ 310,000	\$ 357,500	\$ -	\$ 667,500
Eligibility Determinations	Redeterminations every 6 months for expansion population only	\$ -	\$ 715,000	\$ -	\$ 715,000
Retroactive Coverage	Coverage for two months preceding enrollment except for the expansion population, which will be one month	\$ 496,000	\$ 1,144,000	\$ -	\$ 1,640,000
Cost Sharing	New cost-sharing requirements up to \$35 for expansion population/certain services exempt; cost sharing for prescriptions limited to nominal amounts	\$ -	\$ 100,000	\$ 2,552,000	\$ 2,652,000

The constrained request excludes these expenses. *The Governor included \$22.7 million more than requested, including \$9.0 million from general revenues for system changes and a new position to manage federal compliance among the Executive Office, Department of Human Services, and HealthSource RI.* **The Assembly concurred.**

Specialized Information Technology Positions. The 2025 Assembly created a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year in the Department of Administration's budget. It authorized the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor until December 31, 2026. It also required the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees.

The Executive Office's revised request includes \$0.6 million, of which \$0.2 million is from general revenues, to pay for 10.0 of the 15.0 positions; all but \$0.2 million is offset by a reduction in contracted services. This appears to be inadvertent, as the intent was for there to be no net change from the conversion. Also, these positions are assigned to the internal service fund in the Department of Administration; it is unclear why they are not billed that way. *The Governor recommended \$55,359 more than requested, including \$19,993 from general revenues, to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Staffing Expenses. The request includes \$5.5 million for other staffing costs, which is \$1.8 million more than enacted, including \$1.1 million more from general revenues. Staffing expenses support about 30 full-time equivalent positions, which is six more than included in the enacted budget. The request includes 7.0 positions at the Department of Human Services, 14.0 positions at the Executive Office, and 9.0 positions at the Department of Administration. *The Governor recommended \$0.1 million less than requested, which includes additional turnover savings offset by statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Deloitte Consulting. The request includes \$36.9 million, of which \$13.5 million is from general revenues, and is \$1.1 million more than enacted, including \$2.2 million more from general revenues, for Deloitte Consulting to operate the eligibility system. The primary change is \$1.9 million, of which \$0.7 million is from general revenues, representing a 16.5 percent increase in contracted hourly rates under the current contract. This is offset by \$0.8 million less for other expenses that have not been identified.

The constrained request excludes the contract increase. *The Governor recommended funding as requested.* **The Assembly concurred.**

HealthSource RI. The request includes \$16.3 million from all sources, including \$4.6 million from general revenues, for HealthSource RI. This includes \$13.5 million for the call center and \$2.8 million for Faulkner Consulting for operational support and analytics. The general revenue match on these items is \$3.8 million and \$0.7 million, respectively. This is \$0.1 million more than enacted, including \$0.3 million more from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Contracted Services. The request includes \$5.5 million, of which \$1.8 million is from general revenues, for other contracted services. This is \$2.2 million less from all sources and \$0.2 million less from general revenues. The request reflects projected spending and shifts expenses to program support and administration, which is reimbursed at a lower federal match rate. This includes \$1.3 million for Faulkner Consulting for strategic planning and \$0.6 million for administrative support from Knowledge Services. The Executive Office has not been able to explain the reduction.

The request also includes \$3.7 million, of which \$1.4 million is from general revenues, for strategic planning activities yet to be determined. This is \$2.5 million more than enacted, including \$1.2 million from general revenues. The request also excludes \$2.5 million from federal funds in the enacted budget for unidentified expenses.

The constrained request excludes the strategic planning funding. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The request includes \$2.0 million from all sources for all other operations. This is \$0.6 million less than enacted, including \$0.1 million more from general revenues, \$0.2 million less from federal funds, and \$0.5 million less from restricted receipts. The request includes \$1.9 million, or \$0.6 million more than enacted, for centralized information technology expenses provided by the Department of Administration, including \$0.6 million from general revenues. All other changes include \$0.7 million less than enacted, unexplained. The request excludes \$0.5 million from the Deloitte Settlement funds; the final \$150,000 has been requested for contracted services.

The constrained request excludes the increase for information technology services. *The Governor recommended \$1.0 million less than requested, including \$0.2 million from general revenues, for centralized information technology services, reflecting statewide adjustments based on updated data.* **The Assembly concurred.**

The Work Number. The Executive Office's request includes \$9.4 million, of which \$2.4 million is from general revenues, for payments to Equifax for its income verification product, known as The Work Number. This is \$0.5 million more than enacted, including \$0.1 million more from general revenues, in anticipation of an increase in the contract value for FY 2027.

This allows the state access to another data source to determine eligibility for medical assistance benefits and programs through the Department of Human Services. The FY 2026 enacted budget assumes that the income verification tool would be incorporated into the Unified Health Infrastructure Project's September 2025 update, with termination notices sent at the end of October, and savings realized in November.

The FY 2026 enacted budget includes a monthly fee of \$687,583 for up to 740,000 matched transactions. There is a \$13.38 fee for each transaction after that. There is also a \$2,500 monthly service fee, as well as additional security monitoring and setup fees. The enacted budget also assumes savings of \$21.5 million, including \$7.2 million from general revenues, in the medical assistance program, which has been increased to \$38.2 million, of which \$4.6 million is from general revenues, at the November 2025 Caseload

Estimating Conference for FY 2027 to reflect a caseload reduction from verifying income information. *The Governor recommended funding as requested. The Assembly concurred.*

H.R. 1 Medicaid Program Operations. The final report from the state’s Federal Compliance Advisory Group includes projected expenses for the Medicaid program of \$1.2 million, for additional staff, and \$1.1 million for contracted services from federal and state funds. The report notes that the federal provisions directly affect Medicaid finances and payment structures, requiring specialized expertise in financial analysis, strategic planning, monitoring, and evaluation. The Executive Office’s request does not include any new positions or expenses related to this work.

The Governor included \$1.0 million, of which \$0.5 million is from general revenues, for 7.0 new positions to support Medicaid program compliance. Those positions are listed in the following table. He also recommended \$1.3 million, of which \$0.7 million is from general revenues, for contracted project management, financial, and actuarial services through existing contracts with Milliman and Freedman Healthcare. The Assembly concurred.

Position	Medicaid Team	Purpose	FY 2027
Project Manager	Systems Operations	Support MMIS/Eligibility System	1.0
Policy & System Specialist	Customer Resolution	Resolve system issues between RIBridges & MMIS	1.0
Payment and Tax Specialist	Administration - Finance & Budget	In-house expert on H.R.1 payment and tax related changes	1.0
Business Officer		Support federal reporting team	1.0
Data Analyst	Special Projects & Stakeholder Relationship	Support compliance for community engagement requirements	1.0
Project Manager		Manage overall coordination of federal requirements	1.0
Project Manager	Program Integrity and Compliance	Manage all compliance work, especially community engagement requirements	1.0
Total			7.0

Planned Parenthood. There are no direct appropriations to Planned Parenthood in the FY 2026 enacted budget or previous budgets. However, this organization has been contracted for specific services through certain federal grants administered by the Department of Health. The state’s Medicaid program also pays hundreds of providers for covered medical services on behalf of enrollees, primarily through managed care plans such as Neighborhood Health and UnitedHealthcare, as well as through direct fee-for-service payments. *The Governor recommended a \$600,000 one-time grant to support Planned Parenthood of Southern New England in providing healthcare services. The Assembly did not include the grant. It did appropriate \$1.0 million from general revenues in FY 2026 to make funding available to healthcare providers ineligible for Medicaid reimbursement pursuant to restrictions imposed by H.R. 1. Any unspent funds are automatically reappropriated to FY 2027.*

Medicaid Enterprise System (5.0 FTE). The Executive Office requested \$73.8 million, including \$7.4 million from general revenues, for the Medicaid Enterprise System, replacing the Medicaid Management Information System. This is \$59.5 million more than enacted, including \$5.5 million from general revenues, for the multi-year project plan. Most expenses are assumed to only require a 10.0 percent state match. The technology request of \$72.4 million, including \$7.2 million from general revenues, is consistent with the capital budget submission. The separate modules include \$45.2 million for the systems integrator, \$11.9 million for the planning vendor, \$5.0 million each for provider and test management, \$3.0 million for third-party liability, and \$2.0 million for data storage.

The request also assumes \$1.4 million for 6.7 full-time equivalent positions. This includes five new positions: a project and contract manager, three data analysts, and a quality assurance manager. It notes that additional project and contract managers would be needed in FY 2028.

One project excluded from the estimated cost of the new system is the eLTSS Modernization initiative, operated by WellSky. It is currently being incorporated into the Medicaid Management Information System and will be completed in FY 2026. As such, it will need to be incorporated into the Medicaid Enterprise System, but the Executive Office has not identified which module will be used or the cost for that change.

FY 2027			
Module/Operation	Enacted	Request/ Governor	Assembly
Systems Integrator	\$ -	\$ 45.5	\$ 45.5
Planning Vendor	14.2	11.9	11.9
Third Party Liability	-	3.0	3.0
Provider Management	-	5.0	5.0
Test Management	-	5.0	5.0
Data Storage	-	2.0	2.0
Total	\$ 14.2	\$ 72.4	\$ 72.4
<i>General Revenues</i>	<i>\$ 1.9</i>	<i>\$ 7.2</i>	<i>\$ 8.2</i>

\$ in millions

The constrained request excludes the new positions and \$10.1 million, of which \$1.6 million is from general revenues. *The Governor recommended adding \$792 in statewide adjustments to health and other benefit rates. He included the funds for the new positions within the enacted staffing authorization. The Assembly concurred.*

Medicaid Management Information System Expenses. The FY 2026 budget includes \$25.6 million, of which \$6.1 million is from general revenues, for Medicaid Management Information System expenses. At the time the budget was adopted, the Executive Office issued a Request for Proposals to extend the current contract, and costs were unknown and not included in the enacted budget. In mid-September 2025, the state extended its contract with Gainwell Technologies, starting October 1, 2025, through September 30, 2026, with options through September 30, 2028. The annual contract award is \$35.6 million, or about \$3.0 million per month. This covers expenses to process claims data; manage the data warehouse; perform prior authorization, utilization, and claims reviews; conduct training and outreach activities; and perform other core system functions.

The previous, \$104.7 million, four-year base contract expired on March 30, 2025; FY 2025 expenses totaled \$25.6 million. The revised and FY 2027 requests are a 39.5 percent increase over prior-year expenses, partially because some of the existing functions will run concurrently with the new Medicaid Enterprise System until it is functional. The constrained request reduces expenses by \$10.1 million, including \$1.6 million from general revenues. *The Governor recommended funding as requested. The Assembly concurred.*

Data Ecosystem/Office of Data Evaluation. The Executive Office requested \$8.2 million, including \$0.8 million from general revenues, to support the Data Ecosystem, including the state's All Payer Claims Database, known as HealthFacts RI, as part of the Office of Data Evaluation. The request is \$2.1 million less than enacted, including \$0.4 million more from general revenues, for anticipated program expenses.

The request includes \$2.8 million less for contracted services, totaling \$5.0 million related to the Freedman Healthcare contracts for data enhancements, analytic functions, and reporting activities, and OnPoint Health. The Department of Health's budget also supports these contracts, and its request includes only

\$50,000 from restricted receipts. The Office of Health Insurance Commissioners' FY 2027 budget also requests a new \$50,000 allocation from general revenues for information through the data ecosystem based on a new requirement from the Executive Office.

As part of the statewide Integrated Data Systems initiative supporting the recommendation of the 2023 Rhode Island Data Governance Program Plan, the FY 2026 enacted budget added two positions totaling \$0.4 million, of which \$0.1 million is from general revenues, in the Executive Office's budget. This was offset by savings from reducing contracted services, which the Executive Office restores in both its FY 2026 revised and FY 2027 requests.

The constrained request adds \$1.1 million, including \$0.3 million less from general revenues, and assumes the use of restricted receipts available through the Department of Health. *The Governor recommended \$2,643 more than requested, primarily from federal funds, for statewide adjustments to health and other benefit rates. He also recommended \$50,000 in the Office of the Health Insurance Commissioner's budget, consistent with the request, to pay for data it requests through the Data Ecosystem. The Assembly reduced general revenues by \$50,000, recognizing the payment, and concurred with the remainder of the recommendation.*

Health Information Exchange. The Executive Office's request includes \$3.8 million, of which \$0.5 million is from general revenues, to support the state's Health Information Exchange. The request is \$1.2 million less than enacted, including \$0.1 million more from general revenues. It is also \$1.0 million less than the revised request.

The request includes \$2.3 million, or \$1.0 million more than enacted, for the contract with CRISP Services that expands the project scope to include the data aggregator validation program. The increase is offset by a change for the Quality Reporting System contract, which will be pared down as data activities are now part of the CRISP Services contract.

The request also includes \$1.3 million for the state's share for medical assistance recipients in CurrentCare, the state's electronic health information exchange; this is \$2.3 million less than enacted and does not appear to be based on program need but available general revenues matched by allowable federal funds. The electronic network gives medical professionals access to their patients' health information.

The request also includes \$0.1 million, consistent with the enacted budget, for contracted program support through Knowledge Services. *The Governor recommended funding as requested. The Assembly concurred.*

RI Quality Reporting System. The Executive Office requested \$2.7 million, including \$0.3 million from general revenues, for the contract with IMAT Solutions for the Quality Reporting System. This is \$1.3 million less than enacted, including \$0.1 million less from general revenues, for updated expenses. This was initially funded with time-limited Health System Transformation funds. The contract has been modified and will no longer include activities shifted to the CRISP contract through the Health Information Exchange.

The system supports Medicaid providers in providing electronic clinical quality reporting through a centralized Quality Reporting System. Clinical data is collected and aggregated across the Accountable Entities in the system and matched with enrollment from the managed care organizations. The information is sent to each organization and is used to calculate performance-based payments to the providers.

The Executive Office submitted a capital request totaling \$4.9 million annually for its Quality Reporting System from FY 2027 through FY 2031. The operating budget is not consistent with the capital request. *The Governor recommended funding as requested. The Assembly concurred.*

Policy and Planning

Health System Planning and Oversight. The enacted budget includes \$0.9 million, of which \$0.8 million is from general revenues and \$0.2 million is from federal Medicaid funds, for health system planning and oversight. This includes \$0.6 million for contracted project management, planning, and administrative services, and \$0.3 million for staffing expenses. The Executive Office requested \$0.8 million more than enacted from federal funds, for a total of \$1.7 million, to expand work done on health system planning and oversight in a manner assumed to qualify for a higher federal match. This is consistent with the revised request, which funds a new, larger contract, assuming a 90.0 percent match. It is unclear what all the additional work is and why the more favorable match was not used to reduce general revenue expenses. The enacted budget assumed the standard 50.0 percent match on a portion of contracted work.

The revised request also includes \$0.4 million, or \$0.1 million more than enacted, for 2.1 full-time equivalent positions. The revised and FY 2027 requests include \$35,000 from general revenues for the University of Rhode Island to plan, facilitate, and provide follow-up for the public meetings. *The Governor recommended \$895 more than requested for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

AHEAD Model. The Executive Office requested \$1.4 million from federal funds, or \$0.6 million less than enacted, for the AHEAD Model grant. The request includes \$0.1 million for a 0.5 full-time equivalent position and \$1.3 million for contracted technology and planning services. The \$2.0 million included in the enacted budget has been spread over FY 2026 and FY 2027.

The Executive Office was approved for the ten-year Achieving Healthcare Efficiency through Accountable Design, or AHEAD, Model grant, which consists of a two-year pre-implementation period from January 2025 through December 2026, with eight years of investments starting January 2027.

The AHEAD model is scheduled through 2034, with each participant having a cooperative agreement with the Centers for Medicare and Medicaid Services. This agreement allows the state to receive up to \$12 million to support model implementation activities over the first five to six years of the model.

The Governor recommended \$141 more than requested for statewide adjustments to health and other benefit rates. He also included Section 4 to authorize the Executive Office, in coordination with the Office of the Health Insurance Commissioner, to implement the federal model. The legislation also requires a report to the Governor and General Assembly by October 31, 2026, and annually thereafter, while the state is participating in the grant program. The report is to include a description of activities and funding for the grant year, the legislative authority required to make any changes to the Medicaid program, stakeholder interests and program participation, and the overall long-term benefits of implementing the alternative payment modes required by the federal model. **The Assembly concurred and included Section 6 of Article 8 to implement the federal model.**

Rural Health Transformation Program. On July 4, 2025, H.R.1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office applied for the grant in early November 2025, with awards expected to be announced by the end of December. The revised request does not include any funding in anticipation of approval of its \$200.0 million request over five years.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care. The Executive Office also engaged two contractors to assist with the application: Bailit Health and JSI Research and Training Institute. The

payment to Bailit Health totals \$290,000 from general revenues and is not included in the revised request. The Department of Health paid the research and training institute \$50,000 from available restricted receipts.

The Governor did not include funding in his budget, though he was expected to request an amendment reflecting the revised spending plan for this new grant. The Executive Office submitted its revised plan on January 30 for federal approval of the use of \$156.2 million in year 1 of the grant. He requested an amendment to add \$142.7 million from federal funds for FY 2026, the first year of the award, and FY 2027, with funds budgeted among three health and human service agencies, and the Departments of Business Regulation, Elementary and Secondary Education, and Labor and Training. The remaining \$13.4 million is assumed for FY 2028 and must be spent by September 30, 2027.

The program will support workforce development, technology innovation, improved health for rural residents, innovative access, and sustainable access to care. For the Executive Office of Health and Human Services, the amendment includes \$5.6 million for FY 2026 and \$68.8 million for FY 2027. It also adds five positions in both years.

He also requested legislation to expand the authority of pharmacists and dental hygienists, amend continuing education requirements, the certificate of need process, and several licensure compacts. The policy changes were commitments made in the grant application to expand access to services.

The Assembly concurred with the amended recommendation. It also included Article 1, Section 20 of 2026-H 7127, Substitute A, as amended, requiring the Executive Office to report on these new programs on a quarterly basis. Starting January 1, 2027, the report is to be provided to the Speaker of the House, the President of the Senate, and the chairpersons of the House and Senate Finance Committees on a quarterly basis, identifying progress toward program goals and any risks of significant underspending or noncompliance with federal requirements.

The Assembly also included Sections 1 through 7 and 10 through 12 of Article 12 for the requested changes as part of the Rural Health Transformation Program grant and added Section 14 for the Executive Office to produce a report addressing issues related to the expansion of pharmacists' scope of practice. It shall include analyses and recommendations on issues such as oversight, payment parity, network adequacy requirements, and Medicaid impacts. The report, due before January 1, 2027, will be prepared in consultation with the Department of Health and the Office of the Health Insurance Commissioner.

Family Medicine Residence Program. The enacted budget includes \$500,000 from general revenues to support the Family Medicine Residence Program through Thundermist Health Center, contingent upon the federally qualified health center receiving federal support for the program. The Executive Office's request includes the funds; however, the federally qualified health center did not receive the federal award; therefore, the state matching funds are no longer needed.

*The Governor excluded the funds. The revised Rural Health Transformation Program plan includes \$2.8 million to be provided to the Rhode Island Health Center Association to administer a rural-focused Family Medicine residency program. It was later identified that the use of grant funds for salary support for the transformation program would require a five-year commitment from the residents. **The Assembly concurred and included language in Section 8 of Article 8 for the state to seek approval to leverage a Medicaid match for primary care physician-focused residency programs that do not include the five-year commitment, which may not be feasible.***

Olmstead Coordinator (1.0 FTE). The Executive Office requested new funding of \$197,470 from general revenues and the transfer of a chief of special projects position from the Department of Health for the Olmstead Plan Coordinator. The Assembly included language requiring that \$150,000 from general

revenues included in the Executive Office's enacted budget be used to fund that position. Funding was previously supported by time-limited funds. *The Governor's recommendation adds \$508 for statewide adjustments to health and other benefit rates and transfers the position.* **The Assembly concurred.**

Pathways to Removing Obstacles. The Executive Office requested \$1.0 million, or \$0.4 million more than enacted, for its \$2.7 million portion of a \$3.8 million federal grant shared with the Executive Office of Housing to identify and remove barriers to affordable housing production and preservation. The FY 2026 request includes \$0.9 million, totaling \$1.8 million over a two-year period. The remaining funding of \$0.9 million is available for FY 2028.

The FY 2027 request includes \$0.3 million for portions of seven staff, primarily from the Department of Health, equating to approximately two full-time equivalent positions, and \$0.5 million for grants and other operations. The planned grant awards include payments for Health Equity Zone programs: \$75,000 each for the East Bay Community Action Program and the Town of Warren, and \$150,000 for Washington County. Other activities include mentorship programs, strategic planning, and other community services. *The Governor recommended \$614 more than requested for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects - Equity Zones. Consistent with current law and the enacted budget, the Office of Energy Resources' request includes the annual amount of up to \$1.5 million from Regional Greenhouse Gas Initiative funds for Executive Climate Change Coordinating Council projects. The Council generally proposes its allocation plan in the fall. Once projects are approved, funds will be allocated and included in various state agency budgets. After its budget was submitted, the Executive Office received \$100,000 to work with the Equity Zones, focusing on climate change and health. *The Governor's recommendation also did not include the funds. Subsequently, he requested an amendment to add \$54,546 for FY 2026 and \$45,454 for FY 2027.* **The Assembly concurred with the amended recommendation.**

Continuity of Care Project Grant. The Executive Office received a \$1.2 million federal planning grant for the Continuity of Care Project to ensure certain individuals after incarceration have access to benefits, consistent with federal requirements under the Consolidated Appropriations Act. The act included several changes for the Medicaid program related to coverage for juveniles at the training school after being adjudicated and those aged 18 to 26, eligible under the mandatory foster care group, who are at the Adult Correctional Institutions upon release.

The FY 2027 request includes \$0.8 million, and \$1.0 million is requested for FY 2026, totaling \$1.9 million. The two-year total is \$0.7 million more than the initial grant award. The grant period began on August 1, 2025, and ends on July 31, 2029. There are monthly monitoring calls, semi-annual progress and financial reports, and a final progress report due by November 28, 2029. The project will ensure the individuals receive the necessary services, that appropriate payments are made, and that benefits are provided post-incarceration seamlessly.

Funding supports three contracted positions: a program manager, a project manager, and a systems operations analyst, who will report to the director of policy and strategy for the Medicaid program. The Executive Office is working with the Departments of Corrections and Children, Youth and Families, which will be subrecipients of this award through interagency service agreements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Ladders to Licensure. The Executive Office's request includes \$750,000 from general revenues for the Ladders to Licensure Program, consistent with the enacted budget. The first phase provided up to six months of funding for partnerships to design one or more career ladders that meet minimum program requirements under the required Career Ladder Planning and Design phase. The second partnership phase

will include at least one higher education partner and three or more employers with a combined workforce of at least 250 employees.

The Governor recommended funding as requested and included Section 4 of Article 10 to reduce the current requirement for three to four partnerships to at least two. His recommendation also eliminates the private-sector reference in the definition of human services employer organizations eligible to participate in the program.

*The revised recommendation reduces expenses by \$144,000 based on the Executive Office's corrective action plan to address its budget deficit. **The Assembly concurred and included Article 12, Section 19 of 2026-H 7127, Substitute A, as amended, for the program change.***

Home and Community Based Support - ARPA. The Executive Office excluded the \$2.1 million from restricted receipts provided in the enacted budget, reflecting the expiration of time-limited funds available through the American Rescue Plan Act. The program required that general revenue savings be reinvested to fund expansionary home- and community-based activities and that funding be spent by June 30, 2026. *The Governor recommended funding as requested. **The Assembly concurred.***

eLTSS Modernization Project (2.0 FTE). The Executive Office requested \$12.3 million from all sources, including \$1.9 million from general revenues, for the eLTSS Modernization Project, previously funded through time-limited Home and Community Care-ARPA funds. The unified electronic long-term services and supports technology system streamlines the eligibility process, which is currently being performed through several entities, including the Department of Human Services' Long Term Services and Supports program and the Office of Healthy Aging. The cloud-based system also includes assessments and meets federal requirements for the state to provide person-centered planning and increase program choice and accessibility. WellSky, the contractor, will operate the system, which will be fully functional in FY 2026.

The request is \$11.8 million more than enacted, including \$1.9 million more from general revenues and \$10.4 million more from federal funds, for contracted services and staffing expenses. The request includes \$10.3 million, of which \$1.4 million is from general revenues, for WellSky to operate the system. The Executive Office submitted a capital budget request for this portion of the project that totals \$49.5 million. This includes \$11.5 million for FY 2027, of which \$1.5 million is from general revenues.

The request includes \$0.3 million, including \$0.1 million from general revenues, for two new positions: a health program administrator to support the Office of Community Programs and a project manager to support the new system. This brings staffing expenses to \$0.5 million, of which \$0.1 million is from general revenues. It also includes \$1.5 million, of which \$0.4 million is from general revenues, for consultation and outreach contracted services that have not yet been awarded. The request also includes \$0.8 million, of which \$0.2 million is from general revenues, for other contracted program support. The constrained request reduces expenses by \$11.9 million, including \$1.9 million from general revenues. *The Governor recommended \$125 more than requested for statewide adjustments to health and other benefit rates. He recommended funding for the positions within the enacted staffing authorization. **The Assembly concurred.***

ARPA - Certified Community Behavioral Health Clinics. The Executive Office requested \$0.2 million in contracted administrative expenses from the remaining \$29.0 million appropriation from State Fiscal Recovery funds supporting the Certified Community Behavioral Health Clinics. Expenses over five years total \$28.9 million, or \$0.1 million less than the intended amount.

The time-limited funding for contracted program staff is being replaced with a separate proposal to continue funding a program manager through general revenues and federal funds, discussed separately. *The*

Governor excluded the funding for FY 2027. His revised recommendation contains the remaining funding.
The Assembly concurred.

Children and Youth - Behavioral Health System of Care Grant. The Executive Office included \$0.4 million, or \$1.6 million less than enacted, for the final year of the federal grant supporting the children's behavioral health care system. This includes \$0.2 million, or \$1.0 million less than enacted, for Community-Based Intensive Care Teams and \$46,875 for Mobile Response Stabilization Services and Supports. The project involves accepting referrals from the 24-hour 988 crisis hotline, schools, and primary care providers, with an in-person response within one hour of receiving the referral.

The Executive Office received a four-year, \$10.6 million federal grant to expand services available to children and their families, with final grant expenditures totaling \$8.6 million. Unspent funds from prior fiscal years could not be carried forward, reducing the amount of eligible funding. *The Governor recommended funding as requested.* **The Assembly concurred.**

Mobile Response and Stabilization Services. The Executive Office requested the enacted level of \$900,000 from general revenues for Mobile Response and Stabilization Services. Funding supports Family Service of Rhode Island, Tides Family Services, and Newport Mental Health for mobile response and stabilization services that are not otherwise reimbursed by the Medicaid program or other third-party payors. *The Governor recommended funding as requested.* **The Assembly concurred.**

Administrative Support. The Executive Office requested \$0.2 million from all sources, including \$0.1 million from general revenues, to replace previously federally funded contracted positions to support the Certified Community Behavioral Health Clinics and Mobile Response and Stabilization Services programs.

The Certified Community Behavioral Health Clinics program has a program director, and information included with the budget submission notes that the Executive Office is in the process of hiring a contracted program manager in late 2025, with stimulus funding available through December 2026. This request replaces those time-limited federal funds and includes \$72,180, of which \$44,649 is from general revenues for the second half of FY 2027.

The request also includes \$161,329, of which \$99,056 is from general revenues, for a program director for the Mobile Response and Stabilization Services program. This is to provide permanent oversight as this program is segregated from the Certified Community Behavioral Health Clinics. Direct services are provided through the managed care plans. *The Governor recommended funding as requested.* **The Assembly concurred.**

Medicaid Access Final Rule - Beneficiary Advisory Council. The Executive Office requested \$13,300 from all sources, including \$6,650 from general revenues, for payments made to the Medicaid Beneficiary Advisory Council members eligible to receive a \$75 stipend for each meeting attended; the meetings are held four times a year. The enacted budget did not fund this expense, though it was requested.

The Executive Office's FY 2026 request included \$8.0 million to implement the federal Medicaid Access Rule and Medicaid Managed Care Rules, finalized in May 2024. The amount requested funded ten positions, actuarial support for new rates and payment rules; stipends for members serving on the advisory councils; support for the new quality measures and reporting; and system changes. *The Governor recommended funding as requested.* **The Assembly concurred.**

Statewide Opioid Funds. The Executive Office included \$9.2 million from statewide opioid restricted receipt funds for FY 2027. This includes \$8.7 million from opioid abatement funds and \$0.5 million from opioid stewardship funds. This request is \$2.6 million less than enacted and \$14.0 million less than the revised request, primarily updated for planned uses of abatement funds. The Executive Office coordinates

with the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals on the distribution of the funds. Combining FY 2023 through FY 2025 expenses of \$15.6 million and \$22.8 million included in the FY 2026 revised request, there is a six-year total of \$43.0 million from these sources.

The required annual report, submitted in December 2025, shows spending and allocated funding of \$48.8 million from expenses totaling \$26.0 million for FY 2023 through FY 2025 and \$20.7 million for FY 2026. This includes \$0.8 million for program administration and \$2.6 million for data surveillance capacity, evaluation, and collection and reporting on overdoses and fatalities.

The report also identified remaining funds to be spent on services and capital projects in FY 2026 including \$2.7 million for investments in school- and community-based mental health services; \$1.0 million for homelessness prevention, medical respite and mobile medical respite services; \$1.3 million for the state's Overdose Prevention Center (also known as the Harm Reduction Center); and \$1.5 million for harm reduction programs and strategies. Funding also includes \$1.3 million for outreach and drop-in centers, \$0.3 million to build new treatment facilities, \$2.8 million to expand the availability of recovery supports and infrastructure, and \$0.8 million to treat substance-exposed newborns. *The Governor recommended \$4.7 million less than requested to reflect updated spending plans. The Assembly concurred.*

Agency	Pre-FY 2026	FY 2026	FY 2027	6-Year Total
EOHHS	\$ 15,567,568	\$ 22,838,753	\$ 4,550,800	\$ 42,957,121
BHDDH	12,799,118	15,337,323	3,900,000	32,036,441
Health	12,604,529	10,569,921	4,549,200	27,723,650
Corrections	6,696,544	1,493,379	1,250,000	9,439,923
Total	\$ 47,667,759	\$ 50,239,376	\$ 14,250,000	\$ 112,157,135

Health Care System Transformation Project. The Executive Office requested \$2.0 million, or \$1.4 million less than enacted, to reflect updated contracts and administrative expenses for the Health System Transformation Project. This is carryforward from unspent FY 2025 funds. It includes \$0.3 million, or \$0.3 million less than enacted, to partially fund three staff, equal to 1.4 full-time equivalent positions, shifting expenses to other fund sources as the program winds down, and funding is exhausted in FY 2027. The funding includes \$0.3 million for actuarial services from Milliman, and \$0.1 million for Faulkner Consulting for strategic planning, and \$0.3 million for Knowledge Services for administrative support. The request also includes \$1.1 million for a behavioral health infrastructure project.

The Governor recommended \$560 more than requested for statewide adjustments to health and other benefit rates. The Assembly concurred. A detailed description of the program is included in the Medicaid report located in the Special Reports section of this publication.

Hospital Care Transitions. The Executive Office requested \$250,000 from general revenues to be matched by Medicaid at the administrative rate for a total of \$500,000 for the Hospital Care Transitions Initiative; this is consistent with the enacted budget. The initiative was designed to address the more expensive institutional placements, such as nursing homes, by transferring eligible individuals to less expensive, more appropriate community-based alternatives. This program was initially funded through the federal Money Follows the Person grant and is not statutorily required.

The Governor recommended funding as requested. He subsequently requested an amendment to exclude the funding for FY 2027. The Assembly concurred with the reduction to the Executive Office's budget but added \$500,000 from general revenues to continue the program in the Office of Healthy Aging.

Rhode Island Parent Information Network. Consistent with the enacted budget, the Executive Office requested \$2.0 million, including \$1.0 million from general revenues, for the Rhode Island Parent

Information Network to provide care management and coordination services for high-risk populations who were previously enrolled in Phase I of the Integrated Care Initiative through Neighborhood Health Plan, which was eliminated on October 1, 2018. Funding has been provided since FY 2021. Contracts for these services have recently been renewed in six-month intervals; the current one ends December 31, 2025. *The Governor recommended funding as requested. He subsequently requested an amendment to exclude the funding for FY 2027. The Assembly concurred with the amended recommendation.*

Rhody Health Options Transition Plan. The FY 2026 enacted budget includes \$0.2 million, of which \$0.1 million is from general revenues, for the Rhode Island Parent Information Network to provide ombudsman services during this process by which the state moves about 13,000 individuals who are eligible for both Medicare and Medicaid into the new Fully Integrated Dual Eligible Special Needs Plan. The Executive Office's request excludes the funding since the new program is operational as of January 1, 2026. *The Governor excluded funding as requested. The Assembly concurred with the recommendation for the Executive Office's budget but included \$152,000 in the Office of the Health Insurance Commissioner to continue the program.*

Cell and Gene Therapy Access Model Grant. The Executive Office received a \$229,896 federal Cell and Gene Therapy Access Model grant with a timeframe from August 1, 2025, through December 31, 2026. Its budget request includes \$279,064 for FY 2026 and \$461,516 for FY 2027 for a total funding of \$740,580 over the two-year period. The FY 2027 request would partially fund the pharmacy director's position, contracted support staff, and other operations. This includes six contractors: a project manager, an outreach specialist, a public health education specialist, a hematologist, and community and marketing consultants.

The Executive Office noted that it expects additional awards totaling \$3.5 million over ten years. The purpose is to improve the lives of people living with rare and severe diseases by increasing access to potentially transformative treatments, including those with sickle cell disease. The multi-year project allows states and manufacturers to test whether a Centers for Medicare and Medicaid Services-led approach to developing and administering outcomes-based agreements for cell and gene therapies increases Medicaid beneficiaries' access to innovative treatments, improves health outcomes, and reduces expenses.

The Executive Office works with managed care plans and community-based organizations to implement the therapy access model. The Medicaid staff monitors plan experience and works with its financial contractors for actuarial services regarding the treatment of these drugs' costs. *The Governor recommended \$256 more than requested for statewide adjustments to health and other benefit rates. The Assembly concurred.*

Pay for Success. The Executive Office's request excludes \$1.5 million from restricted receipts for the Pay for Success program that ended in FY 2026. The contract between the Executive Office for Health and Human Services and the Rhode Island Coalition to End Homelessness was executed on January 30, 2023. There were contracts with four service providers: Crossroads, House of Hope, Open Doors, and East Bay Community Action Program.

The legislation authorized a five-year pilot program whereby the Executive Office contracts with non-profit investors and service providers to provide permanent supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness.

The Governor did not fund the program but included Section 3 of Article 10 to extend the pilot program for another year, until July 1, 2027. The section also adds the term "person-centered" to the description of the housing and supportive services interventions to align with revisions to federal policy guidelines. The Assembly concurred and included Section 11 of Article 10 of 2026-H 7127, Substitute A, as amended, to extend the program.

Other Programs

HIV Treatment Services and Administration. The Executive Office requested \$15.1 million for HIV services and administration expenses, which is \$0.6 million less than enacted, to reflect updated expenditure projections. The request is \$0.6 million less from pharmacy expenses for total funding of \$8.4 million. This is \$0.3 million less than FY 2025 and consistent with the revised request for updated expenses. The request increases salary and benefit expenses by \$0.2 million to reflect staff support allocated to this grant.

It also includes \$4.0 million for community supportive services, \$0.1 million less than enacted and \$0.2 million more than FY 2025 expenses. Services include housing, mental health, case management, health insurance premium assistance, emergency financial assistance, food bank, substance use outpatient, outpatient ambulatory health services, and outreach. The program's average monthly enrollment is about 580 individuals. *The Governor recommended \$1,879 more than requested for statewide adjustments to health and other benefit rates. He requested an amendment to add \$2.0 million from general revenues to backfill the loss of federal funds.* **The Assembly concurred with the amended recommendation.**

Early Intervention Services. The Executive Office requested \$2.1 million for Early Intervention Services, including \$0.1 million from general revenues. This is \$0.2 million less from federal funds for direct funding available to the nine providers and contracted services. This includes \$0.7 million for the providers, \$0.7 million for Rhode Island College's Sherlock Center, \$0.4 million for the Rhode Island Parent Information Network, \$0.2 million for staff support from Knowledge Services, and \$0.2 million for data analysis through Welligent. Direct services are paid through the Medicaid program. *The Governor recommended funding as requested.* **The Assembly concurred and included Sections 1 through 5 of Article 10 to extend the Early Intervention Program to allow children to remain until September 1 after their third birthday and added \$0.2 million, of which \$0.1 million is from general revenues, for system changes. There is an assumed two-year planning process to implement the necessary policy and system changes that are set to take effect in May 2028.**

Long-Term Services and Supports. The Executive Office requested \$1.0 million in federal Money Follows the Person Grant funds to reflect available funding, essentially as enacted. Funding supports individuals who are transitioning to community-based placements. The request includes \$0.4 million for contract administrative services, with the remaining \$0.6 million not yet identified. *The Governor recommended funding as requested.* **The Assembly concurred.**

External Quality Review Services. The Executive Office requested \$1.5 million, including \$0.4 million from general revenues, for the contract with Island Peer Review Organization for external quality review services, which was extended in July 2024. The request is consistent with the enacted budget.

The contractor assists with federal reporting of adult and child core measures and performs Pre-Admission screening and Residential Reviews for individuals entering long-term care settings. It also performs validation and verification services at the discretion of the Executive Office that could include non-emergency transportation vendors and Accountable Entities. There are also reviews of Certified Community Behavioral Health Clinics, home- and community-based services, and state-directed payments. *The Governor recommended funding as requested.* **The Assembly concurred.**

Actuarial and Financial Contracted Services. The Executive Office requested \$3.0 million, including \$1.4 million from general revenues, for contracted financial and management services provided through Milliman. This is \$0.2 million more than enacted, including \$0.1 million more from general revenues, for a two-year 3.4 percent inflator for financial analytics and technical support, and actuarial consulting and rate setting. The contract value totals \$5.6 million for March 1, 2024, through June 30, 2025, with extensions through 2035. The constrained request excludes the increase. *The Governor recommended \$3.0 million as requested.* **The Assembly concurred.**

Asset Verification Services. The Executive Office requested \$0.4 million, including \$0.2 million from general revenues, for the contract with the New England State Consortium Systems Organization to provide asset verification services for all Medicaid renewals. The request is essentially consistent with the enacted budget, assuming 4,250 monthly transactions at a per-transaction cost of \$6.71, totaling \$342,720, and a maintenance fee that annualizes to \$45,210. *The Governor recommended funding as requested.* **The Assembly concurred.**

Waiver Evaluation Services. The Executive Office requested \$0.8 million, including \$0.4 million from general revenues, for the North American Research Center to evaluate the Medicaid waiver. This is \$0.1 million less than enacted, including \$17,944 more from general revenues, to reflect an updated contract. The new contract, starting on January 1, 2026, includes quarterly monitoring reports, evaluation design, interim reports, and an evaluation report required about 18 months after the waiver expires. *The Governor recommended funding as requested.* **The Assembly concurred.**

Healthcare Services Funding Assessment - Contracted Services. The Assembly included Article 10, Section 8 of 2025-H 5076, Substitute A, as amended, to establish an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The assessments are based on a per-member-per-month fee applied to all covered lives, including self-insured; this is estimated to be approximately \$4 per month per covered life. The funds are general revenues, and the FY 2026 impact is \$15.0 million for half a year.

The Executive Office's request includes \$532,000 from general revenues for contracted services to administer the assessment process. A contract was signed after the budget was submitted with KidVax, who also administers the immunization program assessment, totaling \$0.9 million from November 1, 2025, through December 1, 2028. The annual costs are \$290,500, with \$48,417 for implementation charges in FY 2026. The constrained request excludes the funds. *The Governor recommended \$290,500 from general revenues for the annual contract.* **The Assembly concurred; the assessment is expiring on September 30, 2026, and the contract will need to be revised.**

DCYF Court Monitor. The Executive Office requested \$175,000 from general revenues for a court monitor related to a consent decree with the Department of Children, Youth and Families entered into with the Department of Justice in December 2024, stemming from the May 2024 findings that the state failed to provide services to children with behavioral health disabilities in the most integrated setting appropriate to their needs. This is consistent with the enacted budget. *The Governor added \$75,000 for a total payment of \$250,000 from general revenues.* **The Assembly concurred.**

Consent Decree Court Monitor. The FY 2026 enacted budget includes \$200,000, including \$100,000 from general revenues, for the court monitor to oversee the ten-year consent decree, which started in January 2014. An October 2023 court order extended court monitor oversight by two years, through FY 2026. The Executive Office excluded funding in its FY 2027 request. *The Governor concurred.* **The Assembly concurred. On May 11, 2026, limited court oversight was extended through FY 2028.**

Staff Augmentation. The Executive Office requested \$0.7 million, including \$0.3 million from general revenues, for contracted administrative and staff support from Knowledge Services. This is \$0.2 million less than enacted, including \$0.1 million less from general revenues, for projected staffing needs. It is also \$0.1 million less than the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Contracted Services. The Executive Office requested \$1.6 million, including \$0.3 million from general revenues, for all other contracted services. This is \$0.2 million more than enacted, including \$47,398 less from general revenues for updated expenses for all other services. Funding includes \$0.9 million, of which \$0.2 million is from general revenues, for electronic visit verification services through

Sandata, \$0.2 million for Stellaware for third-party insurance intercepts, \$0.1 million for the United Way for plan counseling, \$0.1 million for audit services, and \$0.3 million for legal services, staff training, and security services. *The Governor recommended funding as requested.* **The Assembly concurred.**

School-Based Services. The Executive Office requested \$1.0 million, or \$52,464 less than enacted, for the three-year \$2.5 million federal grant to expand School-Based Medicaid Services. FY 2025 expenses were \$0.1 million, and the FY 2026 revised request includes \$1.3 million. The consultant services will conduct a needs assessment, provide financial services, and implement program changes.

The Executive Office also requested \$38.5 million from federal funds for special education services provided by local education agencies. This includes \$29.5 million for direct services and \$9.0 million for administration costs. This is \$2.7 million less than FY 2025 direct service expenses, which included an October 1, 2024, rate increase for direct services provided through Individual Education Plans reimbursed by the Medicaid program. It is likely these expenses will be higher. *The Governor's recommendation adds \$16.0 million to adjust for the higher expenses expected, consistent with his recommendation for FY 2026.* **The Assembly concurred.**

Other Salaries and Benefits. The Executive Office requested \$38.3 million for other salaries and benefits, including \$17.3 million from general revenues and \$21.0 million from federal funds. This is \$1.8 million more from all sources and \$1.0 million more from general revenues to fund approximately 218 positions, leaving 12 positions vacant. The request also includes benefit changes consistent with FY 2027 planning values. The request also funds a portion of six positions in the Departments of Health and Administration, totaling \$1.1 million. The revised request is \$0.4 million more than enacted, and FY 2027 is \$1.6 million, or 4.3 percent, above that. *The Governor recommended \$0.2 million more than requested, primarily from general revenues, to reflect statewide health and other benefit adjustments and restore \$0.1 million in turnover savings.* **The Assembly concurred.**

Centralized Services. The Executive Office requested \$4.3 million for centralized services, including \$3.1 million from general revenues, essentially consistent with the enacted budget. This is \$1.1 million more than FY 2025 expenses, including \$1.6 million from general revenues. *The Governor recommended \$0.9 million more than requested, including \$0.4 million more from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Capital Projects. The Executive Office requested \$658.7 million for eight information technology projects, including \$587.5 million from federal funds, \$67.7 million from general revenues, and \$3.6 million from restricted receipts. The request includes \$560.1 million for FY 2027 through FY 2031. This includes \$126.7 million for FY 2027, of which \$112.8 million is federal funds matched by \$13.9 million from general revenues. The FY 2027 request funds the projects; however, for some projects, the operating request varies from the capital budget submission. *The Governor recommended funding the technology projects in the operating budget.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Executive Office requested \$6.6 million for all other operations, including \$3.4 million from general revenues. This is \$0.5 million more than enacted, including \$0.2 million less from general revenues, for all other expenses. It includes \$2.5 million for operations, of which \$1.1 million, or \$0.2 million, is audit fees for the Medicaid program. There is also \$0.6 million from restricted receipts for nursing home penalties reinvestment funds, consistent with the enacted budget. *The Governor recommended \$26,066 less than requested for contracted services, including staff training and office expenses.* **The Assembly concurred.**

Department of Children, Youth and Families

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 33,174,813	\$ 42,165,057	\$ 34,125,493	\$ 34,562,845
Child Welfare	307,504,078	300,910,961	303,657,966	307,951,651
Youth Development Services	37,577,797	55,224,541	50,057,472	49,448,544
Children's Behavioral Health	15,933,706	24,018,003	17,846,302	17,846,302
Higher Education Incentive Grants	200,000	200,000	200,000	200,000
Total	\$ 394,390,394	\$ 422,518,562	\$ 405,887,233	\$ 410,009,342
Expenditures by Category				
Salaries and Benefits	\$ 105,868,134	\$ 106,720,597	\$ 104,659,723	\$ 109,259,723
Contracted Services	8,823,632	9,605,226	7,618,636	7,618,636
Subtotal	\$ 114,691,766	\$ 116,325,823	\$ 112,278,359	\$ 116,878,359
Other State Operations	22,709,609	21,139,776	21,514,696	21,264,696
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	236,252,210	237,186,228	241,757,025	245,616,595
Capital	20,736,809	47,866,735	30,337,153	26,249,692
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 394,390,394	\$ 422,518,562	\$ 405,887,233	\$ 410,009,342
Sources of Funds				
General Revenue	\$ 262,775,058	\$ 265,767,083	\$ 268,265,257	\$ 276,562,975
Federal Aid	118,620,365	127,803,781	113,201,292	111,409,919
Restricted Receipts	1,744,971	1,870,604	1,670,684	61,261
Other	11,250,000	27,077,094	22,750,000	21,975,187
Total	\$ 394,390,394	\$ 422,518,562	\$ 405,887,233	\$ 410,009,342
FTE Authorization	713.5	719.5	719.5	719.5

Summary. The Department of Children, Youth and Families requested \$385.3 million from all sources, including \$269.8 million from general revenues, \$113.6 million from federal funds, \$1.7 million from restricted receipts, and \$0.3 million from Rhode Island Capital Plan funds. This is \$9.1 million less than enacted, including \$7.0 million more from general revenues. The Department requested 713.5 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommended \$405.9 million, including \$268.3 million from general revenues. This is \$20.6 million more than requested, including \$22.5 million more from Rhode Island Capital Plan funds and \$1.5 million less from general revenues. He recommended 719.5 full-time equivalent positions, 6.0 more than enacted and requested.*

The Governor subsequently requested several amendments, primarily to adjust capital expenditures and reflect federal funds excluded from the initial recommendation. The Assembly provided \$410.0 million, including \$276.6 million from general revenues. It concurred with the Governor's requested amendments and provided additional resources to restore turnover savings and replace federal funds

while federal claiming issues identified in the Department's FY 2026 third quarter report are being resolved, among other changes.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$254.6 million. The amount includes current service adjustments of \$11.6 million and a 7.5 percent target reduction, adjusted for certain exclusions, of \$19.8 million. The Department's constrained request is \$15,564 less than the target. The proposals to achieve the reductions are noted among the items described below, where appropriate. Additionally, the unconstrained request is \$4.6 million below the Budget Office's current service estimates, primarily reflecting an adjustment that excludes any rate growth for many placement services pending the finalization of the independent rate model. These assumptions are discussed in more detail throughout this analysis. The table below shows a breakdown of the Department's request compared to Budget Office current service estimates. *The Governor's recommendation is \$13.7 million more than the target. The enacted budget is \$22.0 million more than the target.*

FY 2027 Budget	Children, Youth		
	Budget Office	and Families	Difference
FY 2026 Enacted	\$ 262,775,058	\$ 262,775,058	\$ -
Current Service Adjustments	11,604,736	2,996,659	(8,608,077)
New Initiatives	-	3,991,250	3,991,250
Change to FY 2026 Enacted	\$ 11,604,736	\$ 6,987,909	\$ (4,616,827)
FY 2027 Current Service/Unconstrained Request	\$ 274,379,794	\$ 269,762,967	\$ (4,616,827)
Target Reduction/Initiatives	(19,798,514)	(15,197,250)	4,601,264
FY 2027 Constrained Target/Request	\$ 254,581,281	\$ 254,565,717	\$ (15,564)
Change to FY 2026 Enacted	\$ (8,193,777)	\$ (8,209,341)	\$ (15,564)

Staffing. The Department requested \$105.1 million for salary and benefit expenses within its existing authorization of 713.5 full-time equivalent positions. This is \$0.8 million less than enacted and \$1.3 million less than the revised request. The request shifts 12.5 positions among programs, reportedly to align with actual utilization of positions, consistent with the revised request. These changes are discussed in more detail throughout this analysis.

The Department indicated that 6.0 positions shifted to central management are transition coordinators required by the consent decree; the FY 2027 request does not budget these expenses as salaries and benefits and their cost appears to be understated by \$0.2 million. Instead of requesting additional positions, the Department is repurposing vacant positions within its authorization.

Through mid-November, the Department had averaged 642.6 filled positions or 70.9 vacancies. The request assumes an average of 670.6 positions filled or 42.9 vacancies. By fund source, the request includes \$1.5 million less from general revenues and \$0.7 million more from federal funds, which reflects the Department's updated cost allocation plan, similar to FY 2025 spending and the FY 2026 revised request.

The Governor recommended \$0.4 million less than requested, including \$0.6 million less from general revenues for salary and benefit expenses. The changes are described in more detail in program-specific items on the following pages. He recommended 719.5 positions, reflecting the addition of 6.0 positions for consent decree work in the Department's request rather than repurposing other vacancies as proposed. The Assembly concurred with the new positions and added \$4.6 million, including \$2.3 million from general revenues, to restore the savings assumed in the recommended budget.

Full-Time Equivalent Positions					
Program	FY 2026 Enacted	FY 2027 Governor	Gov. Chg. to Enacted	FY 2027 Enacted	FY 2027 Enacted Chg. to Gov.
Central Management	76.0	88.5	12.5	88.5	-
Children's Behavioral Healthcare/Child Welfare	489.5	488.0	(1.5)	488.0	-
Youth Development Services	148.0	143.0	(5.0)	143.0	-
Total	713.5	719.5	6.0	719.5	-

Consent Decree. The Department requested \$5.8 million, including \$4.8 million from general revenues for activities related to the implementation of consent decree requirements. This is \$4.8 million more than the enacted budget, including \$4.0 million from general revenues. Although the request budgets all funds in a single expense category, the intent is to support the consultant services, 6.0 transition coordinators within the Department's current authorization, independent care management services for youth at risk of hospitalization, intellectual and developmental disabilities in-home supports, additional therapeutic foster care capacity, and other community-based services. The revised request also includes the shift of 6.0 positions at an estimated cost of \$0.6 million for a full year; the FY 2027 request understates that by \$0.2 million. The estimate assumes a 25.0 percent Medicaid match for eligible expenses. The following table shows a breakdown of the requested funding.

FY 2027 Consent Decree Request			
	General Revenues	Federal Funds	Total
Direct Consultant Support	\$ 450,000	\$ -	\$ 450,000
Family Support and Transition Specialists (6.0 FTE)	375,000	-	375,000
Transition Support & Independent Care Management	1,320,000	380,000	1,700,000
IDD Home Support	1,642,500	547,500	2,190,000
Therapeutic Foster Care	607,500	-	607,500
Other In-home Supports	240,000	-	240,000
Technical Assistance & Other	146,250	43,750	190,000
Total	\$ 4,781,250	\$ 971,250	\$ 5,752,500

In January 2025, the state entered into a formal agreement with the Department of Justice after its investigation found violations of federal civil rights laws concerning psychiatric hospitalizations of youth from 2017 to 2022. The Innovations Institute, based at the University of Connecticut School of Social Work, is supporting the Department in meeting the requirements of the consent decree and performing the comprehensive needs assessment. As of summer 2025, a monitoring plan and baseline data report have been developed, and the Department is moving toward implementation in 2026.

The constrained request excludes all funding for this initiative. *The Governor recommended \$5.4 million, including \$4.4 million from general revenues, which is \$0.3 million less than requested. He added \$0.5 million, of which \$0.3 million is from general revenues, to reflect the actual cost of the 6.0 positions, correcting an understatement in the request. Excluding the positions, the recommendation is \$0.8 million less than requested, including \$0.6 million from general revenues. This primarily reflects a more conservative timeline for establishing new services and assumes a delay in the implementation of independent care management.* **The Assembly concurred.**

Placements

The Department provides placement services for youth removed from their homes and offers foster care when appropriate, but places children into group homes when more extensive treatment and services are required. Most placements are managed by private entities, which are required to oversee service provisions as agreed upon through a contract. Some services are funded through federal resources, including Medicaid, Title IV-E, and Supplemental Security Income payments. Below are descriptions of each placement and a table with population data.

Residential Intervention (Congregate Care) Placements. The Department provides residential services to approximately 400 children and youth under its care. This includes in-state group homes, assessment and stabilization centers, Bradley Hospital, independent and semi-independent living facilities, residential treatment centers, and out-of-state placements if no appropriate in-state placement is available.

While the state has contracts with several providers within the same placement type, each provider has differing rates that vary based on services provided. For example, Groden Center and Boys Town New England both offer group home placements, but vary in cost, as Groden Center provides more extensive therapeutic treatments.

The FY 2027 request includes 9.6 more placements than the revised request, including 3.1 more for group homes, 2.0 more for out-of-state placements, and 4.5 more for all other residential placements.

Placement	Description/Services	Population					
		FY 2026 Enacted	FY 2026 Rev. Req.	Diff. from Enacted	FY 2027 Request	FY 2027 Diff. from Rev. Req.	FY 2026 Q1 Average
Residential Intervention (Congregate Care)	Residential Based Placements	417.0	364.8	(52.2)	374.4	9.6	351.0
Assessment and Stabilization Centers	Emergency placement centers with clinical assessments and support	19.6	12.2	(7.4)	12.6	0.4	15.7
Group Homes	Community-based homes with clinical treatment; 8 or fewer beds	136.7	120.9	(15.8)	124.0	3.1	108.3
Independent Living	Apartment program with supports for youth transitioning to adulthood	69.8	62.0	(7.8)	63.6	1.6	64.0
Residential Treatment Centers	In-state, campus-based intensive treatment programs with onsite schooling	59.4	56.9	(2.5)	58.4	1.5	54.3
Semi Independent Living	Older adolescent treatment programs that allow for unsupervised community time	42.6	36.6	(6.0)	37.6	1.0	36.7
Out-of-State	Intensive residential treatment for children and youth with complex mental health or intellectual or developmental disabilities	88.9	76.2	(12.7)	78.2	2.0	72.0
Foster Care	Home Based Placements	1,195.0	1,001.9	(193.1)	1,026.6	24.7	978.2
Total		1,612.0	1,366.7	(245.3)	1,401.0	34.3	1,329.2

Foster Care Placements. The Department provides home-based placements to approximately 1,000 children and youth under its care. The Department first tries to place a youth in a kinship home which is with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs and traditional foster homes. The recruitment of foster homes is done by the Department and contracted through private agencies.

Through the first quarter of FY 2026, the Department averaged 978.2 placements, which is 23.7 fewer than the 1,001.9 foster care placements assumed in the revised request. In FY 2025, the Department averaged 1,015.0 of these placements.

The FY 2027 request assumes 1,026.6 placements, or 24.7 more than the revised request. The FY 2026 enacted budget assumed an increase in foster care placements from a decrease in out-of-state and high-need residential placements. This direct shift has not occurred; however, there has been progress in providing more home- and community-based services when appropriate.

*The Governor's budget does not identify specific population or cost-per-youth assumptions. The recommendation generally maintains the Department's projections for its service array. **The Assembly provided \$3.9 million more than recommended, including \$6.0 million more from general revenues.***

The Department's FY 2026 third quarter report projected a \$6.0 million overspend from general revenues, which it attributed to a decrease in federal funds claimed for its service array, including Medicaid and Title IV-E, primarily for home- and community-based services. The Budget Office's third quarter report projected a general revenue deficit of \$4.4 million, reflecting the Department's recent approval for additional federal claiming authorized under the Family First Prevention Services Act, while also noting that the Department was working with the Executive Office of Health and Human Services to resolve the other claiming issues.

The Assembly added \$3.0 million from general revenues to replace federal funds, based on updated efforts resolving the claiming issues. It also made other changes to conserve youth social security and other benefits and provide additional support to providers during the independent rate model transition. Each change is described in more detail in the following items.

Provider Rate Assumptions. The 2024 Assembly provided \$1.5 million in FY 2025 to evaluate Medicaid and non-Medicaid services in order to address Department of Justice findings that led to the consent decree. The initial timeline anticipated rates to be in place beginning July 1, 2025; however, after receiving provider feedback, the Department delayed implementation until July 1, 2026, or FY 2027. The Department's revised request includes \$750,000 to continue the process and support provider readiness for implementation of uniform services standards and direct billing of Medicaid-eligible services beginning in FY 2027. The aim of this project is to transition from individually contracted service rates to an independent rate model with uniform rates for all providers for similar services.

The FY 2027 request does not include funding to reflect the new rates or changes. Typically, the Department uses prior-year experience and the first few months of the current fiscal year to develop a baseline for projections of its revised and operating budget requests. For its FY 2026 revised request, the assumed growth from the baseline is 1.5 percent each for caseload and per-diem cost. The FY 2027 request began with a 2.5 percent increase for both caseload and cost from the FY 2026 revised request. This produced \$10.3 million more in expenses, including \$8.4 million from general revenues, than the revised request. The Department then adjusted this to assume no growth from FY 2026 to FY 2027 for most in-state providers and services, because of the pending finalization of the new rate model.

This adjustment results in the FY 2027 request being \$8.8 million lower, including \$6.4 million from general revenues, than would have otherwise been projected. The Department did not provide an estimate of costs for the new model, but it acknowledged that it will likely require additional general revenues for implementation.

The Governor added \$0.8 million from general revenues, offset by a like amount of federal funds to reflect changes to the assumed Medicaid match, and maintained the Department's adjustments to level fund most services.

He proposed legislation in Article 8 of 2026-H 7127 for the Executive Office of Health and Human Services to seek any changes necessary to implement reimbursement rates resulting from the Children's Services Rate Setting Project. The documents included with the recommendation contain conflicting information about the initiative's status and timeline. It appears that the most recent plan is to implement the new rates and direct billing requirements beginning January 1, 2027, although the Governor's budget does not explicitly include funding for either rate changes or provider support.

The Assembly provided \$4.0 million more, including \$2.0 million from general revenues to support providers transitioning to Medicaid direct billing, which is now estimated to begin July 1, 2027. Funding would support providers who need the most assistance to ensure the continuation of services throughout the implementation of the independent rate model. Most infrastructure expenses appear to be eligible for a 50.0 percent Medicaid reimbursement.

Residential Intervention (Congregate Care). The Department requested \$96.6 million from all sources, including \$75.1 million from general revenues, for congregate care placements excluding female residential facilities. This is \$2.0 million less than enacted from all sources, including \$0.7 million from general revenues. The request assumes 374.4 placements, which is 42.7 fewer than enacted assumptions and 9.6 more than the revised request.

Residential Intervention							
Placement	FY 2025 Reported	FY 2026 Enacted	FY 2026 Rev. Req.	FY 2027 Request	FY 2027 Req. Chg. to Rev. Req.	FY 2027 Req. Chg. to Enacted	FY 2027 % Chg. to Rev. Req.
Assessment and Stabilization Centers	\$ 3,046,935	\$ 4,950,000	\$ 3,171,998	\$ 3,357,898	\$ 185,900	\$ (1,592,102)	5.9%
Group Homes	20,768,770	20,608,619	21,090,377	22,169,009	1,078,632	1,560,390	5.1%
Independent Living	4,466,397	5,250,000	4,799,343	5,046,278	246,935	(203,722)	5.1%
Residential Treatment Centers	16,233,471	16,850,000	16,792,674	17,666,250	873,576	816,250	5.2%
Semi Independent Living	8,240,517	10,050,000	8,535,659	8,988,094	452,435	(1,061,906)	5.3%
Purchase of Service	1,747,731	1,300,000	2,144,074	2,258,722	114,648	958,722	5.3%
Group Homes	28,600,881	29,010,000	28,921,896	30,423,022	1,501,126	1,413,022	5.2%
Out-of-State	6,821,080	7,940,000	7,540,000	7,920,000	380,000	(20,000)	5.0%
Bradley	1,541,690	2,650,000	1,620,000	1,710,000	90,000	(940,000)	5.6%
Individual Intensive Supervision	-	-	-	(2,926,077)	(2,926,077)	(2,926,077)	-
Rate Growth Reversal*	-	-	-	(2,926,077)	(2,926,077)	(2,926,077)	-
Total	\$ 91,467,472	\$ 98,608,619	\$ 94,616,021	\$ 96,613,196	\$ 1,997,175	\$ (1,995,423)	2.1%

*This table shows placement projections prior to the rate growth reversal. Final amounts will likely change based on the independent rate model.

In prior years, the Department has based its requests on prior-year experience, combined with growth assumptions derived from its revised budget request. This year's request was calculated similarly and then adjusted to reflect level funding for many services with the FY 2026 revised request, as previously discussed.

Prior to this adjustment, the Department projected placement growth of 2.5 percent and a per-diem increase of 2.5 percent for most residential placements. Overall, the request is \$2.0 million, or 2.1 percent more than the revised request, reflecting projected cost increases for out-of-state placements and Bradley Hospital. *The Governor recommended funding as requested, but shifted \$0.3 million from federal funds to general revenues to reflect the changes to the assumed Medicaid match.* **The Assembly concurred.**

Female Residential Facilities. The Department requested \$7.1 million, including \$3.0 million from general revenues, to support placements in female residential facilities. This is \$6.0 million more than enacted, including \$2.3 million from general revenues, for the first full year of operation of the Exeter Facility. The facility is expected to be open in late spring 2026. The request reflects a tentative contract the Department had with a provider at the time of the request. That provider dropped out of the process in November 2025, and the Department issued a tentative award to another provider in December 2025. The contract is not final as of early January 2026, and the Department maintains that the facility will open as planned.

It should be noted that, subsequent to the request, State Fiscal Recovery funds intended to expand or renovate the psychiatric residential treatment facility were reclassified to support the Female Residential Facility in Exeter. In December 2025, the Department also entered into an agreement to purchase the St. Mary's Home for Children property in North Providence with a tentative plan to renovate three buildings for use as a psychiatric residential treatment facility, which is not reflected in the Department's request. *The Governor recommended funding as requested for operations of the Exeter Facility and added \$1.0 million from general revenues for maintenance costs of the former St. Mary's property until a vendor is selected.* **The Assembly concurred.**

Foster Care. The Department requested \$23.5 million from all sources, including \$19.3 million from general revenues for home-based foster care placements. The request is \$7.1 million less than enacted, including \$5.8 million from general revenues, reflecting a lower population than the enacted budget assumed. The Department's request, however, is essentially consistent with the revised request as it assumes level funding for most of its referral and placement services. Through the first quarter of FY 2026, the Department has averaged 978.2 placements. The Department assumes a cost per placement of \$22,885, which is \$530 or 2.3 percent lower than the revised request, as it projects an increase in youth in these placements, despite the flat funding included in its request. *The Governor recommended funding as requested, but shifted \$52,388 from federal funds to general revenues to reflect the changes to the assumed Medicaid match.* **The Assembly included Section 10 of Article 10, which requires the Department to conserve social security and other benefits for youth in state care. It provided \$1.3 million, including \$1.0 million from general revenues, to replace the benefits previously used for foster care payments and other services for these youth, which were budgeted as restricted receipts.**

Child Care. Consistent with the revised request, the Department requested \$4.5 million, including \$2.0 million from general revenues, for child care costs. The request is \$2.4 million less than enacted, including \$42,343 more from general revenues, reportedly to be more consistent with recent trends of declining utilization. In recent years, the budget has allocated federal Temporary Assistance for Needy Families funds to offset general revenue expenses for these youth; however, the Department has had trouble providing the documentation necessary for federal compliance with funding requirements for long periods of time. The Department has noted that it limits expenditures to two months for families in the process of enrolling in Rhode Island Works, but have not yet qualified, which has resulted in lower federal fund availability than assumed. *The Governor recommended funding as requested.* **The Assembly concurred.**

Adoption and Guardianship. The Department requested \$38.9 million from all sources, including \$23.1 million from general revenues, for adoption and guardianship expenses. The request is \$2.6 million more than enacted, including \$1.3 million more from general revenues. This includes adoption subsidies, pre-adoption placements, and relative and non-relative guardianships. The Department has been working

toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. It is worth noting that, unlike foster care rates, the rate agreed upon at the time of adoption does not change until that youth's 18th birthday. The request assumes average costs of \$11,741, which is \$1,058 more than enacted and \$300 less than the revised request, as the Department assumes population growth, but requested level funding with the FY 2026 revised request. The request assumes a population of 3,316, which is 81 more than the revised request. *The Governor recommended funding as requested, but shifted \$0.3 million from federal funds to general revenues to reflect the changes to the assumed Medicaid match. The Assembly concurred.*

Home and Community Based Services. The Department requested \$60.1 million from all sources, including \$37.1 million from general revenues, for its home- and community-based services. The request is \$2.8 million more than enacted from all sources, including \$3.6 million more from general revenues, to reflect updated utilization of its youth and family support services and contract costs reflecting provider rates for services as of July 2025.

The request is \$0.5 million less than the revised request, including \$1.9 million more from general revenues. The Department's unconstrained request appears to assume fewer federal reimbursements than the revised request, which corresponds to the general revenue increase. The Department indicated that its estimates do not include possible increases associated with the rate review being conducted in FY 2026, although new rates are expected to be in place for FY 2027. These services include counseling, education programs, family support services for preparation for reunification, family-centered treatment, parent aides, the Youth Advocate Program, and Family and Community Care Partnerships. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations. *The Governor recommended funding as requested, but shifted \$0.1 million from federal funds to general revenues to reflect the changes to the assumed Medicaid match. He also recommended \$1.2 million in general revenue savings from two constrained proposals, as described below. The Assembly added \$3.0 million from general revenues to replace federal funds to address claiming issues identified in the third quarter reports, as noted previously.*

The Department's constrained request includes specific proposals, and each is discussed separately as follows.

Home- and Community-Based Services - Constrained Proposals			
Initiative	General Revenues	Federal Funds	Total
Targeted Case Management	\$ (1,700,000)	\$ 1,700,000	\$ -
Enhanced Medicaid Claiming	(5,265,000)	5,265,000	-
Program & Service Assessment	(500,000)	-	(500,000)
FCCP Flex Fund Reduction	(600,000)	-	(600,000)
Unidentified Discretionary Reduction	(625,000)	-	(625,000)
Total	\$ (8,690,000)	\$ 6,965,000	\$ (1,725,000)

Targeted Case Management. The Department's constrained request includes general revenue savings of \$1.7 million by shifting expenses to federal funds from a targeted case management initiative. Following the request, the Department was notified by the Executive Office of Health and Human Services that these savings are no longer feasible as a result of negotiations with the Centers for Medicare and Medicaid Services. During the waiver negotiations, the Executive Office was informed that the Department's home-based service array was not eligible. *The Governor did not recommend this initiative. He subsequently requested an amendment to include language in Article 8 for the Executive Office to seek Medicaid reimbursement for eligible individuals and services. The Executive Office assumes this will be a multi-year process to identify eligible activities, create service standards, and establish compliance and audit controls.*

No savings would be recognized in the FY 2027 budget. The Assembly concurred with the amended recommendation.

Enhanced Medicaid Claiming. The Department's constrained request includes \$5.3 million in general revenue savings by shifting that amount to federal funds, reflecting the assumption that certain behavioral health expenditures for Department youth are eligible for Medicaid match under Early and Periodic Screening, Diagnosis, and Treatment. It believes that some of its current contracts meet the criteria but are not currently claimed; it is unclear why this is not current practice. *The Governor did not recommend this initiative. The Assembly concurred.*

Program and Service Assessment. The constrained request includes \$0.5 million in general revenue savings by conducting an assessment of the program and service array from January to June 2026. The Department will collect and analyze data on the effectiveness of programs and rework or eliminate unsuccessful programs in FY 2027. *The Governor did not recommend this initiative. The Assembly concurred.*

Family and Community Care Partnership Flex Fund Reduction. The constrained request includes \$0.6 million in general revenue savings by decreasing flexible funds to the Family and Community Care Partnerships. The Department indicates that this represents an 8.5 percent reduction of funding for these programs. These funds are typically used by providers to purchase food, clothing, temporary housing, and other services for the youth they serve. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Unidentified Discretionary Reduction. The Department also proposed \$625,000 of general revenue savings from an unidentified discretionary reduction for some placement services. It notes that it will evaluate "unessential" spending in May 2026, for implementation in FY 2027. It is unclear how these savings will be achieved, as most of the Department's home- and community-based services depend on provider contracts and caseloads. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Voluntary Extension of Care. The Department requested \$1.5 million from general revenues for its Voluntary Extension of Care program for rent and other services. The request is \$11,564 more than enacted and \$35,652 more than the revised request, reflecting updated cost projections. The program is supported entirely from general revenues, as federal funds for these youth cannot be claimed because Title IV-E eligibility for this population is limited because of federal income requirements. The request reflects updated rent and service cost expenses. The program lets individuals aged 18 through 21 remain in state care, with the Family Court retaining oversight. The request assumes 84 youth in this program, consistent with the revised request, and 4 more than FY 2025 levels. *The Governor recommended funding as requested. The Assembly concurred.*

Local Education Agency Reimbursement. The Department's request includes \$3.1 million more than enacted, including \$2.5 million from general revenues for payments to residential treatment centers that provide education services. As recommended by the Governor, the FY 2026 enacted budget assumes \$3.0 million in general revenue savings achieved by improving collection rates from local education agencies through coordination between the Department and the Department of Elementary and Secondary Education. The Department's FY 2026 revised and FY 2027 requests do not recognize these savings. The initial plan assumed that savings would be recognized through quicker reimbursements from districts, particularly for education services provided out-of-state. As of early January 2026, it does not appear that the Department has made progress toward this goal; it indicates that a challenge is working its way through the courts and that it is awaiting resolution.

Local school districts are responsible for certain education costs for children in state care. Rates are established by the Department of Elementary and Secondary Education. The Department began paying the

costs directly in FY 2020 to ensure providers were paid. It sought reimbursement from the appropriate local education agency directly, eliminating the need for the provider to do so. It has been difficult to track the amount paid to providers for education services exclusively, as these costs are assumed in Department contracts. A lack of local reimbursement results in additional costs for the state.

The Department expected to receive full reimbursement from local education agencies for payments to in-state residential treatment centers that provide education services, but it assumed that half of the payments for placements out-of-state would not be collected. However, this does not reflect education agency expenses included in the per-diem placement cost for out-of-state placements. *The Governor concurred.*
The Assembly concurred.

Higher Education Incentive Grant. The Department requested \$402,151 for higher education support payments from all sources, including the enacted level of \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant. It also includes \$202,151 from federal funds for Education and Training Vouchers, which is \$163,375 less than enacted and \$86,817 less than the revised request. This reflects available funds and adjusts for the spending of carryforward funding in prior years; annual awards typically range from \$200,000 to \$250,000. The Department spent \$479,213 in FY 2025, including \$279,213 from federal funds. The vouchers are an annual federal grant provided to states to fund youth who have aged out of the foster care system and enrolled in college, university, or vocational training programs.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. The FY 2025 enacted budget included changes to the program, including earlier notifications to eligible children and the qualification of more children by reducing the threshold for time spent in care to six months on or after their 14th birthday. It also extends coverage to part-time attendance and specified workforce development programs and adds a requirement to fill out applicable financial aid forms. The Department has updated its requirements and application information in accordance with the updated eligibility; however, it has not yet submitted a report describing the distribution of the grants, which was initially due September 1, 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Emergency Housing. Consistent with the revised request, the Department requested \$5.0 million from all sources, including \$1.3 million from general revenues for emergency housing for families in which housing is a barrier to reunification. This is \$1.1 million less than the enacted budget, including \$1.3 million more from general revenues. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel, and this practice grew after the pandemic. The enacted budget assumed \$6.1 million, entirely from federal Temporary Assistance for Needy Families funding and Social Services Block Grant funding, of which \$3.0 million was spent in FY 2025, in addition to \$1.2 million from general revenues.

The Department indicated that families who are not yet enrolled in Rhode Island Works receive benefits while in the process of enrolling; however, if they are unable to qualify, the Department does not receive federal funds, leading to a reliance on general revenues. The enacted budget assumes that all families served will be enrolled and meet income requirements. The Department has not been able to implement this in recent years. *The Governor recommended funding as requested.* **The Assembly concurred.**

All Other Placements and Services. The Department requested \$3.8 million from all sources, including \$3.5 million from general revenues, for all other placements and services. The request is \$0.2 million more than enacted, including \$0.1 million less from general revenues, based on previous year expenses. The Department notes that the majority of these expenses are from special requests made by individual caseworkers. These costs include family nursing assistance and training for nursing and religious chaplains. It can also include medical treatments provided to children, a first and last month rent payment when it is

the last barrier to reunification, parent aide services, including education such as tutoring, SATs, and unfunded summer school, among other costs that are not covered by any other source of payment. *The Governor recommended funding as requested. The Assembly concurred.*

Youth Development Services

Salaries and Benefits. The Department requested \$21.9 million from all sources, nearly all from general revenues, for salaries and benefits for Youth Development Services, which includes the Rhode Island Training School and Juvenile Probation and Parole. The request includes authorization for 143.0 positions, which is 5.0 less than the enacted assumption. It should be noted that the FY 2025 enacted budget authorized 8.0 new juvenile program worker positions, which apparently were not needed. The FY 2023 enacted budget similarly shifted 11.0 positions from Youth Development Services to other programs while maintaining the Department's overall authorization. The Department indicated that it is shifting authorization for long-standing vacant positions to align with current activity.

The request is \$0.4 million more than enacted and \$0.1 million more than the revised request, mostly from general revenues. Adjusting for overtime, the request funds 136.3 of 143.0 positions. The request includes \$2.6 million for overtime, which is \$0.1 million more than enacted and the revised request, but \$0.5 million less than FY 2025 activity.

The Department's constrained request reduces overtime expenses for the Training School by \$126,000. The Department reports that management plans to limit overtime, but this has not been achieved in recent years.

The Governor recommended \$125,182 less than requested, including \$125,303 from general revenues. He added \$50,168 in statewide adjustments to health and other benefit rates and included additional turnover savings equivalent to about two positions. The Assembly concurred.

Education Services. The Department requested \$159,413, primarily from general revenues, for non-payroll education expenses at the Rhode Island Training School. The request is \$44,204 less than enacted, including \$12,146 from general revenues, which is consistent with the revised request, to more closely reflect the FY 2025 experience. The largest expense is for temporary staff needs, including long-term substitute teachers and post-secondary instructors. Other expenses include classroom supplies, online education programs, and technology. Educational services are provided to all residents of the Training School, both detained and adjudicated. Each teacher's class size is capped at 12 students. The services adhere to all Department of Elementary and Secondary Education regulations. Courses include academic, co-curricular, and career/technical work. The Community College of Rhode Island offers on-site courses and vocational classes to post-secondary students. *The Governor recommended funding as requested. The Assembly concurred.*

Institutional Support Services. The Department requested \$1.9 million, \$16,416 more than enacted, mostly from general revenues, for institutional support services at the Training School. The request reflects expenses between purposes based on the FY 2025 experience. During FY 2025, the average population of the Training School was 37; through October 2025, its average for FY 2026 was 34. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine, and juvenile clothing expenses.

The constrained request includes \$0.2 million in unidentified general revenue savings. *The Governor recommended funding consistent with the constrained request, assuming savings for technology and temporary staff. The Assembly concurred.*

Juvenile Probation and Parole. The Department requested \$0.5 million from general revenues, or \$0.1 million more than enacted and \$45,443 less than the revised request, for Juvenile Probation and Parole. These services include supervising adolescents placed on probation by the Family Court. The request adds \$105,272 for payments to Guidesoft for technology support and does not include the \$45,786 included in the revised request for a contract for electronic monitoring. Through the end of November, the Department averaged 213 probationers and parolees, which is 5 fewer than the enacted budget assumed. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$0.2 million from federal funds to reflect a juvenile justice grant awarded in 2024 that was excluded from the original recommendation. The Assembly concurred with the amended recommendation.*

Other Operations

Other Salaries and Benefits. The Department requested \$83.1 million from all sources, including \$57.0 million from general revenues, for all remaining staff expenses for its authorized 570.5 positions. The request is \$1.2 million less than enacted from all sources, including \$1.9 million less from general revenues and \$0.7 million more from federal funds. This reflects updated federal fund availability based on the Department's cost allocation plan, which determines the amount of staffing costs that are attributable to federal funds. The request is \$1.4 million less than the revised request, reportedly to align with the FY 2025 experience. It is unclear why these adjustments were not also made in its FY 2026 revised request. It assumes 36.2 vacancies, approximately 10 more than assumed in the enacted budget.

The Department's constrained request reduces overtime expenses by \$1.1 million, including \$1.0 million from general revenues. The Department indicated that this would be achieved primarily by management limiting overtime, but this has not been achieved in recent years.

The Governor recommended \$1.2 million less than requested, including \$1.1 million less from general revenues. The recommendation restores the 6.0 positions repurposed in the request for the consent decree. He also recommended the constrained initiative to assume overtime savings; added \$193,595, including \$131,534 from general revenues in statewide adjustments to health and other benefit rates; and assumed additional turnover savings equivalent to about two positions.

The Assembly added \$4.6 million, including \$2.3 million from general revenues, to restore the savings assumed in the recommended budget.

Temporary Staff. The Department requested \$2.9 million from all sources for temporary staff, usually used to fill vacancies until permanent staff can be hired. This is \$0.5 million more than enacted, including \$1.2 million more from general revenues. While previously limited to information technology support, the Department has expanded its use to include contracted staff for grant management and other operational support. The Department has not been able to directly explain this particular shift, but indicated that the request generally reflects the FY 2025 experience. Additionally, in FY 2025, the Department contracted with its former chief financial officer to provide support during the finance staff transition. After the position was filled, this contractor remained to support the director's office. Funding for this role was not assumed to continue in the FY 2026 enacted budget.

The constrained request includes general revenue savings of \$250,000, reportedly by Department staff limiting the use of contractors. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Cost Allocation Plan and Family First Compliance. Consistent with the revised request, the Department requested \$1.5 million, or \$0.3 million less than enacted from federal funds, for its cost-allocation plan consulting to accurately reflect the value of the contract. The Department uses a consultant, Public Consulting Group Incorporated, to develop and maintain its cost-allocation plan. The cost allocation plan

determines what portion of staff salaries and benefits are attributable to Title IV-E and Medicaid and what other administrative federal claiming is reasonable and appropriate for the Department. The cost allocation plan determinations are made based on a random moment in time study that determines what portion of staff time is spent on functions and activities that are reimbursable through federal funds. The activities are reported to the Public Consulting Group, which then submits monthly reports to the Department. The newest contract includes provisions to assist the Department with compliance with the Family First Prevention Services Act of 2018, specifically to include the sex trafficking provisions, and for assistance with preventing youth from entering Department care unnecessarily through the expansion of home and community-based services. *The Governor recommended funding as requested. The Assembly concurred.*

Parking and Rent. The Department requested \$3.6 million from all sources, including \$4.1 million from general revenues, for its parking and rent expenses. The request is \$0.6 million below the enacted budget, almost entirely from general revenues, and \$50,000 above the revised request. The Department indicated that its request is based on FY 2025 expenditures; however, it appears to understate the updated cost of its lease agreement for its headquarters at 101 Friendship Street in Providence. The Department also pays rent for regional offices in Bristol and Woonsocket and has an agreement with the Convention Center Authority for 400 parking spaces.

The constrained request includes \$0.1 million in savings from general revenues, achieved by amending its parking contract. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Technology. The Department requested \$3.0 million, including \$1.9 million from general revenues, \$1.0 million from federal funds, and \$55,034 from restricted receipts, for computer supplies, software, and equipment. The request is \$0.9 million less than enacted, including \$0.7 million from general revenues, and \$0.2 million from federal funds, including \$1.0 million less for computers, equipment, and cell phones, which is partially offset by \$0.2 million more to maintain the state's child welfare technology system, which apparently corrects an error in the prior year request. Requested spending includes \$0.4 million for mobile phones, \$1.0 million for information technology systems contracts, and \$1.3 million for software maintenance agreements. *The Governor recommended funding as requested. The Assembly concurred.*

Vehicles. The Department requested \$0.6 million from general revenues for FY 2027 vehicle expenses, which is consistent with the enacted budget and revised request. The vehicle replacement plan indicates that the Department will purchase six vehicles for \$0.3 million. The remaining \$0.3 million is for lease costs for 25 vehicles. Despite the previous plan to replace all state-owned vehicles with a leased fleet by FY 2030, it appears the Department intends to replace about a third of its 98-car fleet with purchased vehicles over the next five years. *The Governor concurred. The Assembly concurred.*

Placement Monitoring. The Department requested \$2.6 million, including \$2.3 million from general revenues, for mileage and other travel expenses for overseeing Department youth and their placement facilities, largely reflecting increases for out-of-state youth monitoring. The request is \$0.5 million more than enacted, including \$0.2 million from general revenues, and is essentially consistent with the revised request. State law requires the Department to petition the Family Court for a placement hearing prior to being placed out-of-state, and ensure that there are no suitable in-state facilities available for the placement of the child, that the child will receive an individualized treatment plan, and that the proposed placement is in the best interest of the child. The hearing is not required if the placement is less than 35 miles from the home of the parent previously having custody of the child. The request is essentially consistent with FY 2025 expenses, which exceeded prior budgeted amounts. The Department indicated that these expenses include hotel and travel costs for staff, transportation for foster parents for visitation and medical appointments, and special arrangements for youth with severe needs.

The Department's constrained request includes general revenue savings of \$0.1 million in unidentified reductions. *The Governor recommended funding consistent with the constrained request.* **The Assembly concurred.**

Capital Projects. The Department requested \$9.7 million from all sources for its capital projects, including \$0.3 million from Rhode Island Capital Plan funds. The request is \$13.6 million below enacted levels from all sources, which is inconsistent with the capital request for approved projects, including \$4.0 million less for the Female Residential Facility project. The operating request also does not include the FY 2027 funding value assumed for several newly requested projects, including a male residential treatment facility and multiple information technology projects.

The Governor recommended \$22.8 million more than requested, including \$22.5 million from Rhode Island Capital Plan funds for the new Psychiatric Residential Treatment Facility project. The recommendation also includes \$0.3 million more for the federal match for the Child Welfare System project, which reflects statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. This adjustment makes the operating budget inconsistent with the capital budget from this fund source.

The Governor requested an amendment on February 10 to shift \$0.8 million from Rhode Island Capital Plan funds for the St. Mary's project from FY 2027 to FY 2026 based on an updated schedule. He requested another amendment on March 11 to reallocate federal funds for the Child Welfare System project, providing \$7.6 million more in FY 2026 and \$3.6 million less in FY 2027 to reflect the state match and to recognize unspent FY 2025 federal funds that were omitted from the request. **The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. Consistent with the enacted budget and revised request, the Department requested \$5.1 million, including \$5.0 million from general revenues, for centralized services provided through the Department of Administration. The request includes \$1.2 million for human resources, \$3.0 million for information technology, and \$0.9 million for facilities management. *The Governor recommended \$219,860 more, including \$181,715 from general revenues to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Other Operations. The Department requested \$3.7 million from all sources, mostly from general revenues, for all other expenses. Expenses include \$0.3 million for insurance, \$0.3 million for security services, \$0.6 million for utilities, and \$0.2 million for interpreters and translators. The request is \$0.8 million less than enacted, including \$0.2 million less from general revenues, primarily to align with the FY 2025 experience. The request excludes \$0.7 million from federal funds budgeted for employee training in FY 2026, reportedly correcting an error assumed in the enacted budget.

The Governor recommended \$492 less than requested. This includes a shift of \$3,553 from federal funds to general revenues to reflect the changes to the assumed Medicaid match for administrative costs and \$492 less from federal funds to remove State Fiscal Recovery funds inadvertently included in the Department's request. **The Assembly concurred.**

Department of Health

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 32,456,554	\$ 39,011,722	\$ 28,145,551	\$ 29,622,314
Community Health and Equity	157,843,758	144,428,193	153,289,848	154,797,848
Environmental Health	22,374,870	21,987,774	22,104,812	22,104,812
Health Laboratories	20,945,066	29,729,019	13,732,702	13,732,702
Healthcare Quality and Safety	15,814,446	16,633,974	18,895,101	19,050,426
State Medical Examiners	4,589,109	4,266,245	4,626,488	4,626,488
Policy, Info. & Communications	9,221,944	11,531,099	9,264,255	35,765,632
Emergency Preparedness and Infectious Disease	17,104,380	18,630,919	19,893,156	20,208,156
COVID-19	15,176,647	17,790,001	7,519,108	7,519,108
Total	\$ 295,526,774	\$ 304,008,946	\$ 277,471,021	\$ 307,427,486
Expenditures by Category				
Salaries and Benefits	\$ 89,902,683	\$ 90,722,905	\$ 93,609,873	\$ 94,536,530
Contracted Services	24,039,920	31,190,929	21,870,686	25,853,854
Subtotal	\$ 113,942,603	\$ 121,913,834	\$ 115,480,559	\$ 120,390,384
Other State Operations	117,095,070	104,407,430	112,485,272	113,483,079
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	54,528,062	58,460,929	48,790,716	69,346,799
Capital	9,961,039	19,226,753	714,474	4,207,224
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 295,526,774	\$ 304,008,946	\$ 277,471,021	\$ 307,427,486
Sources of Funds				
General Revenue	\$ 40,825,075	\$ 41,964,523	\$ 42,552,271	\$ 43,894,271
Federal Aid	152,861,675	162,124,456	147,739,496	175,234,003
Restricted Receipts	93,076,141	83,862,960	86,779,254	87,899,212
Other	8,763,883	16,057,007	400,000	400,000
Total	\$ 295,526,774	\$ 304,008,946	\$ 277,471,021	\$ 307,427,486
FTE Authorization	572.6	572.6	572.6	572.6

Summary. The Department of Health requested FY 2027 expenses of \$285.1 million from all sources, including \$49.6 million from general revenues and 571.6 full-time equivalent positions, 1.0 less than authorized. The request is \$10.4 million less than enacted, including \$8.8 million more from general revenues, reflecting the removal of one-time expenses for the Primary Care Training Sites, as well as current service adjustments, restoring turnover savings, and shifting expenses from other sources. It also includes \$5.2 million less from federal funds, \$5.7 million less from restricted receipts, and \$8.4 million less from Rhode Island Capital Plan funds, primarily reflecting the anticipated completion of the new health laboratory in FY 2026. *The Governor recommended expenditures of \$277.5 million from all sources,*

including \$42.6 million from general revenues. His recommendation includes the transfer of one position from the Department to the Executive Office of Health and Human Services, and adds one new full-time equivalent position for the Kratom Consumer Protection initiative.

The Governor subsequently requested several amendments to add \$27.8 million from all sources, including \$0.2 million for an underbudgeted position in the Division of Healthcare Quality and Safety, \$315,000 from general revenues to restore a grant for the Miriam Hospital Tuberculosis Clinic, and \$27.3 million from all sources reflecting the Rural Health Transformation Program.

The Assembly added \$2.2 million from all sources, including \$1.0 million from general revenues, for a voluntary state match for the Maternal, Infant, and Early Childhood Home Visiting Program, to address a federal funding shortfall for the PediPRN program, and additional funds for the Health Professional Loan Repayment Program, and concurred with the amended recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Health, this produced a general revenue target of \$36.9 million, including a 7.5 percent reduction of \$2.7 million, adjusted for certain exclusions. The constrained budget exceeds the target by \$5,277. Proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$5.7 million above the target. The enacted budget is \$7.0 million above the target.*

Salaries and Benefits. The Department requested salary and benefit expenses of \$95.3 million from all sources and 571.6 full-time equivalent positions, one less than authorized. The Department requests that one position, the Chief of Office of Special Projects, be transferred to the Executive Office of Health and Human Services. The request is \$5.4 million more than enacted, including increases of \$3.0 million from general revenues, \$1.1 million from restricted receipts, and \$1.2 million more from federal funds. The request reflects staffing initiatives of \$1.3 million for new programs, as well as current service adjustments of \$1.4 million, and \$2.7 million of restored turnover savings. Requested turnover savings are equivalent to approximately 13 positions. As of mid-November, the Department had 22 vacancies.

The Governor recommended salary and benefit expenses totaling \$93.6 million from all sources, which is \$1.7 million less than requested. This is mostly the result of the exclusion of several requested initiatives and \$0.1 million in additional turnover savings, partially offset by \$0.2 million more in statewide adjustments to health and other benefit rates.

The Governor subsequently requested an amendment to add \$0.2 million from all sources to correct for an underbudgeted position within the Division of Healthcare Quality and Safety, and a second amendment to add \$0.9 million from all sources to reflect the Rural Health Transformation Program. The Assembly concurred with the amended recommendation.

Centralized Services. The Department requested \$7.1 million from all sources for centralized services provided by the Department of Administration. This is \$0.6 million less than enacted, primarily from reductions in federal funds for information technology services. The request includes \$1.6 million for facilities management and \$1.1 million for human resources services. Consistent with the revised request, the FY 2027 request reduces information technology expenses for contracted services to enhance COVID-19 detection software, reflecting the reduction and closeout of COVID activities at the Department. Most of the budgeted decrease is from one COVID award, which ends July 31, 2026, for which the Department expects minimal expenses in FY 2027. *The Governor recommended \$12,783 more than requested from all sources, including \$0.4 million less from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

COVID-19

Capital - New Health Laboratory. Consistent with its capital submission, the Department excluded \$8.4 million from Rhode Island Capital Plan funds in the enacted budget for the new health laboratory, an 80,000 square foot facility to house the Health Laboratories Program. This reflects the anticipated completion of the laboratory in FY 2026. Construction began in August 2023, and occupancy began in September 2025. The new facility houses various laboratories, which perform chemical, physical, and microbiological analyses of environmental samples, clinical specimens, and forensic evidence. The Office of State Medical Examiners, which was previously housed in the Chapin Building, has been relocated to Cumberland. *The Governor recommended funding as requested. The Assembly concurred.*

COVID Relief - Community Health Workers. In 2021, the Centers for Disease Control and Prevention made the Community Health Workers for COVID Response grant available; funds can be used for various training programs. The initial federal award was \$5.0 million for each of the first two years. It was subsequently increased to \$6.3 million for the third year, for a total of \$16.3 million, and the availability of funds expired on August 30, 2025. All \$0.5 million remaining for the Community Health Workers for COVID Response grant is budgeted for FY 2026; therefore, the FY 2027 request excludes these funds. *The Governor recommended funding as requested. The Assembly concurred.*

COVID Relief - Other Expenses. The request includes \$7.4 million from federal funds for all remaining COVID-19 expenses. This is \$7.2 million less than enacted, reflecting available grant balances. The request includes \$2.8 million for salary and benefit expenses for 16.2 full-time equivalent positions. This is \$2.0 million less and approximately 12 fewer positions than enacted, reflecting staffing costs and allocations, most of which transferred to the Division of Emergency Preparedness and Infectious Disease. The request removes several one-time initiatives included in the FY 2026 enacted budget and revised request due to exhausted COVID-19 award balances, primarily for Epidemiology and Laboratory Capacity. Apart from salaries and benefits, these items are not replaced by general revenues or other federal funds, as they appear to be limited expenses mostly related to supplies and equipment purchases for the new health laboratory. The request also includes other preventive maintenance for laboratory equipment, laboratory testing supplies, and medical supply deliveries. *The Governor recommended \$6,165 more than requested in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Emergency Preparedness and Infectious Disease

Medical Equipment Maintenance. The Department requested \$500,000 from general revenues for the maintenance, storage, and deployment of ventilators and other medical equipment acquired during the COVID-19 emergency, to renew a contract previously paid for with federal funds during FY 2026.

An initial contract period, which ends June 30, 2026, was signed with Agiliti Health, Inc., totaling \$1.5 million from federal funds for several one-time expenses, included in the FY 2026 revised request. The Department has indicated that \$1.5 million has already been fully invoiced and paid for through two federal grants, with an option for up to three 12-month extensions through June 30, 2029. The Department requests \$500,000 from general revenues to continue its contract with Agiliti Health, or \$41,667 per month. In its transition to contract year two, there will be no service disruptions to the maintenance provided by federal funds; rather, the equipment will enter a phase of preventive maintenance and deployment as needed. If pursued, contract years three and beyond will raise this cost by 3.5 percent year-on-year.

The constrained request excludes this expense. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

RISE Tuberculosis Clinic. Consistent with the enacted budget, the Department requested \$315,000 from general revenues to support the RISE tuberculosis specialty clinic at Miriam Hospital in Providence. The

RISE tuberculosis clinic has about 8,500 patient visits each year. The Department's contract with the clinic supports personnel costs and physician fees. The current contract ends July 1, 2026.

The Department's constrained request eliminates the funding. *The Governor recommended eliminating the funding. He subsequently requested an amendment to restore funding.* **The Assembly concurred with the amended recommendation.**

Other Expenses. The request includes \$19.0 million for all remaining expenses for prevention and control of infectious, communicable diseases in the areas of HIV/AIDS, sexually transmitted diseases, and viral hepatitis. The enacted budget supports the Center for Emergency Preparedness and Response, which is responsible for hospital preparedness and public health emergency response activities. This includes several grants that provide hospitals and municipalities with financial support to develop and expand capabilities to respond to public health emergencies. Several other grants fund services such as AIDS Care Ocean State. Other funds support prevention services and disease surveillance. The enacted budget supports 44.5 full-time equivalent positions.

The request is \$2.6 million more than enacted, including \$33,096 more from general revenues. This is \$2.9 million more than enacted for salaries and benefits, reflecting staffing costs and allocations for 68.1 full-time equivalent positions, or 13.5 more than enacted. The Department reported that the increased allocations for salaries and benefits in the request for the Division were initially covered by federal funds budgeted in the Department's COVID-19 unit for \$2.0 million, or the equivalent of 12 positions. The request shifts these expenses to the Division and funds them from two grants that support HIV prevention and surveillance, epidemiology, and laboratory capacity. The request also reduces contracted services by \$30,635 and other operating expenses by \$0.2 million to reflect a decrease in funding from the Sexually Transmitted Disease Control grant, which previously funded a consultant with expertise in sexually transmitted diseases. *The Governor recommended \$26,162 more than requested from all sources in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Central Management

Primary Care Training Sites. The 2024 Assembly adopted legislation, establishing a Primary Care Training Sites Program, which provides training for physicians, nurse practitioners, and physician assistants; each site is awarded no more than \$90,000. It provided \$2.7 million from general revenues for the program, which was then spread over two years with \$0.7 million appropriated in FY 2025 and \$2.0 million appropriated in FY 2026. In FY 2025, the Department spent \$0.2 million; \$502,422 was subsequently reappropriated to FY 2026, which is included in the Department's revised request. The Department excludes the FY 2026 enacted amount of \$2.0 million from the FY 2027 request, as it is a one-time expense. *The Governor recommended funding as requested.* **The Assembly concurred.**

Opioid Overdose Prevention. The Department's request includes \$2.6 million from restricted receipts for opioid treatment, rescue, recovery, and prevention programs. This is \$4.3 million less than enacted, primarily from abatement funds for updated planned uses.

The 2019 Assembly created an annual \$5.0 million fee assessed to manufacturers and distributors of opioids registered in the state. Companies are assessed their in-state market share of all distributed or manufactured opioids, subject to some exceptions. Funds are deposited as restricted receipts for programs that provide opioid treatment, recovery, prevention, and education services, subject to future appropriation. The request includes an increase of \$0.7 million for salaries and benefits for 10.3 full-time equivalent positions. The enacted budget includes \$0.6 million for outreach and \$0.1 million for harm reduction infrastructure funding and expenses of \$0.4 million for post-overdose services and \$0.2 million for vending machines to hold Narcan supplies.

Decreases from the enacted budget are primarily reflected in the removal of \$3.7 million from opioid abatement grants allocated to the Department from the Executive Office of Health and Human Services, reflecting anticipated expenditures and availability of receipts. The request also removes \$0.8 million from contracted services to accommodate increased budgeting for staffing costs.

The Governor recommended \$2.0 million more than requested from the Statewide Opioid Abatement Account based on an updated plan provided by the Department after its original budget submission. He also recommended \$2,483 more than requested in statewide adjustments to health and other benefit rates. The Assembly concurred.

Academic Institute. Consistent with the enacted budget, the Department requested \$0.4 million from all sources to support the Academic Institute, including \$0.3 million from general revenues. The Academic Institute was created in 2015 to enhance the Department's efforts to establish and facilitate partnerships and collaborations with academic and research colleagues across the state. The Department seeks to introduce a multidisciplinary approach to improve public health with its institute, and partners with various Rhode Island schools, including Brown University, the University of Rhode Island, Johnson & Wales University, and Providence College. The institute operates within Central Management as well as the Division of Environmental Health. The request includes \$38,967 from federal funds and \$22,896 from restricted receipts. All funds are budgeted for salaries and benefits, with the request funding 2.6 full-time equivalent positions, including 1.0 Associate Director of Health, 0.7 of an Assistant Health Program Administrator, and 0.9 of an Interdepartmental Project Manager.

The constrained request shifts general revenue positions to indirect cost recovery restricted receipts and eliminates funding for positions paid for through federal funds and restricted receipts, resulting in \$0.3 million in general revenue savings. *The Governor recommended funding consistent with the constrained request. The Assembly concurred.*

Indirect Cost Recovery. The Department requested \$16.0 million from indirect cost recovery restricted receipts. The Department uses these receipts to offset costs associated with administering federally funded programs. A portion of the Department's federal grants allows a percent cost recovery charge on the actual amount expended. Revenues for the indirect cost recovery account are based on the expenditure of certain federal grants and exclude some expenditures, such as assistance and grants. The request assumes the indirect cost recovery rate of 20.1 percent; the same rate since FY 2022. The request is \$3.2 million more than enacted, including \$4.2 million as a contingency for the Center for Health Facilities Regulation in the event that the Department did not receive general revenues to close the gap, discussed separately.

The request also removes \$0.9 million from the enacted budget for employee parking fees at the Innovation District parking garage and operating expenses related to the new health laboratory. Parking and operating expenses are now requested to be funded from general revenues, as noted later within the Health Laboratories Division. The request includes \$9.6 million for 53.0 positions, or approximately 2.0 more than enacted. The Department projected an FY 2026 carryforward balance of \$7.5 million and new receipts totaling \$11.0 million for FY 2027. Based on the budgeted expenditures in the request, which includes centralized services, the Department anticipated closing FY 2027 with a balance of \$18,414.

The Governor recommended \$4.1 million less than requested, primarily from the exclusion of the contingency requested. His recommendation also includes \$3,011 in statewide adjustments to health and other benefit rates. The Assembly concurred.

Other Expenses. The Department requested \$5.2 million from all sources for all other Central Management expenses. This is \$0.2 million less than enacted, including the enacted amount from general revenues. The request retains \$50,000 from general revenues to support the Gloria Gemma Breast Cancer Resource Foundation's survivorship and well-being center in Lincoln. Of the requested amount, \$1.5

million is for salaries and benefits for 8.5 positions, 2.5 more than enacted, reflecting updated staffing costs and allocations. A like amount is shifted from contracted services to salaries and benefits. Other changes primarily reflect a contract concluded with the Department of Labor and Training for workforce development. *The Governor recommended \$2,941 more in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Community Health and Equity

Maternal and Home Visiting Services. The Department requested \$12.5 million from all sources, most of which is from federal Maternal and Child Health Services Block grant funds for home visiting and other services. This is \$2.4 million more than enacted from federal funds. The visiting programs are designed to work with pregnant women and children through age five. The programs include Healthy Families America, Nurse-Family Partnership, and Parents as Teachers. They provide families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions.

The request includes \$9.0 million, or \$1.9 million more than enacted, for grants that are awarded to various community organizations for services provided. This reflects the budgeting of remaining balances on several grants, as well as a renewed Maternal and Infant Early Childhood Home Visiting grant. The Department appeared to budget the entire grant balance for FY 2027. The request also includes \$0.2 million less for salary and benefit expenses of 10.7 full-time equivalent positions, or approximately one fewer than enacted. *The Governor recommended \$3,507 more than requested from federal funds to reflect statewide adjustments to health and other benefit rates. The Assembly added \$0.4 million from general revenues to meet a voluntary state match for the Maternal, Infant, and Early Childhood Home Visiting Grant, which will result in available funds of \$1.1 million from federal funds also added.*

PediPRN and MomsPRN Programs. The PediPRN and MomsPRN programs provide specialized clinical consultation and referral services related to mental health. The FY 2027 request includes a total of \$1.5 million for both programs, essentially consistent with the revised request. The request is \$80,117 less than enacted from federal funds for PediPRN, aligning expenditures more closely with the FY 2025 experience. The enacted budget appropriated \$750,000 from general revenues as assistance and grants. The request redistributes this total to expected expenses, primarily contracted services, based on the Department's needs. According to an update from the Department in mid-January 2026, federal funding for the PediPRN program expires on September 30, 2026, and renewal is not guaranteed, potentially leaving the program unfunded for most of FY 2027. *The Governor recommended \$682 more than requested from all sources to reflect statewide adjustments to health and other benefit rates. The Assembly added \$450,000 from general revenues to maintain support for PediPRN after the federal grant expires.*

Federal Immunization Programs. The Department requested \$21.4 million from federal funds for immunization program expenses. This is \$0.6 million less than enacted, primarily reflecting reductions to salaries and benefits and other operating costs. This includes a \$21.7 million reduction from the removal of the Immunization Grant provided by the United States Department of Health and Human Services, mostly offset by a new grant, the Strengthening Vaccine-Preventable Disease Grant. Expenses are primarily budgeted for vaccines, and \$1.2 million is allocated to salaries and benefits, \$0.7 million less than enacted, supporting 7.9 full-time equivalent positions. The request also includes \$0.2 million less for grants and other contract services. The request is similar to the revised request but includes updated salaries and benefits allocations and adjusted expenditures based on programmatic needs. *The Governor recommended \$2,782 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Child and Adult Immunization Programs. The Department requested \$60.6 million from immunization restricted receipts. The request is \$4.5 million less than enacted, primarily as a result of preliminary

estimates for COVID and RSV vaccines. Receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. The Department projected receipts of \$59.8 million, or \$2.8 million less than assumed for FY 2026. The per-member per-month rates for FY 2026 are \$25.13 per child and \$5.32 for adults; the rates are generally set in April or May of each year. Salary and benefit expenses are \$0.2 million more than enacted, and support 20.0 full-time equivalent positions, reflecting current service adjustments and approximately one more position than enacted. Contracted services are \$0.5 million more than enacted, reflecting contracts with KidsVax and the Wellness Company for child and adult immunizations, respectively, to enhance access and equity in immunizations for the public. *The Governor recommended \$6,603 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

WIC Nutrition Assistance. The request includes \$27.7 million from federal funds, \$0.3 million more than enacted, for the Women, Infants, and Children nutrition assistance program, which provides supplemental food, nutrition education and information, and referral and coordination services for eligible women and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care, or both. The request includes \$0.2 million more for benefit payments, based on program utilization. It includes \$2.0 million for salaries and benefits of 12.8 full-time equivalent positions. This is \$0.1 million more than enacted, reflecting current service adjustments. Program expenses of \$1.9 million are \$0.2 million more, primarily budgeted from a new grant to increase outreach efforts. *The Governor recommended \$4,920 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Rare Disease Advisory Council. In 2025, the Assembly passed legislation requiring the Department of Health to establish and convene a Rare Disease Advisory Council “to provide guidance and recommendations to educate the public, legislature, as well as other government agencies, on the needs of individuals with rare diseases living in Rhode Island.” The request includes \$73,301 from general revenues to support 0.5 full-time equivalent positions, along with travel and other operating expenses for two patients with rare diseases and one caregiver to travel to Council meetings and perform necessary statutory work beginning in FY 2027.

The legislation requires the Council to meet monthly in the first year and quarterly thereafter. The Council is mandated to convene hearings, make inquiries, solicit comments from the public, provide testimony and comments on pending state legislation and regulations, consult with experts to develop policy recommendations, establish best practices related to public disasters and emergencies, publish a comprehensive list of resources on the Council’s website, identify areas of unmet need for research, and distribute education resources for providers, among other work.

The Department’s constrained request excludes all funding for the Council. *The Governor did not recommend funding. The Assembly concurred.*

Asthma and Air Quality. The Department requested \$0.9 million from all sources for the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations. The request is \$143,007 more than enacted, including \$135,007 from federal funds and \$8,000 from Volkswagen Settlement funds. The request reduces salaries and benefits by \$0.2 million and increases grants by \$0.1 million, consistent with the revised request, paid to HousingWorks RI. The request also increases the amounts budgeted in operating as a placeholder for additional staffing costs. One grant was terminated, the Improving Air Quality Environmental Justice grant, which funded air monitoring, community education, and solar panel installation, resulting in decreases to salaries and benefits and contracted services. *The Governor recommended \$514 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Other Expenses. The Department's request includes \$28.6 million from all sources, including \$24.4 million from federal funds for all remaining expenses in the Division of Community Health and Equity. The request is \$1.8 million less than enacted from all sources, including \$21,551 more from general revenues, \$5,084 more from restricted receipts, and \$1.8 million less from federal funds. Funds are for several programs, including Chronic Care and Disease Management, the Health Equity Institute, and the Perinatal and Early Childhood program. The programs address risk factors related to quality of life and health outcomes, equitable approaches to health management, and positive early childhood development.

The reduction from federal funds reflects the cancellation, reduction, and ending of several grants, including the Rhode Island Tobacco Control Program, the Targeted Violence and Terrorism Prevention grant, the Refugee Cash and Medical Assistance Grant, venereal disease education for youth, and the Colorectal Cancer Screening Grant. General revenues largely reflect additional expenses for the Minority Health Program, with funds shifted from salaries and benefits to contracted services for a training consultant position that remains vacant. Additions from restricted receipts are primarily for the newborn screening program, which similarly shifts funds from salaries and benefits to temporary contracted services.

The request includes \$13.0 million for salaries and benefits, which funds 78.7 positions, or approximately 2 more than enacted. It includes turnover savings equivalent to approximately one position. *The Governor recommended \$27,498 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Environmental Health

Regional Poison Control Center. The Department requested the enacted amount of \$200,000 from general revenues to fund the Regional Poison Control Center, which aids medical diagnosis of poisonings. The center receives calls from individuals, hospitals, and health care centers. Rhode Island used to operate its own Poison Control Center at an annual cost of over \$0.4 million. Over a decade ago, it joined with Massachusetts, and the required cost was reduced to \$0.2 million. The center was funded with bioterrorism grants until those were depleted in FY 2016.

The constrained budget removes the requested funding for the Poison Control Center. This would require not renewing the contract that is set to expire on June 30, 2026. In 2023, there were 5,336 calls to the center. This proposal was included in the Department's last two operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Food Protection Program. The request includes \$4.8 million from all sources for the food protection program, which is responsible for licensing and regulating more than 7,300 food establishments, including restaurants, caterers, food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The request is \$190,075 less than enacted from all sources, including \$231,595 more from general revenues and \$421,670 less from federal funds. Reductions from federal funds follow the end of several grants from the Food and Drug Administration, which primarily funded salaries and benefits, with a portion of that expense shifted to general revenues. All other revisions to expenses are consistent with reported expenditures for FY 2025.

The request includes \$4.6 million for salary and benefit expenses of 36.2 full-time equivalent positions, with the \$0.5 million attributable to current service adjustments. The Department shifted one food inspector position from indirect cost recovery restricted receipts to general revenues as part of a one-time cost-savings initiative in FY 2026; the FY 2027 request reverts to general revenues. *The Governor recommended \$31,065 less than requested, including \$31,821 less from general revenues. This includes adding \$10,948 for statewide adjustments to health and other benefit rates, offset by increased turnover assumptions.* **The Assembly concurred.**

Kratom Consumer Protection (1.0 FTE). In 2025, Rhode Island Public Law 447 was enacted, requiring the Department of Health to establish a new comprehensive licensing, inspection, and enforcement program for kratom manufacturers, importers, distributors, and retailers. It also authorized restricted receipt accounts for licensing and fines that will eventually support regulatory expenses. Kratom is an herbal substance native to Southeast Asia that is used recreationally as a stimulant and a sedative.

The Department requested \$588,921 from general revenues to support the implementation of the Rhode Island Kratom Consumer Protection Act. Funding would support 3.4 full-time equivalent positions and operating costs, such as training, compliance and enforcement oversight, and education and outreach. The Department anticipated that new fees will be collected beginning in FY 2027, including licensing fees and fines issued for businesses not in compliance with new regulations. The statute establishes fees, including \$1,000 for retailers and \$2,000 for manufacturers, importers, and distributors. Fines are determined based on the retail value of contraband kratom products as well as prior offenses resulting from the sale of illegal kratom products.

The Department's constrained request excluded all funding to implement the Kratom Consumer Protection Act. *The Governor recommended \$251,252 from general revenues, or \$337,669 less than requested. This includes \$128,497 for a new environmental health food specialist position and \$122,755 for information technology and other startup costs.* **The Assembly concurred.**

Water Quality Protection Programs. The Department requested \$10.0 million and 33.2 full-time equivalent positions to support water quality protection programs, which are responsible for enforcing the provisions of the Safe Drinking Water Act and several state laws relating to safe drinking water and regulating nearly 500 public water systems. The request is \$14,887 more than enacted, including \$10,554 more from general revenues. The Infrastructure Investment and Jobs Act authorized funding to address water infrastructure projects. The request includes \$5.2 million for salaries and benefits. This is \$178,548 more than enacted to fund approximately one additional position within the Department's existing staffing authorization, and shifting previously budgeted contracted public water technical assistance. It also adds \$0.2 million more from Environmental Protection Agency grants that fund water infrastructure projects, to reflect the available award balance. *The Governor recommended \$10,221 more than requested from all sources to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Occupational Health and Safety Program. The Department requested \$0.7 million from all sources, including \$0.1 million from general revenues, for the state's match to support the Occupational Health and Safety Program, which works to eliminate hazardous workplace conditions. The Department works with occupational hazard consultants to visit businesses with fewer than 250 employees to help them identify occupational hazards and recommend approaches to address them. These services are provided to employers upon request and at no cost. The Department reported that, as of September 2025, it has completed 82 out of a targeted 85 businesses, set by federal guidelines. The request is \$34,012 less than enacted, including \$16,835 less from general revenues. It includes \$0.4 million for salaries and benefits of 3.0 full-time equivalent positions and \$0.1 million less than enacted, reflecting a vacancy. The request includes an increase of \$77,276 for operating expenses based on expected costs.

The constrained request eliminates the state program. On-site consultation services are separate from enforcement and do not result in penalties or citations. This proposal was included in the Department's last three operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding consistent with the unconstrained request, and included \$806 in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Swimming Pool Program/Aquatic Venue Fees. The Department requested \$313,000 from all sources to support its Swimming Pool Program that works to prevent disease and injuries at pools, including pool chemical injuries, disease outbreaks, and drowning. This includes the enacted amount of \$100,000 from

general revenues and \$213,000 from pool license and bottled water license receipts, \$80,000 more than enacted. The \$80,000 increase is from restricted receipts that fund portions of three positions within its staffing authorization. The Department intends to increase licensing fees for pools to raise the necessary funds.

Increases in staff salaries and cost-of-living adjustments, along with a higher indirect cost recovery state rate, have eroded the value of the existing fee structure. With no fee change, the new rate would increase the amount subtracted from the restricted receipts by \$7,000. The fee increase would bring the program's income from \$233,000 to \$313,000. Of this amount, \$310,000 would be used for staffing, and \$3,000 for required operating expenses.

The Department's constrained request excluded the \$80,000 from raising new fees. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Lead Hazard Mitigation Program. The Department requested \$2.8 million from all sources for its Lead Hazard Mitigation Program, including \$1.1 million more than enacted from general revenues to comply with new federal regulations and expand the program to address mitigation and abatement. The Lead Hazard Mitigation Program implements the initiatives established in the Lead Hazard Mitigation Act. The program aims to reduce lead exposure in rental properties built before 1978, educate landlords and tenants on lead safety, and lower exposure risks.

The request is \$1.1 million more than enacted from general revenues to comply with new federal guidelines issued in October 2021 and expand the program to address mitigation and abatement. While recommended, these regulations are not required. The Department requested several new initiatives to achieve these goals, including the authorization of 2.0 additional positions and salary and benefit adjustments for the existing 4.0 full-time equivalent positions, currently supported with existing general revenues and a Memorandum of Understanding with the Executive Office of Housing. It is important to note that the Department's request includes housing funds, resulting in a budgeting overlap. The reason is that the Department would prefer that funding be added as an annual appropriation rather than through the Memorandum of Understanding. The request also expands initiatives, including education programs for landlords, business owners, and tenants, software enhancements, and other assistance to implement new federal guidelines and expand the existing program.

The Department's constrained request excluded the \$1.1 million for new initiatives. *The Governor did not recommend the new initiatives. He included \$2,875 from all sources in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Expenses. The request includes \$4.1 million for all remaining expenses in the Division of Environmental Health, which is responsible for all licensure and regulatory activities relating to environmental health and healthy homes. This is \$16,364 more than enacted, including \$44,575 from general revenues. It includes \$2.9 million for salaries and benefits of 17.8 full-time equivalent positions; this is \$0.2 million and 1.5 positions more than enacted within the Department's existing authorization. The request reduces a like amount from contracted services; it appears services previously provided by contractors will now be fulfilled by the additional positions. *The Governor recommended \$7,120 more than requested in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Office of State Medical Examiners

Operations. The Department requested \$4.5 million from all sources to support the Office of State Medical Examiners. This is \$72,612 more than enacted from general revenues. The request includes \$3.5 million for salary and benefit expenses for 17.8 full-time equivalent positions, which is \$0.4 million more than enacted, reflecting current service adjustments and a shift from contracted services to salaries and benefits

with the hiring of an assistant medical examiner. The Department reported three vacancies at the time of the budget submission, or two more than the enacted assumption. The request includes reductions of \$0.3 million for contracted services, consistent with additional salaries and benefits, and \$61,500 less for operating expenses, which is consistent with the revised request and FY 2025 expenditures. This appears to reflect lower operating expenses associated with the new Cumberland facility, which now houses the Office. *The Governor recommended \$35,233 less than requested. This includes additional turnover savings, partially offset by \$6,780 in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Health Laboratories

Breathalyzer Unit. The Department requested \$0.7 million from all sources and staffing of 3.5 full-time equivalent positions to support impaired driver testing. The program trains and certifies law enforcement officers in the area of breath analysis and tests blood specimens submitted by law enforcement agencies. The request is \$56,130 less from all sources. Salary and benefit expenses are \$67,742 less than the enacted amount, reflecting updates based on new allocations. Operating expenses of \$0.2 million are nearly consistent with the enacted budget. There are no vacancies reported as of the time of the budget submission.

The constrained request proposes to shift general revenue expenses of \$0.3 million for 2.0 full-time equivalent positions and operations to municipalities, using a tiered system based on the number of breathalyzer units calibrated and law enforcement officers trained. Statutory authority to effectuate this would be needed. This proposal was included in the Department's last three operating requests; they were neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding consistent with the unconstrained request and added \$938 in statewide adjustments to health and other benefit rates. The Assembly concurred.*

Blood Lead Testing Laboratory. The Department requested \$0.4 million from general revenues for its Blood Lead Testing Laboratory. The laboratory is responsible for analyzing blood lead test results, particularly for children under six years of age, as required by state law. The request includes \$8,947 more for salaries and benefits, and retains the enacted level of funding for operating expenses of \$48,577. Consistent with the enacted budget, the request funds 4.8 full-time equivalent positions.

The constrained request proposes eliminating funding for the Blood Lead Testing Laboratory. The proposal shifts responsibility from the Division to private laboratories, only if they serve the uninsured without additional cost sharing to the patient, and without any cost to uninsured children. *The Governor recommended \$852 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Capital - Health Lab and Medical Examiners Equipment. Consistent with the enacted budget, the Department requested \$0.4 million from Rhode Island Capital Plan funds to replace obsolete medical equipment in the following laboratories: Biological, Forensic and Environmental Sciences. The request is consistent with the approved plan and the Department's capital budget request. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.*

Lab Administration. The Department requested \$3.2 million from general revenues for operations related to the new health laboratory. The request is \$1.8 million more than enacted. Similar to the revised request, the FY 2027 request includes these funds to reflect estimated operating costs for the new health laboratory, which is scheduled to be completed in FY 2026.

The new laboratory replaces the old Chapin Building at a total cost of \$97.7 million. The Department did not previously budget for laboratory costs as precise estimates could not be made regarding operating costs

until recently; however, \$0.9 million from indirect cost recovery restricted receipts had been reserved for laboratory costs in the enacted budget. The FY 2027 request instead seeks all general revenues to cover the expenses of the new health laboratory. As of the budget submission, the Department anticipates total operating costs of \$1.6 million for FY 2026 and \$1.8 million for FY 2027, including support for mechanical, electrical, and plumbing systems; grounds maintenance; security; janitorial services; utilities; and general administrative management. The estimate also includes \$0.3 million in parking fees, paid to the Rhode Island Convention Center Authority for use of the Innovation District parking garage.

The Department's constrained proposal removes \$1.8 million from general revenues for the new health laboratory.

The Governor recommended \$0.1 million more than requested from all sources, including \$0.7 million less from general revenues. His recommendation includes \$1.1 million from general revenues and \$0.8 million from indirect cost recovery restricted receipts. New estimates recently provided by the Department anticipate higher general operating costs and increases in insurance. He also recommended \$1,336 more in statewide adjustments to health and other benefit rates. The Assembly concurred.

Other Expenses. The Department requested \$9.4 million from all sources for all remaining expenses in the Division of State Health Laboratories, which provides services to law enforcement and the public. This is \$143,118 more than enacted, including \$139,929 more from general revenues. The request includes \$2.3 million for operating expenses, much of which is for medical supplies, such as test kits, chemicals, reagents, and glassware. Salary and benefit expenses of \$6.6 million are \$0.2 million more for 43.3 full-time equivalent positions, reflecting updated staffing costs and allocations. The request restores turnover for one position; the enacted budget assumes turnover for approximately 3 positions. There were no vacancies at the time of the budget submission.

The constrained budget proposes \$1.0 million in general revenue savings by charging a tiered fee assessed to state and local police. The Forensic Drug Chemistry Laboratory is responsible for testing drugs seized by state and local law enforcement agents and identifying the illegal substances in the submitted evidence. Costs transferred include personnel and operating expenses for the Forensic Drug Chemistry Laboratory. There would be no change in the level of services provided to stakeholders by the Department's Forensic Laboratory. *The Governor recommended funding consistent with the unconstrained request and added \$13,606 to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Healthcare Quality and Safety

Center for Emergency Medical Services. The Department requested \$1.5 million from all sources for the Center for Emergency Medical Services, which plans for and oversees licensing of emergency medical services in the state. It also administers the Comfort One pre-hospital EMS Do Not Resuscitate Program. The request includes \$10,744 more from general revenues for current service adjustments and \$122,559 less from federal funds from the reduction in the expected award for one federal grant. The request includes \$0.8 million for salaries and benefits of 6.0 full-time equivalent positions, which is \$0.1 million more than enacted. The request reduces temporary contracted staffing, which appears to have been replaced by filling a planning and program specialist position. Operating expenses are \$0.1 million less from federal funds for unidentified program supplies. *The Governor recommended \$1,188 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Nursing Home Minimum Staffing. The Department requested \$0.5 million from general revenues to implement the Nursing Home Minimum Staffing law. The Nursing Home Staffing and Quality Care Act was signed by the Governor in May 2021. Beginning on January 1, 2024, and every five years thereafter, the Department must consult with consumers, advocates, unions, and providers to determine compliance with staffing standards set by the act. The Department initially hired consultants from the University of

Massachusetts to assist in developing a database that would enable it to capture hours from the Centers for Medicare and Medicaid Services database to determine whether staffing was within statutory requirements, allowing the Department to fine facilities not in compliance with the law. On May 24, 2024, the Governor issued Executive Order 24-09, suspending penalties indefinitely after it was revealed that the estimated net costs of enforcing the program would be approximately \$60 million.

The Assembly adopted Article 10 of 2025-H 5076, Substitute A, as amended, changing the penalty structure and waiving and forgiving any penalties assessed prior to January 1, 2026. The penalty would be three percent of Medicaid reimbursements determined by the most recent financial period. Any funds recovered would be deposited into a restricted receipt account for use in workforce development and compliance-assisted programs. The article also established compliance determination, waiver provisions, allocations of recovered funds, implementation and oversight regulations, and audit and public reporting requirements.

In seeking compliance with the law, the Department noted that it lacks the resources to interpret, assess, or calculate the fines imposed by it. Its request includes \$0.3 million for 2.5 full-time equivalent positions, including 1.0 nursing home surveyor, 1.0 senior legal counsel, and a 0.5 licensing aide. In addition, the request seeks to restore funding for its contract with the University of Massachusetts to assist in database development at an assessed expense of \$0.2 million. Previously, the Department budgeted this amount from general revenues in FY 2025, but it was removed in the FY 2026 budget request.

The constrained budget excludes all funding and authorization for the requested positions. *The Governor recommended \$200,000 for the contract with the University of Massachusetts. His recommendation excludes the positions requested by the Department.* **The Assembly concurred.**

Center for Health Facilities Regulation. The Department requested \$7.8 million from all sources for the Center for Health Facilities Regulation. The request is \$2.5 million more than enacted, including \$2.0 million more from general revenues and \$0.6 million more from federal funds. The request includes \$5.1 million for salaries and benefits for 28.1 full-time equivalent positions, reflecting updated staffing costs and allocations, which is \$0.4 million more than enacted. The Department's request includes \$1.9 million more than enacted from general revenues to close a gap identified by the Department between spending needs and federal awards pertaining to inspections of providers participating in Medicare or Medicaid.

The Center for Health Facilities Regulation is the designated State Survey Agency by the federal Centers for Medicare and Medicaid Services. As such, it is required to conduct work on behalf of the Centers to monitor facilities participating in these programs in order to ensure compliance. Since federal FY 2024, expenditures to conduct its statutorily required duties have exceeded the federal award by \$3.2 million.

Federal funds received by the Department are approximately \$2 million per state fiscal year, but to do the needed work, the Department spent \$3.2 million by accessing the funds earmarked for the next year. To close the funding gap, which has been accumulating for the past two federal fiscal years, the Department requested \$1.8 million from general revenues. According to the Department, federal funds included in the FY 2027 request capture funding from multiple fiscal years and are not an accurate representation, as the award runs on a federal fiscal year.

The constrained proposal removes \$1.8 million from general revenues. *The Governor recommended \$1.5 million less than requested. Instead of general revenues, he recommended \$0.3 million from indirect cost recovery restricted receipts to close the expected FY 2025 gap. His FY 2026 revised recommendation includes \$0.7 million from restricted receipts to close the FY 2024 gap. He also recommended \$5,651 in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Licensure Compacts Implementation. The Department requested new expenditures of \$334,951 from general revenues to implement licensure compacts. Licensure compacts are agreements between states

allowing medical professionals to practice in multiple member states with a single license. This is meant to streamline the licensure process for appropriately licensed individuals from other compact states who want to practice in Rhode Island, and to allow licensed individuals residing in Rhode Island to practice in other compact member states, whether in person or via telemedicine. Since 2023, nine compacts have been passed, but the Department reported it did not have the necessary funding to implement compacts in a streamlined database. Previously, the Department set up the legislative-mandated nurse licensure compact with a \$200,000 grant from the National Council of State Boards of Nursing in 2024. Other compacts will require funding for positions and information technology to implement mandated compacts.

The request includes \$0.2 million for new salary and benefit expenditures for 1.0 program specialist and 0.5 of an implementation aide. It also includes \$0.1 million for contracted information technology services and other miscellaneous operating expenses.

The constrained request removes funding for the implementation. *The Governor did not recommend funding. An unspecified amount of federal funds will be used to implement the Physician Assistant Licensure Compact through the Rural Health Transformation Program. Costs are likely to be finalized in future budget requests.* **The Assembly concurred.**

Medical Spas. Based on the implementation of the Medical Spas Safety Act in 2025, the Department requested \$217,252 from general revenues to implement licensure and compliance monitoring for medical spas. The act requires medical spas to be licensed as health care facilities with the Department by July 1, 2026, mandating physician oversight, and setting specific training and supervision standards for qualified providers. Medical spas are health care facilities that provide medical procedures for cosmetic purposes, such as Botox, fillers, and laser hair removal. It requests \$205,434 for 1.5 full-time equivalent positions, including a nursing care evaluator and a licensing aide, as well as \$11,818 in operating expenses.

The constrained request removes all funding for medical spa licensure and compliance monitoring. *The Governor did not recommend funding.* **The Assembly concurred.**

Center of Professional Boards and Licensing. The Department requested \$7.2 million from general revenues for the Center of Professional Boards and Licensing, which is responsible for licensing, certifying, and disciplining health care professionals. The request is \$3.2 million more than enacted. This includes \$3.1 million to upgrade the Professional Licensing System and \$0.1 million more for salaries and benefits.

The current system, which will reach end of life on June 30, 2027, manages licensure for more than 145,000 individuals and 433 license types across 80 professions. The Department will work with the existing vendor to fully digitize application processes. All funds requested for the upgrade are budgeted for software supplies. The licensing system upgrade was also submitted in the Department's FY 2027 capital request. The anticipated conversion will take 12-18 months, including implementation planning meetings, data conversion, system implementation, and staff training. Annual operating costs after implementation are estimated at \$930,000, which will increase by 3.0 percent year-on-year. The Department reports that if funding is not secured for the system upgrade, it would risk losing access to its system, risking non-compliance with the legislative mandate to maintain licensing data.

The constrained request excludes the expenses required to upgrade the Department's licensing system.

The Governor recommended \$1.1 million less than requested. This is based on an updated implementation schedule whereby \$2.1 million will be paid in FY 2027, and the remaining \$1.0 million will be billed in FY 2028. Excluding costs associated with the licensing implementation, the Governor recommended \$32,905 less than requested, including a higher turnover assumption of \$42,013 and \$9,108 to reflect statewide adjustments to health and other benefit rates. **The Assembly concurred.**

Other Expenses. The Department requested \$4.5 million from all sources for all other expenses associated with the Division of Healthcare Quality and Safety. The request is \$0.2 million more than enacted, including \$0.3 million more from federal funds, \$16,074 less from general revenues, and \$0.1 million less from restricted receipts based on anticipated collections. The request includes \$3.9 million for salaries and benefits for 22.5 full-time equivalent positions, which is \$0.1 million more than enacted, reflecting current service adjustments. At the time of the budget submission, there was one vacancy. The request also includes \$0.1 million more for unspecified operating expenses, which could potentially be used for salaries and benefits or reduced turnover savings. *The Governor recommended \$7,842 more than requested, reflecting statewide adjustments to health and other benefit rates. He subsequently requested a budget amendment to add \$155,325 for salaries and benefits, including \$62,130 from federal funds and \$93,195 from restricted receipts, to correct an error that under-budgeted a position in the Division.* **The Assembly concurred with the amended recommendation.**

Policy, Information and Communications

Center for Vital Records. The Department requested \$3.2 million from all sources for the operations of the Center for Vital Records. The center is responsible for a statewide vital records system involving the births, marriages, deaths, and fetal deaths that occur in the state. The request is \$152,716 less than enacted, including \$216,180 less from general revenues and \$63,464 more from federal funds. The request reduces \$0.4 million from temporary contracted services, and adds \$0.3 million for salaries and benefits to fund current service adjustments and 1.5 more positions than enacted within the Department's existing authorization. Consistent with the revised request, the Department also reduced operating expenses by \$79,481, reflecting an update for the center's Genesis database system. *The Governor recommended \$5,873 more than requested, reflecting statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Center for Health Data and Analysis. The Center for Health Data and Analysis coordinates and oversees all efforts within the Department of Health and between the Department and its external partners related to the assurance of health data quality and the provision of health-related data and analysis to inform health policy, monitor health statuses and health care quality, and support public health initiatives. The request includes \$2.8 million or \$0.5 million more than enacted from all sources, including \$63,407 more from general revenues for its operation.

The request includes \$1.4 million for salaries and benefits of 8.4 full-time equivalent positions, \$37,868 more than enacted, primarily from general revenues. The request includes current service adjustments and adds turnover savings equivalent to about 0.2 of a position. There were no vacancies at the time of the budget submission. Operating expenses and contracted services of \$0.7 million are \$0.4 million more than enacted and consistent with the revised request. These expenses primarily support analytics for the development of Health Care Quality Reporting, which the state uses to make public clinical outcomes and patient satisfaction via the Department's website.

The constrained budget excludes \$53,000 from general revenues for Health Care Quality Reporting. *The Governor recommended funding consistent with the unconstrained request and added \$3,365 from all sources to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rural Health Transformation Program. In December 2025, the state was awarded \$142.7 million from federal funds for the first year of the federal Rural Health Transformation program. The program is an initiative designed to strengthen health care in rural communities across the United States. It is administered by the Centers for Medicare and Medicaid Services and provides funding to states from 2026 to 2030 to enhance access to care, attract medical professionals, and support facility infrastructure. *Funds were not included in the Governor's budget recommendation. The Governor subsequently requested an amendment to add \$28.6 million for the Department of Health, including \$2.3 million in FY 2026 and \$27.3 million in*

FY 2027, including \$1.0 million from anticipated indirect cost recovery restricted receipts. Funding will support rural community and mobile health services, expand access to behavioral health services, and modernize rural health information technology. Of this amount, \$0.8 million supports approximately six positions, and \$53,000 supports centralized service expenses associated with the award. The Assembly concurred with the amended recommendation.

All-Payer Claims Database. Consistent with the revised request, the Department requested \$50,000 from restricted receipts for the All-Payer Claims Database, also known as HealthFacts RI. The database is used to examine the use, quality, and cost of health care in the state. The request is \$176,338 less than enacted, based on an updated plan with the Executive Office of Health and Human Services, which has requested general revenues to cover maintenance costs and the reduction in support from the Department. The request includes expenses budgeted for contracted services only. *The Governor concurred. The Assembly concurred.*

Health Professional Loan Repayment. The Department requested \$0.9 million from all sources for the health professional loan repayment program, which pays a portion of an eligible health care professional's student loan if the participant agrees to work for two years in a health professional shortage area. The request is \$0.5 million less than enacted from federal funds. The federal program was amended, and as of October 1, 2022, a state match was not required. However, effective September 1, 2025, a state match is required. The state match was previously covered by donated funds from UnitedHealthcare, the Rhode Island Health Care Association, Neighborhood Health, Delta Dental, Blue Cross Blue Shield, and the Rhode Island Foundation. In his FY 2026 recommended budget, the Governor added \$200,000 from general revenues to match federal funds for loan repayment assistance.

Of the requested amount, \$0.9 million will be used for loan repayment grants, and \$250 is for other program expenses. Similar to the FY 2026 revised request, the Department anticipated a delay when a new grant period starts; this lapse in funding had never occurred prior to FY 2026. Because of this, loan payments that would typically occur towards the end of the fiscal year may not occur, affecting potential program recipients. As a result, the Department decreased its expected federal expenses.

The request also shifts \$58,532, which was previously paid for parts of three positions within the Department, to other sources based on staffing updates and allocations. *The Governor recommended funding as requested. An update by the Department in late April indicated that the expected federal award amount has increased to \$775,000 for the FY 2027 cycle, requiring an equal state match. The Assembly added \$200,000 from general revenues to meet the state match.*

Other Expenses. The Department requested \$2.1 million and staffing for 9.3 full-time equivalent positions for all remaining expenses in the Division. This is \$0.5 million more than enacted, including \$0.2 million more from general revenues. Salary and benefit expenses of \$1.7 million for 9.3 full-time equivalent positions are \$0.5 million more than enacted, which funds approximately three more positions and current service adjustments. Temporary clerical staffing is reduced by \$0.1 million as it will not be required with the additional staff. The request includes \$0.1 million for security services, which the Department noted are needed to address a vacancy within the Hospital Conversion Monitoring program. Remaining expenses of \$0.5 million are \$68,860 more than enacted, primarily for contracted program support, consistent with the revised request. The request also retains a \$20,000 grant from the federal Rural Health Transformation Program to improve the access, quality, and sustainability of rural health care. *The Governor recommended \$3,203 more than requested from all sources, reflecting statewide adjustments to health and other benefit rates. The Assembly concurred.*

Department of Human Services

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 16,415,145	\$ 16,536,410	\$ 16,275,043	\$ 17,575,043
Child Support Enforcement	18,435,198	17,462,117	17,755,167	18,071,539
Individual and Family Support	164,002,454	175,214,838	164,830,717	164,925,717
Office of Veterans Services	51,943,036	53,492,032	55,721,595	55,721,595
Health Care Eligibility	27,173,506	27,997,007	31,420,440	31,420,440
Supplemental Security Income	16,680,780	16,711,080	16,569,000	16,752,300
Rhode Island Works	119,117,276	99,342,660	119,292,082	99,293,714
Other Programs	384,672,713	351,949,853	340,471,113	344,095,257
Office of Healthy Aging	38,948,518	37,745,255	37,764,546	42,071,981
Total	\$ 837,388,626	\$ 796,451,252	\$ 800,099,703	\$ 789,927,586
Expenditures by Category				
Salaries and Benefits	\$ 133,134,288	\$ 131,806,605	\$ 143,903,260	\$ 143,903,260
Contracted Services	28,543,205	38,690,237	35,243,219	34,340,979
Subtotal	\$ 161,677,493	\$ 170,496,842	\$ 179,146,479	\$ 178,244,239
Other State Operations	39,680,914	39,010,208	42,388,106	42,475,867
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	629,606,164	580,981,129	574,968,995	564,209,117
Capital	3,048,015	2,587,033	220,083	1,622,323
Capital Debt Service	-	-	-	-
Operating Transfers	3,376,040	3,376,040	3,376,040	3,376,040
Total	\$ 837,388,626	\$ 796,451,252	\$ 800,099,703	\$ 789,927,586
Sources of Funds				
General Revenue	\$ 136,022,692	\$ 137,169,725	\$ 151,791,028	\$ 159,072,352
Federal Aid	689,957,887	645,451,129	635,891,749	618,423,308
Restricted Receipts	6,010,641	7,556,305	6,362,964	6,377,964
Other	5,397,406	6,274,093	6,053,962	6,053,962
Total	\$ 837,388,626	\$ 796,451,252	\$ 800,099,703	\$ 789,927,586
FTE Authorization				
Department of Human Services	779.0	789.0	804.0	804.0
Office of Veterans Services	267.0	267.0	291.0	291.0
Office of Healthy Aging	33.0	33.0	33.0	33.0
Total FTE Authorization	1,079.0	1,089.0	1,128.0	1,128.0

Summary. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requested total funding of \$789.4 million from all fund sources, including \$145.1 million from general revenues, \$632.4 million from federal funds, \$6.3 million from restricted receipts, and \$5.5 million from other funds. This is \$48.0 million less than enacted, including \$9.1 million more from general revenues, \$57.6 million less from federal funds, \$0.3 million more from receipts, and \$0.2 million more

from other funds. The Department also requested 1,075.0 full-time equivalent positions, 4.0 fewer than the enacted authorization, reflecting positions transferred to the Office of Energy Resources to manage the Weatherization Assistance Program.

The Governor recommended \$10.7 million more than requested, including \$6.6 million more from general revenues. His recommendation includes a total of 49.0 new full-time equivalent positions, including 24.0 for the Veterans' Home, 29.0 for quality control initiatives, and 4.0 shifted to the Office of Energy Resources for the Weatherization Assistance Program. He requested several amendments to reflect a renewed lease, recognize new federal funding, correct an error, and reflect increased utilization of some programs.

The Assembly provided \$789.9 million, or \$10.2 million less than recommended from all sources, including \$7.3 million more from general revenues. Among the changes are \$20.2 million less, almost entirely from federal funds, to reflect caseload revisions and to increase subsidized child care eligibility to 285 percent of the federal poverty level and increase infant reimbursement rates by five percent. It also increased the child support pass-through to the maximum federally allowable level.

The Assembly added \$1.4 million from general revenues to increase support to nonprofit entities and \$4.1 million to extend the Eat Well Be Well program for an additional year. It also added \$1.0 million for the Office of Healthy Aging, including \$0.2 million from general revenues, to fully fund the rate increases proposed in the Governor's budget and transfer a contract with the Rhode Island Parent Information Network from the Executive Office of Health and Human Services.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Human Services, this produced a general revenue target of \$125.9 million, including a current service adjustment decrease of \$0.8 million and a 7.5 percent reduction of \$9.4 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$6.7 million more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$25.9 million above the target. The Assembly provided \$33.2 million more than the target.*

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2026 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	150%	200%	250%	261%	285%	300%	325%
1	\$ 15,960	\$ 23,940	\$ 31,920	\$ 39,900	\$ 41,656	\$ 45,486	\$ 47,880	\$ 51,870
2	21,640	32,460	43,280	54,100	56,480	61,674	64,920	70,330
3	27,320	40,980	54,640	68,300	71,305	77,862	81,960	88,790
4	33,000	49,500	66,000	82,500	86,130	94,050	99,000	107,250
5	38,680	58,020	77,360	96,700	100,955	110,238	116,040	125,710
6	44,360	66,540	88,720	110,900	115,780	126,426	133,080	144,170
7	50,040	75,060	100,080	125,100	130,604	142,614	150,120	162,630
8	55,720	83,580	111,440	139,300	145,429	158,802	167,160	181,090

For families with more than 8 members, add \$5,680 for each additional member for the 100 percent calculation.

Staffing. The Department requested authorization for 1,075.0 full-time equivalent positions for FY 2027, 4.0 fewer than the enacted budget. This reflects a proposed transfer of the Weatherization Assistance Program and its 4.0 positions to the Office of Energy Resources.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
2026*	691.0	217.5	30.0	938.5
2025	695.6	221.7	30.3	947.6
2024	671.0	221.0	31.0	923.0
2023	647.0	212.0	30.3	889.3
2022	627.2	215.2	28.1	870.4
2021	666.0	228.4	26.9	921.3
2020	681.3	231.5	27.1	939.9
2019	667.5	219.4	27.9	914.9
2018	627.8	217.7	27.9	873.4
2017	590.6	217.1	28.0	835.7
2016	623.8	218.1	27.3	869.3

**Point-in-time April 18, 2026*

The full-time equivalent authorization for the Department's core operations would decrease to 775.0 positions. Unchanged from the enacted level are the authorizations for the Office of Veterans Services, at 267.0 positions, and the Office of Healthy Aging, at 33.0 positions.

As of mid-November 2025, the Office of Veterans Services had 236.5 filled positions, averaging 230.5 filled positions or 36.5 vacancies for FY 2026. The request includes funding for about 240 positions, about five more than assumed in the enacted budget. The Office of Healthy Aging has averaged about 30.2 filled positions so far in FY 2026, and the request includes funding for about 31 positions, about the same as the enacted budget.

Article 1 of 2022-H 7123, Substitute A, as amended, requires the Department to submit a report every 60 days, beginning August 1, 2022, on its progress in recruiting and retaining staff for its core operations, excluding the Office of Healthy Aging and the Office of Veterans Services. Reports comprise information on the agency's hiring activity, vacancies resulting from recent departures, staff on leave, civil service exam administration, call center activity, and current caseload trends related to program eligibility redeterminations. For the period of September 6, 2025, to November 3, 2025, the Department has reported filling 150 positions from January 1 through November 3, 2025, with 30 of those within the most recent reporting period, which includes lateral, promotional, and new hires. There are currently 28 in active recruitment, meaning that the position posting has closed and the Department is reviewing candidates.

The Governor recommended \$6.9 million more than requested from all sources, including \$4.9 million more from general revenues. This includes \$336,715 to reflect statewide adjustments to health and other benefit rates. His recommendation also includes 49.0 new full-time equivalent positions, including 29.0 positions for quality control initiatives related to compliance with H.R. 1 regulations, 24.0 positions to staff a phased reopening of the Foxtrot neighborhood of the Rhode Island Veterans Home, and 4.0 positions for the Weatherization Assistance Program shifted to the Office of Energy Resources. The Assembly concurred.

Centralized Services. The Department requested \$10.6 million from all sources for centralized services provided by the Department of Administration, including facilities management, human resources, and information technology. The request is \$0.8 million less, primarily from general revenues in the Office of Veterans Services. This relates to the Budget Office's current service projections of increased availability of federal funds for these services at the Veterans Home, though the request appears to exclude those funds rather than shift the cost from general revenues. This understates projected expenses.

The Governor recommended \$3.5 million more than requested, including \$2.2 million from general revenues to account for statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. His recommendation corrects the understatement. The Assembly concurred.

Centralized Services by Entity						
Entity	FY 2025 Actual	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Gov./Enacted	Change to Enacted
Department of Human Services	\$ 6,914,382	\$ 7,771,230	\$ 7,437,307	\$ 7,771,630	\$ 9,265,701	\$ 1,494,471
Office of Healthy Aging	522,893	555,374	555,072	555,374	711,260	155,886
Office of Veterans Services	3,930,796	3,096,376	3,214,536	2,255,367	4,063,167	966,791
Total - All Funds	\$ 11,368,071	\$ 11,422,980	\$ 11,206,915	\$ 10,582,371	\$ 14,040,128	\$ 2,617,148
<i>General Revenues</i>	<i>\$ 7,526,270</i>	<i>\$ 7,903,514</i>	<i>\$ 7,269,191</i>	<i>\$ 7,062,505</i>	<i>\$ 9,300,306</i>	<i>\$ 1,396,792</i>

Central Management

Staffing and Other Operations. The Department requested \$1.5 million, or \$0.6 million less than enacted for Central Management staffing and operations. This includes \$0.2 million less each from general revenues, federal funds, and restricted receipts. The request supports the program's 48.0 full-time equivalent positions allocated to the Director's office and financial management and management services, as well as work for implementation of the Head Start grant. The request includes \$0.9 million, or \$0.2 million less than enacted for all salaries and benefits. This reflects current service adjustments and turnover savings of about one position, roughly one more than enacted. Total operations spending is \$0.6 million, or \$0.3 million less than enacted. This includes \$19,000 less from the Emergency Food Assistance Program, reflecting available awards, and \$145,000 less from federal funds from the Commodity Credit Corporation, reflecting the expiration of those funds.

The Governor recommended \$2,106 more than requested from all sources to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.

Cash Assistance Programs

The November Caseload Estimating Conference estimate included \$138.3 million from all sources, including \$28.8 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state-only supplemental security income program payments, and general public assistance bridge program benefits. The caseload estimate is \$0.3 million more than enacted, including \$1,711 more from general revenues. The Department's request does not reflect the estimate adopted at the November Caseload Estimating Conference. *The Governor recommended funding consistent with the November caseload estimate.*

The Assembly provided \$118.1 million, of which \$28.6 million is from general revenues. Program changes made by the Assembly to subsidized child care included in Article 10 of 2026-H 7127 Substitute A, as amended, are noted where appropriate.

The following table itemizes cash assistance expenditures enacted by the Assembly, adopted by the caseload estimators, and recommended by the Governor. Each category is discussed separately.

Cash Assistance	FY 2026 Enacted	FY 2026 Final	FY 2027 Nov. CEC	FY 2027 Governor	FY 2027 May CEC	FY 2027 Enacted
Rhode Island Works						
Persons	9,875	8,056	9,585	9,585	6,600	6,600
Monthly Cost per Person	\$ 298.00	\$ 286.84	\$ 288.00	\$ 288.00	\$ 286.84	\$ 286.84
Total Costs/Federal Funds	\$ 37.6	\$ 29.8	\$ 35.4	\$ 35.4	\$ 24.6	\$ 24.6
Child Care						
Subsidies	6,818	6,410	7,700	7,700	6,700	6,937
Annual Cost per Subsidy	\$ 11,956	\$ 10,850	\$ 10,900	\$ 10,900	\$ 10,700	\$ 10,761
General Revenue	\$ 9.9	\$ 9.9	\$ 9.8	\$ 9.8	\$ 9.8	\$ 9.8
Federal Funds	71.6	59.7	74.1	74.1	61.9	64.9
Total Costs	\$ 81.5	\$ 69.5	\$ 83.9	\$ 83.9	\$ 71.7	\$ 74.6
SSI						
Persons	30,757	30,480	30,550	30,550	30,550	30,550
Monthly Cost per Person	\$ 45.00	\$ 45.50	\$ 45.00	\$ 45.00	\$ 45.50	\$ 45.50
Total Costs/General Revenues	\$ 16.7	\$ 16.7	\$ 16.6	\$ 16.6	\$ 16.8	\$ 16.8
SSI Transition/Bridge						
Persons	780	707	912	912	718	718
Monthly Cost per Person	\$ 169.00	\$ 162.00	\$ 167.00	\$ 167.00	\$ 162.00	\$ 162.00
Total Costs/General Revenues	\$ 2.2	\$ 2.0	\$ 2.5	\$ 2.5	\$ 2.0	\$ 2.0
General Revenue	\$ 28.8	\$ 28.6	\$ 28.8	\$ 28.8	\$ 28.6	\$ 28.6
Federal Funds	109.2	89.5	109.5	109.5	86.5	89.5
Total Cash Assistance	\$ 138.0	\$ 118.1	\$ 138.3	\$ 138.3	\$ 115.1	\$ 118.1
<i>\$ in millions</i>						

Maintenance of Effort Requirement. The Department is required to spend \$64.4 million from general revenues as its maintenance of effort requirement for the \$94.7 million temporary assistance to needy families' block grant, assuming it meets its work participation rates. The state has separate one-parent and two-parent participation rates, but receives a penalty if either rate is not met. The state met its 90.0 percent two-parent participation rate for federal FY 2024, so it does not need to maintain a higher maintenance of effort. This is the first time since before 2014 that the state met both work participation rates.

Work participation rates are the percentage of qualified parents who are participating in work, work-like activities, or the individualized employment plan. Almost all individuals receiving Rhode Island Works are required to immediately enter individualized employment plans, which may include job search and readiness, vocational or adult education, on-the-job training, and subsidized employment. The Department met its 90.0 percent two-parent work participation rate, which requires one parent to engage in work activities for 35 hours per week, because families who are in non-compliance with their work plan remain on the active caseload. The Department also projects that the single-parent work participation rate requirement will increase from zero to 11 percent in the next reporting period. The rules and regulations call for individuals and families to be sanctioned and have benefits reduced when they are not in compliance with the individual employment plan, miss appointments, or refuse or quit employment. Effective July 1, 2024, the state repealed the full family sanction, which previously allowed the termination of benefits for failure of a family member to enter into and comply with their individual employment plan.

The state can report any spending for its maintenance of effort requirement as long as it meets one of the four temporary assistance to needy families purposes: assisting needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work, and marriage; preventing out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families. The state uses the circuit breaker program, earned income tax credit, administrative expenses through the Department of Human Services, and services provided through the Departments of

Children, Youth and Families, and Labor and Training. The Department's request assumes that the \$64.4 million requirement will be met. *The Governor concurred. The Assembly concurred.*

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$35.4 million, entirely from federal funds. The estimate decreased the monthly caseload by 290 cases to 9,585 and the monthly cost per person by \$10.00 to \$288.00. Total estimated expenditures are \$2.2 million less than the enacted budget, reflecting decreases in both the number of persons and the cost per person, as well as adjustments for clothing and other supportive services. *The Governor recommended funding consistent with the November caseload estimate.*

The Assembly provided \$24.6 million, consistent with the May caseload estimate, which is \$10.8 million less than the November estimate. This includes a monthly average of 6,600 persons at a cost of \$286.84 per person.

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$83.9 million, of which \$9.8 million is from general revenues. This is \$2.4 million more than enacted, including \$0.1 million less from general revenues and \$2.5 million more from federal funds. The estimate assumes 882 additional child care subsidies for an average of 7,700 subsidies and decreases the annual cost by \$1,056 to \$10,900.

The Department requested the enacted level of funding, which does not reflect the November adopted estimate, as the request predates the conference. Eligibility for child care assistance is based on either participation in the Rhode Island Works cash assistance program or on income-based eligibility for families working or enrolled in an approved training or college degree program. Initial eligibility is available to families with income up to 261 percent of federal poverty, and families become ineligible for assistance when their income exceeds 300 percent of federal poverty. Prior to January 1, 2025, income for first-tier eligibility was limited to 200 percent of federal poverty.

Child care rates have been increased in six of the last seven budgets. Most recently, the 2025 Assembly added \$3.0 million to provide an infant rate for center-based child care that is 20 percent higher than the toddler rate, which remained unchanged. It also added \$2.7 million to extend the childcare for educators pilot program. The 2022 Assembly increased the tiered reimbursement rates for center-based providers for all age groups by aligning payments for first-tier providers to the 50th percentile of the 2021 market rate survey and top-tier providers with the 80th percentile. Child care centers continue to be reimbursed based on the rating the provider has achieved in the state's quality rating system. Providers with higher rankings will receive additional funding compared to those in the lower tiers. The 2022 Assembly also established tiered reimbursement rates for school age children.

In its testimony at the November Caseload Estimating Conference, the Department stated that in March 2026, it expects to update its policy regarding payments to child care providers to comply with federal regulations. Currently, it pays providers based on a child's actual attendance in a week, with payments being made after service delivery every two weeks. Beginning in March 2026, the Department will pay providers before delivery of services for the month of child care. *The Governor recommended funding consistent with the November caseload estimate. The Assembly provided \$74.6 million, or \$2.9 million more from federal funds than the May caseload conference estimate. It added \$2.6 million to increase income eligibility to 285 percent of the federal poverty level beginning January 1, 2027, and extended exit eligibility to 325 percent. It also added \$0.4 million to increase infant rates for center-based child care providers by five percent, starting July 1, 2026.*

The enacted budget assumes 6,937 placements at an annual cost of \$10,761, which is 237 more subsidies at \$61 more per subsidy than the May estimate.

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes direct supplemental security income expenditures of \$16.6 million from general revenues, or \$0.1 million less than enacted. The caseload decreases by 207 persons to 30,550 per month. Estimators kept the enacted monthly cost per person at \$45. The estimate also includes \$72,000 for transaction fees, consistent with the enacted level. The Department requested the enacted funding for the program, as the request was submitted prior to the November caseload conference. *The Governor recommended funding consistent with the November caseload estimate.* **The Assembly provided \$16.8 million, consistent with the May caseload conference estimate, which is \$0.2 million more than the November estimate.**

The following table includes the separate categories and monthly payments for calendar year 2026.

Supplemental Security Income Payments	CY 2026		
	State	Federal	Total
Individual living alone	\$ 39.92	\$ 994.00	\$ 1,033.92
Couple living alone	\$ 79.38	1,491.00	\$ 1,570.38
Supplement	\$ 45.00	30.00	\$ 75.00

Assisted Living State Supplemental Payments. The Department requested \$16,430 from general revenues for the additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in a state-licensed assisted living facility that is not eligible to receive Medicaid. The request is consistent with the enacted budget, and caseload testimony suggests that payments may total \$4,944 in FY 2027 based on an average of two individuals. *The Governor recommended funding as requested.* **The Assembly concurred.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimated expenditures for the Supplemental Security Income transition/bridge program at \$2.5 million, entirely from general revenues. The estimate includes \$1.8 million for cash payments and \$0.6 million for burials. The estimate assumes 912 monthly persons, or 132 more than the enacted budget, and decreases the enacted monthly cost per person by \$2.00 to \$167.00. The estimate is \$0.3 million more than enacted. This program is designed for individuals who maintain an active application for the Supplemental Security Income program. The Department requested the enacted funding for the program, as the request was submitted prior to the November caseload conference. *The Governor recommended funding consistent with the November caseload estimate.* **The Assembly provided \$2.0 million, consistent with the May caseload conference estimate, which is \$0.5 million less than the November estimate.**

Other Programs

Supplemental Nutrition Assistance Program. In July 2025, H.R. 1 was signed into law, bringing about changes to the funding structure and eligibility requirements of the Supplemental Nutrition Assistance Program. The legislation updated eligibility guidelines to exclude those with refugee status and instituted a five-year waiting period for lawful permanent residents. New work requirements for able-bodied adults were also added, including removing exceptions for homeless individuals, veterans, and individuals younger than 25 who aged out of foster care, as well as increasing the age limit for work requirements from 54 to 65. The legislation also restricts instances in which utility assistance can be excluded from reported income, resulting in a higher effective income for many participants, reducing their eligibility for assistance. In addition to the eligibility changes, the legislation also reduced the federal share for administrative costs to 25 percent from 50 percent, effective October 2026.

The state may be required to pay a percentage of benefit costs beginning in FY 2028. The Department did not provide an estimate of the cost of this requirement, as the timing and exact percentage of the state share will be based on its payment error rate in federal FY 2025, and the error rate will be released in June 2026.

The lowest penalty would be five percent of benefit costs, or an estimated \$16.6 million based on current benefit totals. The most severe penalty would be a 15.0 percent cost share or \$50.6 million.

In anticipation of potential penalties, Article 10 of the FY 2026 enacted budget requires the Department of Human Services, in coordination with the Department of Administration, to submit a plan, as part of its annual budget submission, with initial recommendations to reduce the state's payment error rate so that it is below six percent. Funding for that plan is contained in the Department's budget request. As of January 18, 2026, the Department must report monthly on its progress in implementing the recommendations.

In another new report required and submitted in October, the Department estimates a reduction of \$26.9 million in funding for FY 2026, including \$0.6 million more from general revenues and \$27.5 million less from federal funds. The FY 2027 impact is expected to be a \$19.5 million reduction from federal funds and a need for \$16.5 million more from general revenues. This is shown in the table below. The impact on benefits is included in this section of the analysis, and the administrative impact is noted in the Program Eligibility Administration section.

Impact of H.R. 1 on the Supplemental Nutrition Assistance Program						
Federal Compliance Advisory Group Estimate	FY 2026			FY 2027		
	General Revenues	Federal Funds	Total	General Revenues	Federal Funds	Total
Work Requirements	\$ -	\$ (12.6)	\$ (12.6)	\$ -	\$ (0.8)	\$ (0.8)
Utility Assistance Exclusions	-	(13.0)	(13.0)	-	(0.6)	(0.6)
Non-Citizen Eligibility	-	(1.5)	(1.5)	-	(0.4)	(0.4)
Administrative Cost Share	-	-	-	16.4	(16.4)	-
Nutrition Education	-	(1.5)	(1.5)	-	(1.5)	(1.5)
Implementation Costs	0.6	1.1	1.7	0.1	0.2	0.3
Total	\$ 0.6	\$ (27.5)	\$ (26.9)	\$ 16.5	\$ (19.5)	\$ (3.0)

\$ in millions

Benefits. The Department requested \$323.2 million from federal funds for direct benefit payments for the Supplemental Nutrition Assistance Program, which is \$41.9 million less than enacted. This primarily reflects the updated eligibility guidelines described previously. *The Governor recommended funding as requested.* **The Assembly concurred.**

Summer Benefit. The Department requested \$14.9 million, including \$0.7 million from general revenues and \$14.2 million from federal funds, for the Summer Electronic Benefit Transfer Program. The request includes the enacted level of \$13.8 million from federal funds for direct benefit payments. The request also shifts \$0.2 million of administrative costs from federal funds to general revenues based on the cost sharing change in H.R. 1, effective on October 1, 2026.

The federally authorized program provides a \$40 monthly benefit per child during the summer months, or three months of benefits, to families of school-age children who are eligible for free or reduced-price school meals during the school year. The payment is annually adjusted for inflation. *The Governor recommended funding as requested.* **The Assembly concurred.**

Supportive Programs. The Department requested \$2.7 million from federal funds and \$0.2 million from general revenues for employment and training and nutrition education programs to support Supplemental Nutrition Assistance Program participants. The request is \$3.6 million less than enacted, including \$0.1 million more from general revenues and \$3.7 million less from federal funds. It reflects the elimination of the Nutrition Education and Obesity Prevention Grant Program following the signing of H.R. 1, and includes \$1.3 million less for the employment program and other services, reflecting lower estimates for

utilization, based on decreased enrollment. *The Governor recommended \$1,060 more than requested from all sources to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Healthy Incentives Pilot. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot program in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits transfer card, with incentive thresholds to be determined by the Department of Human Services. The revised request includes \$4.0 million for this program, nearly all from general revenues. The Department's FY 2027 request includes \$15,000 from federal funds, reflecting the expectation that all general revenue funding will be spent in FY 2026. *The Governor did not include funding in FY 2027. His FY 2026 revised recommendation includes the remaining \$4.0 million. The Assembly added \$4.1 million from general revenues to extend the program for an additional year.*

Program Eligibility Administration. The Department requested \$103.9 million from all sources, including \$46.1 million from general revenues, for personnel and operating expenses associated with administering programs that require eligibility determination. This includes Rhode Island Works, the child care assistance program, and the Supplemental Nutrition Assistance Program, as well as expenses associated with RIBridges, also known as the Unified Health Infrastructure Project. The request is \$5.9 million more than enacted from all sources, including \$9.7 million more from general revenues. Most of the increase is related to newly approved federal legislation. *The Governor recommended \$2.7 million more than requested, including \$1.4 million more from general revenues. His recommendation includes 29.0 new full-time equivalent positions. He requested an amendment to add \$87,761, including \$29,839 from general revenues, to reflect the terms of a new five-year lease for the Office of Child Support Enforcement. The Assembly concurred with the amended recommendation.*

Staff and Other Expenses	General Revenues Eligibility			All Sources Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
FY 2026 Enacted	\$ 3.6	\$ 32.7	\$ 36.4	\$ 12.8	\$ 85.3	\$ 98.0
Revised Request	3.0	33.3	36.3	12.7	88.1	100.8
Revised Chg. to Enacted	\$ (0.6)	\$ 0.6	\$ (0.1)	\$ (0.0)	\$ 2.9	\$ 2.8
FY 2027 Request	3.2	42.9	46.1	12.4	91.4	103.9
Request Chg. to Enacted	\$ (0.4)	\$ 10.2	\$ 9.7	\$ (0.3)	\$ 6.2	\$ 5.9

\$ in millions; excludes centralized services

SNAP/All Program Accuracy and Efficiency Initiative. The Department requested \$1.0 million, including \$0.6 million from general revenues, for a new initiative to improve accuracy and efficiency in administering federal Supplemental Nutrition Assistance Program benefits to comply with reporting and eligibility requirements related to H.R. 1. The initiative is an investment in supportive technology, artificial intelligence-powered digital assistants, and a digital directory of procedural and policy information, all of which would complement the existing infrastructure. The general revenues represent federal cost-matching requirements for the programs that the initiative will support.

This initiative is excluded from the constrained request. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.*

EBT Chip Cards. The Department requested \$3.7 million, including \$1.4 million from federal funds and \$2.3 million from general revenues, for FY 2027 for a new project to update the security of Electronic Benefits Transfer (EBT) cards by transitioning from magnetic stripe to chip. The new plan is intended to align with industry security standards, reduce exposure to digital fraud, and improve the overall experience

for beneficiaries and retailers. The rollout would begin in FY 2027, with full statewide reissuance of chip-enabled cards expected to end that fiscal year.

This proposal is excluded from the constrained request. *The Governor did not recommend funding. The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.*

H.R. 1 Payment Error Rate and Quality Control. The Department of Human Services administers programs that require eligibility determination. In July 2025, H.R. 1 was signed into law, bringing about changes to the funding structure and eligibility requirements of certain federal programs, including the Supplemental Nutrition Assistance Program and Medicaid. A provision in the law stipulates that a state may have to pay for up to 15 percent of benefits for the Supplemental Nutrition Assistance Program beginning in federal FY 2028 based on its payment error rate in federal FY 2025; benefits have previously been entirely federally funded. Rhode Island's payment error rate was 12.3 percent in federal FY 2024. The following table shows the estimated general revenue impact to the state based on its payment error rate in federal FY 2025. It should be noted that if the state's payment error rate is above 13.3 percent, the implementation of this provision will be delayed to federal FY 2029.

FFY 2025 Payment Error Rate	State Match	FY 2028 Estimated Impact*
0% to 6%	0%	\$ -
6% to 8%	5%	\$ 17.1
8% to 10%	10%	\$ 34.2
Greater than 10%	15%	\$ 51.3

**in millions*

The Governor recommended \$6.1 million, including \$3.5 million from general revenues, for payment error rate and quality control projects related to H.R. 1. His proposals include \$1.2 million, of which \$0.7 million is from general revenues, and 5.0 full-time equivalent positions for a statewide training program for all Department programs; \$1.5 million, including \$0.9 million from general revenues, for technology improvements at the Department's Call Center; \$0.9 million, including \$0.5 million from general revenues, and 6.0 full-time equivalent positions to create an Office of Program Integrity to audit programs and applications processed through RIBridges; and \$2.4 million, including \$1.4 million from general revenues, and 18.0 full-time equivalent positions for increased staffing at the Call Center. The Assembly concurred.

Other Staffing. The request for all other staffing totals \$59.9 million, and is \$0.9 million more than enacted. It decreases federal funds by \$5.2 million and increases general revenues by \$5.8 million to reflect updated cost-sharing requirements for the Supplemental Nutrition Assistance Program. The request includes current service adjustments and increases turnover savings by about half a position.

About \$6.7 million is shifted from federal funds to general revenues, reflecting the impact of the H.R. 1 administrative cost-sharing provision. Staff time is typically allocated to specific programs based on the amount of time spent on each; funding for portions of 525 eligibility staff and operating costs. Those funded from Unified Health Infrastructure Project expenses receive an enhanced Medicaid match rate for staff. The enhanced Medicaid match rate is 75.0 percent, whereas the regular match rate is only 50.0 percent. The request also includes \$350,000 from restricted receipts for overtime costs related to additional work required to update the system to comply with H.R. 1.

The Governor recommended \$128,190 more than requested, including \$3,054 less from general revenues and \$131,241 more from federal funds for statewide adjustments to health and other benefit rates. The Assembly concurred.

Rent for Satellite Offices. The Department requested \$3.1 million from all sources for office space rent, which is \$0.4 million less than enacted, based on the expected closing of two satellite offices. The request reflects vacating both the Reservoir Avenue and Warwick offices in FY 2026, with operations relocating to the Shepard Building and the Hazard Building. The request primarily includes \$500,085 for the Holden Street location, \$539,760 for Vocational Rehabilitation located on Fountain Street, and \$412,992 for Child Support Enforcement on Dorrance Street.

The Providence office on Elmwood Avenue closed in 2021, and staff moved to other locations occupied by state staff. This includes the following locations in Providence: Department of Labor and Training on Reservoir Avenue, Office of Rehabilitation Services on Fountain Street, and the Powers Building on Smith Street. The Reservoir Avenue and Fountain Street locations both serve clients. Staff were also moved to other field offices, including Pawtucket, and to the Pastore Campus in Cranston.

*The Governor recommended \$234,000 more than requested from all sources, including \$141,921 more from general revenues, to account for increased parking costs for employees moving from the Powers Building to the Shepard Building. He subsequently requested an amendment to add \$87,761, including \$29,839 from general revenues, to reflect the terms of a new five-year lease for the Office of Child Support Enforcement on Dorrance Street. **The Assembly concurred with the amended recommendation.***

Other Expenses. Excluding centralized services and new initiatives, all other expenses total \$31.8 million, including \$7.8 million from general revenues and \$23.9 million from federal funds. This is \$0.7 million more than enacted, including \$1.1 million more from general revenues and \$0.4 million less from restricted receipts. The request includes \$15.4 million, or \$1.2 million more than enacted, from federal funds for new Rhode Island Works contracts, consistent with the revised request.

The enacted budget assumes a 50.0 percent match on most administrative expenses. The request shifts \$0.9 million from federal funds to general revenues to reflect the lower federal share of administrative costs that are specifically attributable to the Supplemental Nutrition Assistance Program, as required by H.R. 1. *The Governor recommended funding as requested. **The Assembly concurred.***

Child Care Quality Improvements. The Department requested \$1.9 million more than enacted from federal Child Care Development Block Grant funds designated for improving the quality of the state's child care assistance program. The request reflects anticipated expenses for technical assistance for the education development center that supports the expansion of preschool programs. Funds have previously been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College of Rhode Island. *The Governor recommended funding as requested. He requested an amendment to add \$80,000 from federal State Opioid Response Grant funds to launch the Incredible Beginnings program, which supports early childhood educators. **The Assembly concurred with the amended recommendation.***

Child Support Pass-Through Increase. Child support payments collected by the state on behalf of participants in federally funded Temporary Assistance for Needy Families programs are retained by the state to offset the cost of government assistance. Current state law allows \$50 in child support to pass through to the recipient family. The Department proposed increasing the pass-through payment to the maximum federally allowable levels. This would increase the pass-through to \$100 for the first child and \$200 for families with two or more children. The proposed increase to the pass-through amount would reduce revenue to the state by \$0.2 million. Legislation would be required to make this change.

The proposal is excluded from the Department's constrained request. *The Governor did not recommend funding. **The Assembly included legislation in Article 10 of 2026-H 7127 Substitute A, as amended, to increase the pass-through. The Budget recognizes the \$0.2 million loss of general revenues. It***

reduced the amount of federal credits by \$0.2 million, which results in an increase of a like amount in federal expenditures.

Child Support Services Transition off Mainframe. The Department requested \$156,000, including \$102,960 from federal funds and \$53,040 from restricted receipts, for a strategic vendor to aid in the transition of the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipates that the other state agencies using the mainframe will transition off of it by 2028, leaving Child Support Services as the sole agency using the system. The Department notes that system enhancements are needed to accommodate compliance with future federal regulations.

The FY 2025 final budget allocated \$950,000 for this project. The Department's FY 2025 third quarter report noted that the contract was under federal review and no spending would take place in that fiscal year. The Department's capital budget submission is consistent with this request.

This funding is excluded from the constrained request. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Child Support Enforcement Program - Lien Network. The Department requested \$4.1 million from restricted receipts to support the Lien Network operated by the Child Support Enforcement program. This is \$0.2 million more than enacted, reflecting an increasing number of states joining the network.

This program is a consortium of states that collects overdue child support for which Rhode Island holds the contract. The program has existed for more than a decade, with funds previously deposited into an escrow account converted to restricted receipts in FY 2021, which now appear in its budget. These receipts are fees collected for and paid to the vendor. *The Governor recommended funding as requested.* **The Assembly concurred.**

Child Support Enforcement Staffing and Other Operations. The Department requested \$12.9 million, including \$0.1 million more from general revenues and \$1.3 million less from federal funds, for all other child support enforcement expenses. The request includes \$8.3 million to support the Department's 62.0 full-time equivalent staff dedicated to child support enforcement and decreases turnover savings equivalent to about 1.5 positions. Spending for all other operations totals \$4.6 million, \$1.6 million less than enacted.

A portion of child support collections is recognized as federal funds, and Office staff indicated that, since the funds are being used in the same fiscal year in which they are collected, they are now being recorded as expenditure credits. Expected receipts total \$1.9 million in FY 2027 and effectively show up as a decrease to the enacted budget. *The Governor recommended \$19,924 more than requested from all sources, primarily to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred. As noted above, the Assembly also increased the child support pass-through, which alters how the expenditures appear in the budget.**

Preschool Development Grant. The Department requested new expenditures of \$2.9 million from federal preschool development funds, reflecting a new federal grant that was received in June 2025. The funds are being used to expand on the Step Up to WAGE\$ wage supplement program intended to retain staff and incentivize providers to improve their education credentials and quality rating. The initial pilot concluded in June 2025, and the Department launched the expanded WAGE\$ program in October 2025. *The Governor recommended \$124 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

LIHEAP and Water Assistance Program. The Department requested \$25.3 million from federal sources for benefits related to the low-income home energy assistance and water assistance programs, based on projected expenditures. This is \$3.4 million more than enacted for additional awards as determined by the federal funding formula. The low-income home energy assistance program provides funds to assist Rhode Island's low-income households in meeting the increasing costs of home energy and reducing the severity of an energy-related crisis. Water assistance funding helps low-income households with water and wastewater bills. *The Governor recommended \$1,955 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Weatherization Program Transfer to Office of Energy Resources (-4.0 FTE). The Department proposed to transfer the Weatherization Assistance Program, including \$10.9 million from federal funds, to the Office of Energy Resources to streamline the management of energy efficiency initiatives. The Office administers all other federal weatherization and energy efficiency grants from the federal Department of Energy. The four positions that currently support this program, including an administrator and three resource specialists, would also be transferred. This proposal is included in the FY 2027 Office of Energy Resources request.

The weatherization assistance program provides cost-effective, energy-efficient weatherization improvements. It also provides low-income individuals, particularly the elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. The transfer would not involve additional funding,

This proposal is excluded from the constrained request. *The Governor recommended the transfer.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$4.6 million from federal funds for expenses related to the community services block grant. Nearly all funding is used to support local community agencies and programs through the community action agencies. This is \$0.2 million more than the enacted budget and \$0.4 million less than the revised request, which included unspent funds from FY 2025, reflecting expected spending based on previous contracts. Funding for this grant is awarded to states based on a federal poverty formula. *The Governor recommended \$19 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rhode Island Alliance of Boys and Girls Clubs. The Department included the enacted amount of \$450,000 from general revenues for the Alliance's Project Reach program.

The Department's constrained request eliminates this grant. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Institute for the Practice and Study of Non-Violence. The Department requested the enacted level of \$250,000 from general revenues to support the Institute's Violence Reduction Strategy program.

The Department's constrained request eliminates this funding. *The Governor recommended funding as enacted.* **The Assembly concurred.**

United Way – 211. The Department requested the enacted level of \$200,000 from general revenues for the United Way-211 system, which is a free, confidential service to provide information and referrals for food, housing, job training, and other community resources.

The Department's constrained request eliminates this grant. *The Governor recommended funding as enacted.* **The Assembly added \$100,000 from general revenues for total funding of \$300,000.**

Rhode Island Community Food Bank. The Department requested the enacted level of \$950,000 from general revenues for food collection and distribution through the community food bank.

The Department's constrained request eliminates this grant. *The Governor added \$1.0 million in one-time funding for a total of \$2.0 million for FY 2027. The Assembly added an additional \$1.0 million in one-time funding, for a total of \$3.0 million for FY 2027.*

Community Action Agencies. The Department included the enacted level of \$600,000 to support services provided by the state's nine community action agencies.

The Department's constrained request eliminates this funding. *The Governor recommended funding as enacted. The Assembly concurred.*

Crossroads. The Department requested the enacted level of \$860,000 from general revenues to support activities provided by Crossroads Rhode Island that address homelessness and other related issues. This includes \$500,000 directly appropriated in Article 1 and \$360,000 for emergency shelters. Crossroads Rhode Island is the largest homeless services organization in the state that provides 24-hour assistance, seven days a week. The Department's constrained request eliminates this funding. *The Governor recommended funding as enacted. The Assembly concurred.*

Domestic Violence Prevention Activities. The Department requested \$1.4 million from all sources for domestic violence prevention activities, specifically family violence prevention and services. This includes \$1.0 million from federal funds from the Family Violence Prevention and Services Act program. This program makes immediate crisis intervention and safety planning services available to victims of domestic violence nationwide. General revenues of \$400,000 support the Domestic Violence Prevention Fund established in state statute. The Department contracts with the Sojourner House and RI Coalition Against Domestic Violence to distribute funding to domestic violence shelters in the state. The request excludes \$0.3 million from expired federal stimulus funds.

The Department's constrained request eliminates the general revenues. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Day One. The Department requested \$300,000 from general revenues for outreach programs and supportive services programs at Day One, consistent with the enacted budget. The request excludes \$170,000 from federal American Rescue Plan Act funds included in the enacted budget.

The Department's constrained request eliminates this funding. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Substance Use and Mental Health Leadership Council. The Department requested the enacted amount of \$150,000 from general revenues for the Substance Use and Mental Health Leadership Council of Rhode Island, an association of mental health agencies that work to create a coordinated system for mental health and substance use treatment.

The constrained request eliminates this grant. *The Governor recommended funding as enacted. The Assembly concurred.*

Center for Southeast Asians. The Department requested the enacted amount of \$25,000 from general revenues for the Center for Southeast Asians, a community-based organization that provides education and job development, small business support, translation, and other social services to Rhode Island's Southeast Asian community in the Providence area.

The constrained request eliminates this grant. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Oasis International. Oasis International is a nonprofit organization that promotes cultural exchange, economic literacy, and civil engagement in southwest Providence's immigrant and low-income communities. The Department's request did not propose any funding. *The Governor recommended a new \$25,000 general revenue appropriation to support the organization.* **The Assembly concurred.**

New Bridges for Haitian Success. New Bridges for Haitian Success is a nonprofit organization that provides adult education, immigration, and supportive services to Rhode Island's Haitian and Afro-Caribbean communities. The Department's request did not propose any funding. *The Governor recommended a new \$25,000 general revenue appropriation to support the organization.* **The Assembly concurred.**

Farm Fresh RI. Farm Fresh RI is a nonprofit organization that works to increase community access to local foods. Its Bonus Bucks program provides a 100 percent matching bonus at farmers' markets across the state to shoppers who receive Supplemental Nutrition Assistance Program benefits and do not currently receive state funding. The program is currently supported primarily through federal Nutrition Incentive Program funds, which are limited and competitive. Other New England states provide funding for Supplemental Nutrition Assistance Program match programs, which enhance the likelihood of securing future federal funds.

The Department's request did not propose any funding. *The Governor did not recommend funding.* **The Assembly added \$200,000 from general revenues to support the program.**

Refugee Assistance. The Department requested \$3.8 million from federal funds to support refugee assistance programs. The request is \$3.6 million less than enacted, reflecting decreased participation in the programs and updated federal guidelines reducing the eligibility period to four months from twelve months. The request also includes \$1.0 million for cash assistance program benefits. The request includes \$175,000 from general revenues for two organizations that provide support services, including \$125,000 for Higher Ground International and \$50,000 for the Refugee Dream Center.

The constrained request eliminates both grants. *The Governor recommended \$25,526 more than requested from all sources. This includes \$25,000 more from general revenues for Higher Ground International and \$526 more from federal funds to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Head Start. Consistent with the enacted budget, the Department requested \$4.2 million for the state's Head Start programs. This includes \$1.2 million from general revenues to support 130 seats in programs across the state. The request includes \$3.0 million from available Temporary Assistance for Needy Families block grant funds to provide additional support to existing programs.

The constrained request eliminates the general revenue funding. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Vocational Rehabilitation Services. The Department requested \$31.3 million from all sources for staffing and operational expenses to provide vocational rehabilitation services, including \$4.4 million from general revenues and \$26.7 million from federal funds. This is \$2.3 million more than enacted, including \$0.4 million more from general revenues.

Expenses include \$19.0 million for salaries and benefits for the 135.0 authorized positions that support these services. The request is \$1.1 million more than enacted for salaries and benefits and reflects reduced

turnover from the enacted budget equivalent to about six positions and current service adjustments. This is mostly consistent with the revised request and reflects increased hiring activity. The Office provides resources and services to residents with disabilities through three program areas: vocational rehabilitation, supported employment services, and disability determination services. The request increases expenses to more closely match FY 2025 spending, consistent with the revised request. *The Governor recommended \$154,358 more than requested, including \$17,743 from general revenues. This reflects statewide adjustments to health and other benefit rates and corrects understated staffing costs.* **The Assembly concurred.**

Medicaid Rehabilitation Services. The Department requested \$2.4 million from all sources, including \$1.0 million from general revenues and \$1.4 million from federal funds, for rehabilitation services. This is \$0.4 million more than enacted. The request is also \$1.1 million more than the revised request, which reduced spending by \$0.7 million to more accurately reflect actual FY 2025 spending. This reflects the estimate contained in the Budget Office's current service adjustments. The request does not specifically address the findings of the biennial rate review completed by the Office of the Health Insurance Commissioner for these services.

The Office of Rehabilitation Services manages three programs that provide services eligible for federal matching funds under provisions of the Medicaid waiver. The services include social services for the blind, personal care attendants, and home modifications; these services are aimed at helping an individual maintain independence.

The constrained request reduces funding by \$0.5 million for the personal care attendant and home modification programs to match FY 2025 spending levels, and reduces funding for social services for the blind by \$0.9 million to FY 2024 spending levels. This reflects total funding of \$1.0 million, including \$0.4 million from general revenues and \$0.5 million from federal funds. *The Governor recommended funding consistent with the constrained request, with sources updated for the Medicaid match rate.* **The Assembly concurred.**

Services for the Blind and Visually Impaired. The Department requested \$1.1 million from all sources, including \$0.9 million from general revenues and \$0.2 million from federal funds, for services to the blind and visually impaired. The request is \$41,981 less than enacted, reflecting increased turnover savings offset by current service adjustments for the 8.0 positions that implement these programs. *The Governor recommended \$3,719 more than requested, primarily from general revenues, to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Capital - Blind Vending Facilities. Consistent with the enacted budget and its capital budget submission, the Department requested total funding of \$165,000 from Rhode Island Capital plan funds for the ongoing construction and renovation of statewide vending facilities. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of these projects is included in the Capital Budget section of this publication.**

Other Operations. The Department requested \$0.6 million for all other expenses in the central management and individual and family support programs, including a new one-time federal grant awarded for child care programs. It did not include funding for the Organ Transplant Fund; the Department indicated that this was an error. *The Governor recommended funding as requested. He did not correct the error in funding for the Organ Transplant Fund. The Governor requested an amendment on March 12 to correct the error.* **The Assembly concurred with the amended recommendation.**

Office of Veterans Services

The Office of Veterans Services comprises three program areas, each serving Rhode Island's veterans and their families in different capacities. The Veterans' Home in Bristol can serve 192 veterans daily as a nursing home and provides supportive services for residents. The home has six neighborhoods; each can house 32 individuals, and the domiciliary rooms can house 16. The Veterans' Memorial Cemetery is located on 280 acres in Exeter, serving as the final resting place for the state's veterans and their eligible spouses or dependents. The Office's administration conducts and hosts educational events and provides oversight to its other programs.

Federal per Diem. The Veterans' Home is paid a per diem rate by the federal government to cover a portion of the daily costs of care of the residents. This rate is increased annually on October 1, tied to the increases in healthcare costs nationally. The request assumes federal reimbursement of \$15.8 million. The per diem reimbursement, as of October 1, 2025, varies to include: \$609.16 for those with a service-connected disability, \$148.71 for those in a nursing home, and \$64.19 for those in the dormitory setting. *The Governor's recommendation assumes an additional \$0.5 million to offset general revenue expenses based on updated rates and patient mix.* **The Assembly concurred.**

Veterans Home Collections. Many residents at the Veterans' Home in Bristol pay a per diem fee based on their net income. Net income is defined as a resident's gross income minus applicable federal and state taxes and minus \$150 per month of residency, and 50.0 percent of any sum received for wounds incurred during battle conditions for which the resident received the purple heart, and minus amounts paid to support their spouse, parents, minor children, or children who are blind or permanently disabled. Of the funds that are collected, 80 percent is deposited into the general fund, and 20 percent is deposited into a restricted receipt account for the Home. Residents with a 70 percent or greater service-connected disability do not pay a maintenance fee, in accordance with federal guidelines.

In FY 2025, the Office collected \$3.5 million from the fees, of which \$2.8 million was general revenues and \$0.7 million was restricted receipts. It anticipates maintaining the same revenues in both FY 2026 and FY 2027. As of December 2025, the census is approximately 144 residents. *The Governor concurred.* **The Assembly concurred.**

Veterans' Home. The Veterans' Home's census is 144 as of December 2025. The FY 2027 request funds a census of 150 residents and maintains the closure of the Foxtrot neighborhood. Each neighborhood has the capacity to house 32 veterans, for a full capacity of 192. The current census for each neighborhood is as follows: 23 in Alpha, 30 in Bravo, 30 in Charlie, 32 in Delta, and 30 in Echo. The Foxtrot neighborhood is closed. There are 3 residents in the domiciliary rooms, which can serve 16 individuals.

The Office requested \$46.7 million from all sources to fund the Home. Excluding the centralized services noted previously, the request is \$44.5 million from all sources, including \$27.9 million from general revenues, for expenses at the Veterans' Home and its 248.0 authorized positions. This is \$1.5 million more than enacted, including \$0.8 million more from general revenues, \$0.3 million less from restricted receipts, and \$1.0 million more from federal funds.

The Governor recommended \$2.5 million more than requested, including \$1.8 million more from general revenues and 24.0 new full-time equivalent positions for a phased reopening of the Foxtrot neighborhood, allowing the Veterans' Home to increase its capacity by 16 residents in both FY 2027 and FY 2028. His recommendation assumes \$0.5 million from federal funds to offset general revenue expenses based on updated rates and patient mix for the federal per diem reimbursement. **The Assembly concurred.**

CNA Pay Classifications. The Office requested \$425,951 from general revenues to implement a pay grade classification increase for certified nursing assistants at the Veterans' Home. The proposed pay structure

is intended to improve retention and recruitment of full-time staff. This will allow for a decreased reliance on contracted staff for essential services. The Office projects yearly savings of \$0.2 million beginning in FY 2028, should the initiative be adopted.

This initiative is excluded from the constrained budget. *The Governor did not recommend funding.* **The Assembly concurred.**

Fall Detection System. The Office requested \$162,240 from general revenues for a new project to install a fall detection system in the Veterans' Home. The system would comprise in-room camera-free sensing devices that operate in all lighting conditions and can be integrated with nurse call systems. The detection system is intended to reveal previously unreported minor falls, which are the leading risk factor for future falls, enabling preventative action. The Veterans' Home currently experiences between 25 and 30 falls a month. The Department intends to implement this system for all 208 beds in the Veterans' Home. These falls are a combination of unique and repeated incidents.

The request is inconsistent with the capital budget submission, which programs \$500,000 from Information Technology Investment funds for FY 2026. Office staff stated that the operating request reflects the first year of a three-year contract for this service, and that the capital budget request was a placeholder.

The request is excluded from the constrained budget. *The Governor did not include this as a stand-alone project. The asset protection project for the Home includes some additional funding in the event the project meets the standard for use of that fund source. As currently proposed, it does not.* **The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.**

Foxtrot Neighborhood Phased Reopening (24.0 FTE). The Veterans' Home is made up of six neighborhoods, five of which are currently open. Declining staffing levels during the pandemic resulted in the closing of the Foxtrot neighborhood. *The Governor recommended \$3.1 million from all sources, including \$3.0 million from general revenues and 24.0 new full-time equivalent positions, to partially reopen the Foxtrot neighborhood. His recommendation assumes opening 16 beds in FY 2027 and the other half in FY 2028.* **The Assembly concurred.**

Other Veterans' Home Operations. The Office requested \$43.9 million from all sources, including \$27.3 million from general revenues, for all other expenses at the Veterans' Home and its 248.0 authorized positions. This is \$0.9 million more than enacted, including \$0.2 million more from general revenues, \$0.3 million less from restricted receipts, and \$1.0 million more from federal funds. It reflects current service adjustments and includes turnover savings equivalent to about 17.5 full-time equivalent positions, consistent with the revised request and about five positions fewer than enacted. As of mid-November 2025, the Home has 217.5 positions filled.

The request includes \$10.7 million for daily operations, \$0.5 million less than enacted. This includes \$4.4 million for contracted medical staff, or \$0.3 million less than enacted, to reflect increased hiring activity for full-time equivalent positions, and \$0.3 million less for updated cost estimates for insurance and medical supplies.

The constrained request proposes general revenue savings of \$1.7 million by closing a neighborhood. Savings would be achieved by eliminating 32.0 full-time equivalent contracted direct patient care workers at the Veterans' Home starting July 1, 2026. The proposal would decrease the resident count by 32. There are currently 211 veterans on the Veterans' Home waitlist, and the average admission wait time is about seventeen months. *The Governor recommended \$7,252 less than requested, including \$0.6 million less from general revenues and \$0.6 million more from federal funds. His recommendation reflects the updated*

*rates and patient mix for the federal per diem reimbursement and includes statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Veterans' Community Service Grants. The Office requested the enacted amount of \$350,000 from general revenues for grants to organizations that provide services to veterans. This includes \$200,000 to support Veterans' organizations to provide funding to veterans, active duty military, and family support services such as meal delivery, legal counseling, case management, and health and wellness classes. The request also includes \$100,000 to support the Veterans Services Officer program and \$50,000 for Operation Stand Down. *The Governor recommended funding as requested. **The Assembly concurred.***

Target - Spouse and Dependent Interment Fee. The Office's constrained request proposed new annual revenues of \$503,670 to be collected through the Veterans' Memorial Cemetery Fund by charging a \$978 interment fee for each spouse or dependent burial. The Office receives a tiered federal plot allowance for veteran burials it performs based on context and date of death. The fee would be consistent with the highest tier of the plot allowance. The Office reports that 63 percent of state-run cemeteries currently charge a fee for spouse and dependent burials; Rhode Island is not among them.

The Office previously proposed this initiative as part of its FY 2026 constrained budget request. *The Governor did not recommend this proposal. **The Assembly concurred.***

Other Staffing and Operations. The Office requested \$3.2 million from general revenues for all other expenses, which is \$0.1 million less than enacted. The request includes \$1.0 million from general revenues to support its 5.0 full-time equivalent positions, reflecting current service adjustments and fully funding all positions, consistent with the revised request. Staffing expenses for the Veterans' Memorial Cemetery are \$1.4 million, primarily reflecting updated medical benefits selections partially offset by decreased turnover savings by about one position from the enacted budget. Consistent with the revised request, the request also includes \$0.1 million less for supplies to adjust for expected costs.

The constrained request proposes \$30,000 in savings by eliminating Saturday burials, which is consistent with federal practice. *The Governor recommended \$42,531 more than requested, including \$27,020 in statewide adjustments to health and other benefit rates and restoration of \$15,511 in turnover savings. **The Assembly concurred.***

Capital Projects. The Office requested \$1.2 million from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and the Veterans' Home in Bristol. This is \$1.3 million less than enacted and includes changes to several projects. This is consistent with the capital budget request. *The Governor recommended \$122,240 more than requested. **The Assembly concurred.** A detailed description of these projects is included in the Capital Budget section of this publication.*

Office of Healthy Aging

The Office of Healthy Aging is the designated state agency on aging. It is responsible for the development and implementation of a comprehensive, coordinated system of community-based care for Rhode Islanders 60 years of age and older, as well as adults with disabilities. The Office is tasked with developing and implementing a state plan on aging under the federal Older Americans Act and serves as the state's planning and service area on aging under this Act. It operates services designed to assist seniors to remain independent in the community and administers and funds a wide range of community programs, activities, and services.

The FY 2027 request is \$35.8 million, including \$13.9 million from general revenues, \$17.4 million from federal funds, \$4.2 million from other funds, and \$0.3 million from restricted receipts. The request is \$2.4 million less than enacted, including \$1.1 million less from general revenues, \$1.6 million less from federal

funds, and \$0.2 million more from restricted receipts. *The Governor recommended \$1.1 million more than requested, including \$0.5 million from general revenues, \$0.3 million from federal funds, and \$0.4 million from all other sources. He requested an amendment to add \$3.3 million from all sources for home and community care services to reflect increased utilization of those services in the current year. The Assembly concurred with the amended recommendation and provided an additional \$1.0 million from all sources. It added \$0.5 million to fully fund the Governor's proposed rate increases and \$0.5 million for a contract transferred from the Executive Office of Health and Human Services.*

Home and Community Care Services. The Office requested \$8.2 million from all sources, including \$3.5 million from general revenues and \$4.8 million from federal funds for home care, adult day care services, and case management services. Home care and adult day care services assist low-income elders who pay a portion of the costs of the services, which include bathing, dressing, household chores, ambulatory needs, adult day activities, and case management services based on needs assessments in physical, cognitive, social, emotional, financial, nutritional, and environmental domains.

The request is \$2.7 million less than enacted, including \$1.2 million less from general revenues and \$1.5 million less from federal funds. The decrease primarily reduces funding for home care services based on FY 2025 utilization and aligns with the Budget Office's current service calculation that also includes an 8.7 percent rate growth. The FY 2026 revised request also reduces expenses by about \$2.4 million based on FY 2025 costs. The request does not specifically incorporate the rate recommendations from the Office of the Health Insurance Commissioner's biennial rate review.

The Governor included \$0.5 million more than requested, including \$0.2 million more from general revenues, to fund half of the rate increase recommended by the Health Insurance Commissioner, with the remainder to be funded in FY 2028. The rate increases would be effective on October 1 and would be capped at Medicare rates. He subsequently requested an amendment to add \$3.3 million to reflect increased utilization experienced in FY 2026. The Assembly concurred with the amended total and included \$1.4 million from general revenues and \$1.9 million from federal funds to reflect the correct federal match rate. It added \$0.5 million, including \$0.2 million from general revenues, to fund the full rate increase recommended by the Governor.

Paratransit Services for the Elderly. The Office requested \$9.2 million from all sources, including \$3.9 million from general revenues, \$0.7 million from federal funds, and \$4.3 million from intermodal surface transportation funds. This is \$0.1 million less than enacted, including \$143,238 less from general revenues and \$39,100 more from federal funds based on FY 2025 expenses. The revised request did not make those adjustments. The Executive Office of Health and Human Services holds the transportation contract with Medical Transportation Management and allocates expenses for eligible participants without Medicaid to the Office. The Office stated that the contract ends in June 2026.

The constrained request includes \$0.4 million of general revenue savings achieved through a one-time shift of some costs to surplus gas tax revenues. The Office indicated that it identified surplus restricted receipt funds in a dormant account in the Department of Human Services in FY 2025 and transferred them to the intermodal surface transportation fund account.

The Governor recommended \$0.4 million more than requested, including \$27,647 from general revenues. His recommendation includes the surplus restricted receipt funds, but not the general revenue savings. It also reflects the updated Medicaid match rate and updated estimates for the gas tax. The Assembly concurred.

Supportive Services. The Office requested \$2.9 million from federal funds for supportive services for older and disabled individuals; this is \$40,025 less than enacted. The request includes \$23,947 less from federal American Rescue Plan Act funds, reflecting the exhaustion of those funds in FY 2026, and \$16,078

less from federal Title III funds to reflect updated grant awards. *The Governor included \$31,071 more than requested, including \$16,343 in statewide adjustments to health and other benefit rates and restoration of \$9,819 in turnover savings. The Assembly concurred.*

Elder Abuse Prevention. The Office's request excludes the \$0.2 million in the enacted budget from federal American Rescue Plan Act funds, reflecting the exhaustion of those funds in FY 2026. *The Governor included funding as requested. The Assembly concurred.*

Elderly Nutrition Programs. The Office requested \$4.1 million from all sources for elderly nutrition programs, including home-delivered and congregate meals. This is \$0.3 million more than enacted from federal funds, reflecting increased Title III-C funding. Total funding includes the enacted level of \$730,000 from general revenues, of which \$680,000 is for a grant to Meals on Wheels as identified in Article 1 of the FY 2026 enacted budget.

The constrained request reduces general revenues provided to Meals on Wheels by \$137,000 to \$543,000. The proposal would not affect the maintenance of effort requirement for the federal grant. *The Governor recommended \$25 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Family Caregiver Support. The Office requested \$0.9 million from federal funds authorized in response to the coronavirus public health emergency for family caregiver support. This is \$69,102 less than enacted, which primarily reflects the end of federal American Rescue Plan Act funds. Funds may be used to provide information to caregivers on available support, assist caregivers in accessing that support, individual counseling and caregiver training, respite care, and, on a limited basis, services that supplement the care provided by caregivers.

Total requested caregiver support includes the enacted amount of \$325,000 from general revenues for the Diocese of Providence to support the respite care program. *The Governor recommended funding as requested. The Assembly concurred.*

Preventative Health and Vaccines. The Office requested \$143,957 from federal funds for preventative health services and access to vaccines for elderly residents. This is \$11,390 less than enacted and includes \$13,270 less to reflect available American Rescue Plan Act funds authorized in response to the public health emergency. The request also includes \$1,800 more for preventative services outlined in Title III, part D of the Older Americans Act. *The Governor recommended funding as requested. The Assembly concurred.*

Senior Services Support. The Office requested \$1.6 million from general revenues to support senior services in the state, which is consistent with the enacted budget as identified in Article 1 of the FY 2026 enacted budget.

The constrained request reduces funding by \$0.4 million. *The Governor recommended adding \$0.2 million to provide a total of \$1.8 million from general revenues. The Assembly concurred.*

Long Term Care Ombudsman. The Office requested \$195,048 from all sources, including the enacted amount of \$86,750 from general revenues, for the Long Term Care Ombudsman, consistent with the revised request. The request includes \$108,298 from federal Title VII funds to reflect available funding, which is \$704 less than enacted. The Ombudsman program also receives \$40,000 from general revenues directly appropriated in Article 1. The Long Term Care Ombudsman, Alliance for Better Long Term Care, advocates on behalf of residents of nursing homes, assisted living residences, and certain other facilities, as well as recipients of home care services, and it fills the state's responsibility contained in Rhode Island General Law, Chapter 42-66.7. The Ombudsman program identifies, investigates, and resolves complaints

raised by the aforementioned parties. *The Governor recommended funding as requested. The Assembly added \$60,000 from general revenues for total funding of \$295,048 from all sources.*

Volunteer Guardianship Program. The Office requested \$93,058 from general revenues to support the volunteer guardianship program. The program provides guardianship services to low-income, older, at-risk persons who have been identified by a referral source as needing these advocacy services. Guardianships under this program do not involve decision-making regarding the property or finances of the person. The request is \$50,000 more than enacted for a new contracted position to develop and coordinate statewide legal advocacy and elder rights programs for older adults. These services are currently provided by legal staff assigned to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Office's request is intended to provide dedicated support.

The constrained request excludes the \$50,000 for the contracted position. *The Governor included funding consistent with the unconstrained request. The Assembly concurred.*

Senior Companion Program. The Office requested \$0.6 million for the senior companion program, including \$0.1 million from general revenues and \$0.5 million from federal funds. Senior companion volunteers are individuals aged 55 and older who provide companionship to frail older adults in their homes, at day centers, or at other community sites. Companions assist with daily tasks, helping those served to remain living in the community for longer. The Office allocates 1.0 full-time equivalent position, a community relations liaison, to the program; its request is \$4,615 more than enacted from all sources, including \$6,310 less from general revenues, for current service adjustments and consistent with other changes requested for FY 2026. *The Governor recommended \$549 more than requested for statewide adjustments to health and other benefit rates. The Assembly concurred.*

Hospital Care Transitions. The Rhode Island Parent Information Network's Hospital Care Transitions program assists seniors, older adults, and patients with complex or chronic health needs who are Medicare or Medicaid eligible after they are discharged from hospitals. The program notifies patients of less expensive home- and community-based alternatives to institutional placements, such as nursing homes, and ensures that patients are equipped with the necessary services and support systems. This program has been funded through the Executive Office of Health and Human Services using a Medicaid match.

The Governor recommended \$500,000, including \$250,000 from general revenues and \$250,000 from matching Medicaid funds, in the Executive Office's budget. He subsequently requested an amendment to eliminate funding for the program, as the Centers for Medicare and Medicaid Services notified the Executive Office that the Medicaid match was no longer available. The Assembly added \$500,000 from general revenues in the Office of Healthy Aging's budget to support the program.

Other Staffing. The Office requested \$4.0 million for remaining staffing expenses, including \$2.5 million from general revenues, \$1.4 million from federal funds, and \$0.1 million from restricted receipts. The funding supports the 18.0 authorized positions not allocated to the other federal grants previously noted. The request is \$0.2 million more than enacted, including \$0.2 million more from general revenues, \$0.1 million less from federal funds, and \$0.1 million more from restricted receipts. This reflects current service adjustments and turnover savings equivalent to about one full-time equivalent position, similar to the enacted budget. As of mid-November 2025, the Office had 30.0 of its 33.0 authorized positions filled, averaging 30.2 filled positions in FY 2026.

The constrained request includes \$0.1 million in turnover savings, maintaining one vacancy. *The Governor recommended \$26,919 more than the unconstrained request, primarily from general revenues. This includes \$17,100 in statewide adjustments to health and other benefit rates and restoration of \$9,819 in turnover savings. The Assembly concurred.*

Other Operations. The Office requested \$2.7 million for remaining grants and expenditures, including the enacted level of \$0.7 million from general revenues, \$1.8 million from federal funds, and \$0.2 million from indirect cost recovery restricted receipts collected on federal grants. The request is \$41,411 more than enacted, including \$0.1 million less from federal funds and \$0.2 million more from restricted receipts. Remaining grant expenditures are \$39,168 less than enacted, including \$0.1 million more from a new federal No Wrong Door grant, offset by \$0.1 million less from federal Social Services Block Grant funds. This includes \$0.3 million from general revenues for the Aging and Disability Resource Center. There is also \$0.1 million less from federal National Council on Aging - Benefits Enrollment Center funds, reflecting the rescission of those funds by federal executive order. Remaining expenses include \$0.2 million more for travel costs and \$0.1 million less from federal Title III funds, reflecting available awards.

The constrained request excludes \$2,000 that supports the Commission for the Safety and Care of the Elderly. The Commission has not been active since the pandemic, though the Office states it has been working to revitalize it with public safety organizations. *The Governor recommended funding as requested.*

The Assembly concurred.

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Services for the Dev. Disabled	\$ 507,086,713	\$ 516,310,718	\$ 541,253,240	\$ 561,975,222
Hospital & Comm. Rehab. Services	120,173,795	120,175,949	122,298,663	122,104,147
Rhode Island Psychiatric Hospital	33,687,552	34,131,442	35,128,686	35,128,686
Behavioral Healthcare Services	44,501,085	61,601,658	37,575,406	42,307,121
Central Management	11,249,454	13,713,042	19,451,760	19,451,760
Total	\$ 716,698,599	\$ 745,932,809	\$ 755,707,755	\$ 780,966,936
Expenditures by Category				
Salaries and Benefits	\$ 55,714,989	\$ 160,921,003	\$ 166,376,196	\$ 166,640,455
Contracted Services	12,595,358	14,892,664	14,029,060	14,181,060
Subtotal	\$ 68,310,347	\$ 175,813,667	\$ 180,405,256	\$ 180,821,515
Other State Operations	16,778,161	41,890,538	34,668,236	41,480,063
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	630,673,926	521,790,709	529,424,118	547,649,729
Capital	936,165	2,402,289	6,980,023	6,980,023
Capital Debt Service	-	-	-	-
Operating Transfers	-	4,035,606	4,230,122	4,035,606
Total	\$ 716,698,599	\$ 745,932,809	\$ 755,707,755	\$ 780,966,936
Sources of Funds				
General Revenue	\$ 318,778,838	\$ 337,311,293	\$ 334,100,085	\$ 342,304,712
Federal Aid	385,365,078	382,206,906	403,828,487	420,704,260
Restricted Receipts	12,054,683	25,406,681	12,279,183	12,457,964
Other	500,000	1,007,929	5,500,000	5,500,000
Total	\$ 716,698,599	\$ 745,932,809	\$ 755,707,755	\$ 780,966,936
FTE Authorization	1,223.4	1,225.4	1,223.4	1,225.4

Summary. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested \$726.3 million from all sources, including \$333.3 million from general revenues, \$383.6 million from federal funds, \$8.9 million from restricted receipts, and \$0.5 million from Rhode Island Capital Plan funds for FY 2027. The request is \$9.6 million more than the FY 2026 enacted budget. It includes \$14.5 million more from general revenues, \$1.8 million less from federal funds, and \$3.1 million less from restricted receipts. The request includes staffing authorization of 1,223.4 full-time equivalent positions, consistent with the enacted budget.

The Governor recommended \$755.7 million from all sources, including \$334.1 million from general revenues. The recommendation is \$39.0 million more than enacted and \$29.4 million more than requested. General revenues are \$15.3 million more than enacted and \$0.8 million more than requested. The Governor recommended 1,223.4 full-time equivalent positions.

He requested several amendments that added \$4.1 million in federal funds and two positions for the Rural Health Transformation Program, and \$0.2 million from restricted receipts for a data exchange pilot program grant.

The Assembly provided \$781.0 million, including \$342.3 million from general revenues, and 1,225.4 positions. This is \$21.0 million more than the amended recommendation, including \$8.2 million more from general revenues. The Assembly made further adjustments based on the May caseload conference estimate, and fully funded the Governor’s rate review proposal for FY 2027, rather than spreading it over two years, starting October 1, 2026.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$322.7 million, including a current service adjustment increase of \$3.9 million and a 7.5 percent reduction of \$8.3 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$4.1 million above the Budget Office target, and the proposals to achieve those reductions are noted among the items described below where appropriate. *The Governor’s recommendation is \$11.4 million above the target. The enacted budget is \$19.6 million above the target.*

Departmentwide

Staffing. The Department requested 1,223.4 full-time equivalent positions for FY 2027, which is consistent with the enacted budget. The FY 2024 and FY 2025 budgets transferred staff among divisions, primarily to reallocate staff where needed at the request of the Department, and to adjust staffing needs for Eleanor Slater Hospital and the state psychiatric facility.

The FY 2027 request makes further staffing adjustments among the divisions, as shown in the following table. Compared to the revised request, 21.0 vacant positions at Eleanor Slater Hospital are eliminated, 13.0 positions are added to the psychiatric hospital to convert contracted positions to state staff, and 8.0 are added to the Central Management program, of which 5.0 are for the new electronic medical records system at Eleanor Slater Hospital.

The Governor recommended the requested changes to the staffing allocations. It should be noted that for Eleanor Slater Hospital, the Governor also recommended eliminating a physician position and adding a manager of nursing services. He requested an amendment to add 2.0 full-time equivalent positions for the Rural Health Transformation Program. The Assembly concurred with the amended recommendation.

Division	Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor	FY 2027 Enacted	Change to Enacted
Eleanor Slater Hospital	601.2	601.2	580.2	580.2	580.2	(21.0)
State Psychiatric Hospital	135.4	135.4	148.4	148.4	148.4	13.0
Developmental Disabilities	325.8	324.8	324.8	324.8	324.8	(1.0)
Central Management	114.0	117.0	125.0	125.0	125.0	11.0
Behavioral Healthcare Services	47.0	47.0	45.0	45.0	47.0	-
Total	1,223.4	1,225.4	1,223.4	1,223.4	1,225.4	2.0

Cost Allocation Plan/Cost Reporting. The Department uses AlloCap, a cost allocation plan developed by Public Consulting Group, to spread staffing expenses across divisions and their fund sources. This is mainly applicable to administrative staff responsibilities spread departmentwide. The FY 2027 request includes \$0.4 million from general revenues, or \$0.1 million more than enacted, to pay for the cost allocation plan. This is consistent with the revised request, which expands the contract to assist with Medicare cost reporting at Eleanor Slater Hospital.

The FY 2026 enacted budget included a finance office staffed with 53.0 full-time equivalent positions, one of which is the Chief Financial Officer, which is part of the Executive Office of Health and Human Services' staffing authorization and budget. Part of the finance staff's responsibility is to submit its salary and benefit expenses every quarter to the contractor to spread across programs. The Department's administrative staff then verifies the information to use throughout the budget process. This process can often take six to eight weeks to complete each quarter. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services. The Department requested \$5.6 million for security services, of which \$3.7 million is from general revenues and \$1.9 million is from restricted receipts. This is \$0.1 million more than enacted, including \$0.3 million less from general revenues and \$0.5 million more from restricted receipts. The request is \$1.2 million less than spent in FY 2025. The primary changes are \$0.6 million more for Eleanor Slater Hospital and \$0.1 million less for Central Management. The enacted budget includes \$0.3 million in savings at the psychiatric hospital, and the revised request lowers expenses by another \$0.3 million, reflecting a reduction in the need for coverage because of lower patient acuity. The Department has not provided an explanation for the increase at Eleanor Slater Hospital or the decrease in the central management program. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services						
Division	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor/Enacted	Change to Enacted	Change to Final
State Psychiatric Facility	\$ 2,744,000	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000	\$ (344,000)	\$ -
Eleanor Slater Hospital	2,379,398	2,948,831	2,972,792	2,972,792	593,394	23,961
Developmental Disabilities	55,673	55,673	56,898	56,898	1,225	1,225
Central Management	302,167	188,263	190,061	190,061	(112,106)	1,798
Behavioral Healthcare Services	5,888	5,888	5,888	5,888	-	-
Total - All Funds	\$ 5,487,126	\$ 5,598,655	\$ 5,625,639	\$ 5,625,639	\$ 138,513	\$ 26,984
<i>General Revenues</i>	<i>\$ 4,023,433</i>	<i>\$ 3,583,869</i>	<i>\$ 3,686,892</i>	<i>\$ 3,686,893</i>	<i>\$ (336,541)</i>	<i>\$ 103,023</i>

Centralized Services. The Department requested \$24.8 million from all sources, including \$23.8 million from general revenues, for centralized services provided through the Department of Administration. The request is \$0.9 million more than enacted and \$1.1 million more than the revised request. The request is also \$7.9 million higher than FY 2025 expenses, including \$10.0 million from general revenues; the Department has not provided information to explain the significant increase between fiscal years. A breakdown, by division, is shown in the following table.

Centralized Services by Division					
Division	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor/Enacted	Change to Final
Eleanor Slater Hospital	\$ 16,844,897	\$ 16,773,731	\$ 17,657,789	\$ 17,052,511	\$ 278,780
State Psychiatric Facility	1,768,538	1,736,087	1,804,755	1,789,096	53,009
Developmental Disabilities	2,534,439	2,520,989	2,504,095	2,618,612	97,623
Central Management	1,995,859	2,316,430	2,270,858	3,025,060	708,630
Behavioral Healthcare Services	840,600	845,519	607,870	897,993	52,474
Total - All Funds	\$ 23,984,333	\$ 24,192,756	\$ 24,845,367	\$ 25,383,272	\$ 1,190,516
<i>General Revenues</i>	<i>\$ 23,295,162</i>	<i>\$ 23,552,263</i>	<i>\$ 23,848,054</i>	<i>\$ 24,732,263</i>	<i>\$ 1,180,000</i>

The following table shows expenses by type of centralized service and includes \$14.6 million for facilities management, more than half the request. The Department's billings for all charges through the first quarter total \$5.2 million, including \$2.3 million from general revenues and \$2.8 million from federal funds. Annualized, the total would be \$20.7 million from all sources, including \$9.4 million from general revenues and \$11.4 million from federal funds. This assumes about 45 percent of expenses will be paid from general revenues, compared with almost all in the revised request.

Centralized Services by Service					
Service	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor/Enacted	Change to Final
Facilities Management	\$ 13,794,849	\$ 14,121,197	\$ 14,565,671	\$ 14,200,301	\$ 79,104
Information Technology	5,488,251	5,624,757	5,621,977	5,945,853	321,096
Human Resources	1,961,983	1,961,983	2,060,725	1,738,022	(223,961)
Accounts and Control	-	-	-	902,102	902,102
Fuel/Utilities	2,739,250	2,484,819	2,596,994	2,596,994	112,175
Total - All Funds	\$ 23,984,333	\$ 24,192,756	\$ 24,845,367	\$ 25,383,272	\$ 1,190,516
<i>General Revenues</i>	<i>\$ 23,295,162</i>	<i>\$ 23,552,263</i>	<i>\$ 23,848,054</i>	<i>\$ 24,732,263</i>	<i>\$ 1,180,000</i>

There is a disconnect between the general revenues requested and the federal Medicaid funds available to pay for services billed to Eleanor Slater Hospital and the state-run RICLAS system for adults with developmental disabilities for centralized services, as reported in the quarterly billings. There were significant changes to how expenses are billed to Medicaid for the two 24-hour facilities, so any federal funds available to pay for the centralized services will be included in the year-end cost reports and not necessarily apparent during the budget process.

The Governor recommended \$0.5 million more than requested, including \$0.9 million more from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

Capital Projects. The Department requested the enacted amount of \$0.5 million from Rhode Island Capital Plan funds for hospital equipment and residential development in the Division of Developmental Disabilities for FY 2027. This is not consistent with the FY 2027 through FY 2031 capital request, which assumes the Group Homes Consolidation project would be transferred from the Department of Administration's budget. The request inadvertently excludes \$6.5 million annually from Rhode Island Capital Plan funds for that project, starting in FY 2027. It also excludes the \$150,000 request for a redundant data line at the Zambarano hospital campus.

The Governor added \$5.0 million for the group home consolidation project, consistent with his five-year capital plan. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family supports, and medical services to adults with developmental disabilities. As of October 2025, 4,878 individuals received services through the state-run system or community-based providers. This includes 4,300 individuals receiving direct residential, employment, and community-based programs and other support, including respite.

The Department requested \$517.7 million, of which \$219.8 million is from general revenues, for programs to support adults with developmental disabilities. The total includes \$0.1 million from Rhode Island Capital Plan funds and \$2.5 million for centralized services provided through the Department of Administration. The request is \$10.6 million more from all sources, including \$1.0 million more from general revenues and \$9.6 million more from Medicaid funds. The request includes \$481.1 million for the community-based system and \$36.7 million for the state-run one.

The budget request was submitted prior to the November Caseload estimate and contains earlier estimates of current service adjustments and one proposal to reflect a portion of the rate increase published as part of the Office of the Health Insurance Commissioner's biennial rate review.

The Governor recommended \$541.3 million, including \$232.7 million from general revenues, which is \$23.5 million more than requested, including \$13.0 million more from general revenues. This includes changes made at the caseload conference, biennial rate review starting October 1, 2026, and statewide adjustments. The Assembly adjusted expenses in the privately operated program consistent with the May caseload conference estimate, which increased expenses by \$4.0 million, including \$1.3 million from general revenues; advanced the rate review increase to FY 2027 rather than spreading it over two years; and concurred with the remainder of the recommendation.

Medical Benefits. Individuals receiving residential and other community-based services receive medical benefits through the Executive Office of Health and Human Services. Individuals who are not eligible for Medicare are enrolled in Rhody Health Partners, the state’s managed care plan for disabled individuals and those receiving services through the Medicaid expansion program. Those eligible for both Medicare and Medicaid, referred to as “dual eligibles,” can enroll in Rhody Health Options, the state’s integrated care initiative to provide services through a managed care plan and potentially lower medical costs for the more expensive dual eligible population. Those who opt not to enroll in managed care continue to receive direct medical benefits through a fee-for-service reimbursement system.

Of the 4,300 program participants, the November caseload estimate assumes that approximately 1,209 individuals are enrolled in Rhody Health Options at a cost of \$25.9 million, another 1,204 in Rhody Health Partners at a cost of \$36.6 million, and the remaining 1,887 in fee-for-service. *The Governor recommended funding essentially consistent with the caseload estimate for this population. The Assembly provided \$27.8 million for 1,150 individuals in Rhody Health Options and \$36.5 million for 1,240 in Rhody Health Partners. The remaining 1,910 are in fee-for-service.*

Privately Operated System. The Caseload Estimating Conference met on November 4, 2025, and based on current law, adopted FY 2027 expenditures for private community developmentally disabled services at \$469.0 million, including \$201.1 million from general revenues. This is \$16.5 million more than enacted from all sources and \$6.3 million more from general revenues. The Department’s request was submitted before the caseload estimate was adopted and therefore does not reflect the adopted estimate. The request includes a portion of the increase in the Office of the Health Insurance Commissioner’s rate review.

The following table itemizes private community-based expenditures as enacted by the 2025 Assembly, adopted by the caseload estimators, recommended by the Governor, and enacted by the 2026 Assembly. Each category is discussed separately.

Private Community Developmentally Disabled Services	FY 2026 Enacted	FY 2026 Final	FY 2027 Nov. CEC	FY 2027 Gov. Rec.	FY 2027 May CEC	FY 2027 Enacted
Residential Rehabilitation (Non-L-9)	\$ 210.2	\$ 207.5	\$ 215.5	\$ 214.4	\$ 216.0	\$ 232.1
Residential Rehabilitation (L-9)	18.6	20.5	20.6	20.6	21.0	21.0
<i>Subtotal - Residential</i>	<i>\$ 228.8</i>	<i>\$ 228.0</i>	<i>\$ 236.1</i>	<i>\$ 235.0</i>	<i>\$ 237.0</i>	<i>\$ 253.1</i>
Community-Based Supports	166.8	\$ 181.2	184.0	184.0	187.5	200.5
Day Program	8.4	6.2	6.5	11.5	6.5	6.9
Professional & Other Supports	19.0	14.8	13.3	26.6	15.1	15.8
Employment	7.5	7.1	7.3	7.3	7.5	8.1
Transformation Phase III	2.5	1.5	0.8	0.8	0.9	0.9
Transportation	18.3	17.8	18.2	18.2	18.2	19.4
Non-Medicaid Funded	1.2	3.1	2.8	2.8	2.0	2.0
Total	\$ 433.9	\$ 459.7	\$ 469.0	\$ 486.2	\$ 474.7	\$ 506.9
Federal Funds	257.8	259.9	267.9	277.1	271.7	289.5
General Revenues	194.7	199.7	201.1	209.1	203.0	217.4

\$ in millions

The Governor recommended \$18.3 million more than the conference estimate to fund one-half of the biennial rate increase effective October 1, 2026, and reduced the adopted estimate by \$1.1 million in error. On February 10, the Governor requested an amendment to correct the error.

The Assembly provided \$506.9 million, including \$217.4 million from general revenues and \$289.5 million from federal funds. It concurred with the May caseload conference estimate, which is \$4.0 million more than the November estimate, and added \$33.4 million, of which \$14.4 million is from general revenues, to fund the full proposed rate increase rather than only half.

Rate Review Increase. The 2022 Assembly required the Office of the Health Insurance Commissioner to undertake a comprehensive review of social and human service programs in consultation with the Executive Office of Health and Human Services. Required information includes rates currently paid, date of last increase, wait lists, assessment of programs, and national and regional reporting for comparison of state Medicaid rates and rates paid by private insurers and private pay for similar programs. The statute requires the Departments to incorporate the components of the completed assessment and review in their FY 2027 budget submissions, along with explanations of any variances from the rate recommendations.

The final report, submitted August 29, 2025, reviewed and made recommendations on nine service categories for programs through the Division of Developmental Disabilities, with baseline expenditures of \$212.2 million over a six-month period from October 2024 through March 2025. The recommendation increases rates by an average of 10.1 percent, totaling \$233.5 million. This is \$21.3 million more over six months, annualized to \$42.7 million. The changes are shown in the table below. The Department's request includes \$0.5 million, of which \$0.2 million is from general revenues, for the day program and professional and other support services only. It appears the staff was unaware of the total increase in the rate review and excluded a large portion of it from the request, unexplained. *The Governor recommended \$18.3 million, including \$7.7 million from general revenues; this reflects one-half of the rate increase, and an October 1, 2026 start date. The increase is in day program and community-based services only; however, the final report shows an increase in program expenses across all direct services.*

Intellectual and Developmental Disability Services					
Service Category*	Baseline Expenditures	Change	Expenditure Estimates Using Proposed Rates	Difference	Annualized Fiscal Impact
Center-Based	\$ 3,067,077	7.6%	\$ 3,299,096	\$ 232,019	\$ 464,039
Community Supports	85,494,156	10.3%	94,341,482	8,847,326	17,694,652
Employment	3,337,235	11.5%	3,719,631	382,396	764,792
Professional Services	2,284,373	10.6%	2,527,244	242,871	485,743
Residential	90,457,929	9.5%	99,095,452	8,637,523	17,275,045
Self-Direction	3,064,474	13.9%	3,491,673	427,199	854,398
Shared Living	15,701,479	10.6%	17,372,171	1,670,692	3,341,384
Other	8,773,735	10.3%	9,676,085	902,350	1,804,699
Total	\$ 212,180,458		\$ 233,522,834	\$ 21,342,376	\$ 42,684,752

**Categories used do not reflect the ones included in the November Caseload Conference estimate.*

The Assembly fully funded the proposed rate increase and added \$16.7 million, including \$7.1 million from general revenues and \$9.6 million from federal funds.

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$236.1 million, including \$99.8 million from general revenues for the residential rehabilitation program, including supplemental payments for this service granted through the process known as L-9. The estimate is \$7.3 million more than enacted and \$5.1 million more than the revised estimate, including \$0.9 million from general revenues. This assumes higher usage of services through the

annual authorizations for a total of \$215.5 million, including \$91.1 million from general revenues. Services are provided in various community-based settings, including 24-hour group homes, individual living situations such as an apartment or home, shared living arrangements, or with a relative. The estimate also includes \$20.6 million, or \$0.6 million more than the revised estimate for L-9 supplemental payments. *The Governor recommended \$1.1 million less than the conference estimate, which appears to be an error. He subsequently requested an amendment to correct it.* **The Assembly provided \$253.1 million, including \$107.7 million from general revenues, which added \$16.3 million to the May caseload estimate to reflect the enacted rate increase.**

Community-Based Supports. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$184.0 million, including \$77.8 million from general revenues for community-based services. The estimate is \$4.0 million more than the revised estimate, including \$0.7 million from general revenues, assuming a higher usage of services. Community-based services include peer-to-peer support, assistance with daily activities, and training. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$200.5 million, including \$84.9 million from general revenues, which adds \$13.0 million to the May caseload estimate for the enacted rate increase.**

Day Program. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$6.5 million, including \$2.7 million from general revenues for day program services. This is \$0.2 million more than the revised estimate, reflecting the anticipated authorization use increase and \$2.2 million less than requested. The Department's request includes \$0.1 million for rate increases for this program. *The Governor recommended \$5.0 million more than the conference estimate to bring total funding to \$11.5 million.* **The Assembly provided \$6.9 million, including \$2.9 million from general revenues, which is \$0.4 million more than the caseload estimate, to account for the enacted rate increase.**

Professional and Other Supports. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$13.3 million, including \$5.6 million from general revenues for professional and other support services. This is \$0.4 million more than the revised estimate, including \$0.1 million more from general revenues. An individual can receive these assorted services, including, but not limited to, attendant care, physical, speech, and occupational therapy, home modifications, assistive technology, telehealth, peer supports, and support facilitation. The Department's request is \$0.8 million more than enacted, which includes \$0.4 million for the rate increase; the caseload estimate is also \$6.5 million less than that. *The Governor's recommendation adds \$13.0 million to the caseload estimate to bring total funding to \$26.6 million.* **The Assembly provided \$15.8 million, including \$6.7 million from general revenues, which is \$0.7 million more than the May caseload estimate to account for the enacted rate increase**

Employment. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$7.3 million, including \$3.1 million from general revenues for employment services. This is \$0.2 million more than the revised estimate. Employment captures activities such as job assessment and development, job coaching, job retention, and pre-vocational training for adults with developmental disabilities. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$8.1 million, including \$3.4 million from general revenues, which is \$0.7 million more than the May caseload estimate, to reflect the enacted rate increase.**

Transformation Phase III. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$0.8 million, including \$0.4 million from general revenues for Transformation Phase III targeted employment services. This is \$0.4 million less than the revised estimate and \$1.7 million less than the enacted budget based on anticipated expenses. Funds are available to providers based on submitted proposals to increase employment outcomes for program recipients. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$0.9 million, including \$0.5 million from general revenues, consistent with the May caseload estimate.**

Transportation. The November Caseload Estimating Conference estimate includes FY 2027 expenditures of \$16.2 million, including \$6.8 million from general revenues for transportation expenses. This is \$0.3 million more than the revised estimate. Individuals are provided transportation from, or in the immediate vicinity of, their residences in order to participate in employment/day activities.

In addition to the estimate for transportation for day activities, the Conference includes \$2.0 million in funds for transportation services provided by the Rhode Island Public Transit Authority (RIPTA). The estimate is \$0.4 million more than the enacted budget and consistent with the revised estimate, with expenses fully funded from general revenues, as the Department is still working with the Executive Office of Health and Human Services to finalize an agreement to claim a Medicaid match for these services. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$17.5 million, including \$7.4 million more from general revenues, which is \$1.3 million more than the May caseload estimate to reflect the enacted rate increase. The Assembly provided \$2.0 million for the transportation contract consistent with the May caseload estimate.**

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2027 general revenue expenditures of \$2.8 million for individuals in non-Medicaid-funded placements in facilities, both in- and out-of-state; this is \$0.2 million less than the revised estimate to reflect updated placements.

The estimate also includes \$12,618, consistent with the enacted budget and revised estimate, for the monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$2.0 million from general revenues, consistent with the May estimate and \$0.8 million less than the November estimate.**

Transformation and Technology Fund. The Department excluded the enacted amount of \$1.3 million, of which \$0.9 million is from general revenues, for technology purchases and related technical assistance to individuals with developmental disabilities as required by the October 2021 Action Plan related to the federal consent decree. Projected expenses through the FY 2026 revised request total \$2.7 million, including \$1.9 million from general revenues. *The Governor excluded funding as requested.* **The Assembly concurred.**

Consent Decree Activities - Workforce Development. The Department requested \$2.6 million from all sources, including \$1.3 million from general revenues, for contracted services related to workforce development consent decree activities, consistent with the FY 2026 enacted budget and revised request. An October 2023 court order extended consent decree court monitor oversight through FY 2026. This contract was also extended until the end of FY 2026. The Department reported that the contract will continue to sustain the support provided during the ten-year consent decree.

The request includes \$1.7 million, of which \$0.9 million is from general revenues, for the Sherlock Center to work with Direct Support Workforce Solutions through the University of Minnesota's Institute for Community Integration. The University's workforce consultants engaged with Sherlock Center staff, Sage Squirrel, the Statewide Workforce Initiative workgroups, and department staff to address consent decree requirements. The work included a statewide marketing campaign and recruitment; data collection and reporting; training and professional development; selection and retention; technical assistance; engagement; and facilitation with the Rhode Island Statewide Workforce Initiative. The request also includes \$0.9 million, of which \$0.5 million is from general revenues for contracted administrative support from Knowledge Services. *The Governor recommended funding as requested.* **The Assembly concurred.**

Conflict-Free Case Management Services. The Department requested \$0.6 million from all sources, including \$0.1 million from general revenues, for conflict-free case management services. This is \$0.7

million less than enacted, primarily from federal funds. The decrease reflects projected expenses for the Department's share of the statewide contract with WellSky for a lower caseload receiving conflict-free case management services through state staff. The Department's cost will be reduced as the services are phased in and paid for through the Executive Office of Health and Human Services' budget, and benefits for this population are received through the Medicaid program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Staffing and Other Operations. The Department requested \$14.9 million, including \$7.1 million from general revenues, for staffing and all other administrative expenses. This is \$1.2 million more than enacted, of which \$0.3 million is from general revenues, primarily for salary and benefit expenses. The request includes \$13.0 million, of which \$5.9 million is from general revenues, for the Division's 79.0 positions. This is \$0.3 million more than the revised request, which exceeds FY 2025 spending by \$2.1 million. The changes reflect current service adjustments consistent with planning values and the updated cost allocation plan.

The total also includes \$1.9 million, or \$0.2 million more than enacted, for all other operating expenses. This includes \$1.1 million for centralized services provided through the Department of Administration and \$0.9 million for property insurance, mileage, staff training, and office expenses. The request adds \$0.1 million for contracted services not yet identified. *The Governor recommended \$0.2 million more than requested, primarily from general revenues. This included \$166,227 for statewide adjustments to centralized services based on updated data and \$31,565 in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care and can provide residential services to 115 clients. As of October 2025, there were 91 clients in these facilities. The Department's request includes \$36.6 million for these clients, including \$14.8 million from general revenues, \$20.6 million from federal funds, and \$1.3 million from restricted receipts. The request is \$1.0 million more than enacted, including \$0.9 million from Medicaid funds and \$0.1 million from general revenues.

The FY 2025 enacted budget included a significant change to account for staffing and related expenses for 24-hour operations that bill Medicaid for a portion of the services delivered. This makes it difficult to track expense categories at Eleanor Slater Hospital, but to a lesser degree, with the group homes.

The request to operate the 24-hour facilities is \$0.8 million more than the revised request, with an annual cost per person of \$395,700 excluding vehicle purchases. This is a 3.2 percent increase, consistent with current service adjustments.

The Governor recommended \$78,605 more than requested, primarily from general revenues. This is \$130,315 more for statewide adjustments to health and other benefit rates and \$51,710 less than requested from general revenues to reflect statewide adjustments to centralized services, based on updated data. **The Assembly concurred.**

RICLAS	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor	FY 2027 Enacted	FY 2027 to Final
Expenses	\$ 35,381,423	\$ 35,723,421	\$ 36,404,367	\$ 36,482,972	\$ 36,482,972	\$ 759,551
Average # of Persons	101	93	92	92	92	(1)
Annual Cost Per Person	\$ 350,311	\$ 384,123	\$ 395,700	\$ 396,554	\$ 396,554	\$ 12,431

Division of Behavioral Healthcare Services

The state provides behavioral health services, including Medicaid-funded mental health and substance abuse services, to individuals through the Executive Office of Health and Human Services. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides additional services through federal resources, primarily the Substance Abuse, Mental Health, and Social Services block grants.

The November 2025 caseload estimate for FY 2027 includes \$701.6 million to provide Medicaid coverage to adults between ages 19 and 64, without dependent children, with incomes at or below 138 percent of poverty within the Executive Office of Health and Human Services' budget. This reflects updated enrollment of approximately 73,000 individuals. **The Assembly provided \$734.6 million, consistent with the May caseload estimate.**

Substance Use and Mental Health Treatment Services Grants. The Department requested \$2.8 million from federal mental health and substance use block grant funds, \$8.0 million less than enacted. This is based on a revised spending plan that spreads funding over multiple years and does not reflect the next round of federal grants for the FY 2026 or FY 2027 awards. The revised request includes \$11.1 million, using unspent funds from FY 2025. The request reflects the exclusion of \$0.6 million from expired federal stimulus funds. This total also excludes \$2.5 million in substance use and mental health block grant funds requested for the 988 system, which is discussed separately.

The following table shows the federal grants included in the enacted budget, the FY 2027 request, and the Governor's recommendation. The revised request includes \$11.1 million from these grants.

FY 2027						
Block Grant	Enacted	Request	Governor	Enacted	Change to Enacted	
Substance Use	\$ 7.1	\$ 2.2	\$ 2.2	\$ 2.2	\$ (4.8)	
Mental Health	3.1	0.5	0.5	1.0	(2.0)	
ARP: Mental Health	0.6	-	-	-	(0.6)	
Total	\$ 10.8	\$ 2.8	\$ 2.8	\$ 3.3	\$ (7.5)	

\$ in millions

The Department has consistently used these funds to support regional task forces and student assistance programs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hillsgrove Clubhouse Program. The Hillsgrove Clubhouse Program, operated by Thrive Behavioral Health, is a community center providing support to adults living with mental illness through the clubhouse model. Funding was provided through the Executive Office of Health and Human Services' Medicaid program, but recent developments prevented the agency from billing Medicaid for its program expenses. *The Governor did not specifically recommend funding for the program. The Department later notified Thrive Behavioral Health that federal funds could support the program until an alternative method of financing is obtained.* **The Assembly added \$0.5 million from mental health block grant funds to support the services.**

Social Services Block Grant - Mental Health Treatment Services. The Department requested the enacted level of \$1.1 million from federal social services block grant funds made available to the state's grant recipient, the Department of Human Services. Funding is primarily awarded to the community mental health centers for mental health treatment services. *The Governor recommended funding as requested.* **The Assembly concurred.**

988 Hotline. The Department requested \$5.0 million from all sources, or \$1.8 million more than enacted for the 988 hotline operated by Horizon Health Partners to provide the necessary staffing and operations to meet federal requirements. The request includes \$1.8 million from federal Medicaid funds matched by \$1.0 million from general revenues, \$1.8 million from federal grants, and opioid stewardship funds.

The request also includes \$0.4 million from State Fiscal Recovery funds, which are not available. The Assembly initially provided \$3.5 million from the federal stimulus funds in FY 2023 and FY 2024. It added \$1.9 million for FY 2025, for total funding of \$5.4 million. Expenses through FY 2025 totaled \$3.0 million, leaving \$2.4 million available for FY 2026. The Department's revised request includes the available amount.

The Department extended its contract with Horizon Health Partners through December 31, 2026, for a total of \$1.7 million, without changing the scope of work. The contract stipulates that after June 20, 2026, the mental health block grant will support the project if federal stimulus funding is not available, which, as noted, is not for FY 2027. It is unclear why Medicaid funds, matched by general revenues, are needed to support the hotline at least through the first half of FY 2027. The following table shows the funding supporting the hotline.

988 Hotline	Pre-FY 2025	FY 2025 Spent	FY 2026 Enacted	FY 2026 Final	FY 2027 Request	FY 2027 Governor	FY 2027 Enacted
ARPA	\$ 1.8	\$ 1.1	\$ 1.8	\$ 2.4	\$ 0.4	\$ -	\$ -
Medicaid Federal Funds	-	-	-	0.7	1.8	1.8	1.8
Medicaid Match - General Revenues	-	-	-	-	1.0	1.0	1.0
Federal Block Grants	-	-	-	0.1	1.3	1.3	1.3
Opioid Funds	-	-	-	0.1	0.1	0.1	0.1
988 Connect to Care	0.0	0.7	0.6	0.7	0.2	0.2	0.2
Transformation Transfer Initiative Federal Funds	0.4	-	0.4	0.1	0.1	0.1	0.1
Bipartisan Safer Community Act Funds	0.3	0.2	0.4	0.2	-	-	-
Total	\$ 2.5	\$ 2.0	\$ 3.2	\$ 4.4	\$ 5.0	\$ 4.6	\$ 4.6
<i>General Revenues</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 1.0</i>	<i>\$ 1.0</i>	<i>\$ 1.0</i>

\$ in millions

The request also includes \$0.1 million from Transformation Transfer Initiative funds, or \$0.3 million less than enacted, primarily for contracted program support. The funds had been used to purchase dispatch software for the 988 call center. The Department's request includes \$2.8 million to expand information technology services to operate that hotline, of which \$1.8 million is federal Medicaid funds matched by \$1.0 million from general revenues. The request also includes \$1.7 million from block grant and other federal funds, primarily for contracted program support. The funds had been used to purchase dispatch software for the 988 call center. The centralized dispatch enables crisis teams to assist individuals who need more intensive community-based services, primarily provided by the Community Mental Health Centers and the Certified Community Behavioral Health Clinics. The constrained request excludes the \$5.0 million in requested funding from all sources, including \$1.0 million from general revenues.

The Governor's recommendation excludes the \$0.4 million overstatement of State Fiscal Recovery funds and concurs with the remainder of the request.

He also proposed Sections 1 and 2 of Article 10 of H-7127 to establish the Rhode Island 988 Suicide & Crisis Prevention Lifeline and designate the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals as the state agency responsible for program oversight. The lifeline must operate

24 hours a day, 7 days a week. The director will designate the lifeline's state administrator, who can either be a department employee or a contractor.

The Department will also develop the rules and regulations and, prior to promulgating them, consult with the Department of Children, Youth and Families for services provided to children, youth, and their families. Data related to the utilization of services for these populations will be shared with the Department of Children, Youth and Families.

*There are also requirements for data collection, evaluation, and other quality-improvement activities to be completed by the administrator. Other state agencies and departments will provide the information necessary for the Department to comply with federal and state reporting requirements. **The Assembly concurred and included Sections 8 and 9 of Article 10 of H-7127, Substitute A, as amended for the 988 hotline.***

BH Link. The Department's request includes \$3.5 million from federal funds, consistent with the enacted budget, to contract with Horizon Healthcare Partners to operate BH Link's 24/7 behavioral health facility, including the triage call center. The organization is composed of six agencies: Community Care Alliance, Newport Mental Health, Thrive Behavioral Health, Tides Family Services, CODAC, and Galilee Mission. The facility provides immediate assistance to people in crisis through intervention services and connections to ongoing treatment and care; it is located adjacent to the 988 call center.

BH Link operated the 414-Link hotline that was replaced by 988 in July 2022. Funding for the behavioral healthcare facility includes \$1.1 million from each of the substance use and mental health block grants and \$1.4 million from the State Opioid Response Grant to staff the facility and provide direct services. *The Governor recommended funding as requested. **The Assembly concurred.***

Crisis Care Continuum - Technology. The Department requested \$1.6 million, including \$0.4 million from general revenues, for the second-year costs of a new contract with MTX Group to operate a crisis care continuum technology platform. The Department's original FY 2026 operating budget request included \$2.0 million from general revenues for information technology services, and anticipated a tentative award by March 2025 from a request for proposals issued in April 2024. The Governor did not recommend the funding. The Department finalized a five-year, \$2.2 million contract in late September 2025.

The technology integrates the dispatch of adult and children's mobile crisis outreach teams into the 988 hotline. It will also include integrated modules to manage closed-loop treatment referrals, waitlist management, a bed and outpatient appointment availability module, and interoperability with the state's data collection and reporting system, known as BHOLD. *The Governor recommended funding as requested. **The Assembly concurred.***

Behavioral Health Data Exchange Pilot. The Department received a \$558,300 grant from Chickasaw Federal Health for a Behavioral Health Data Exchange Pilot Project to create an electronic clinic reporting system, so Certified Community Behavioral Health Clinics can report outcomes for Medicaid beneficiaries on depression remission, social needs screening, and diabetes management. The pilot program includes five of the six clinics; Gateway is not participating. *The Governor requested an amendment to add \$379,549 for FY 2026 and \$178,781 for FY 2027 from restricted receipts. **The Assembly concurred with the amended recommendation.***

Rural Health Transformation Program. On July 4, 2025, H.R.1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office applied for the grant in early November 2025, with awards expected to be announced by the end of December. The revised requests did not include any

funding in anticipation of approval of its \$200.0 million request over five years in the health and human services agencies' budgets.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care. *The Governor's recommendation did not include funding; the expectation was that he would request an amendment reflecting the revised spending plan for this new grant. The Executive Office submitted its revised plan on January 30 for federal approval.*

The Governor requested an amendment to add \$0.5 million for FY 2026 and \$4.1 million for FY 2027 along with two positions in both years. Funding will support recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit. The Assembly concurred with the amended recommendation.

Opioid Funds. The Department requested \$1.0 million from opioid funds to support community-based assisted treatment and programs, which is \$4.1 million less than enacted. The revised request includes \$14.8 million from opioid stewardship and abatement funds, or \$9.6 million more than enacted, from carry-forward funds. For FY 2026, funding includes \$2.3 million for Coastline to support investments in school- and community-based mental health services; \$2.8 million for recovery housing and supports; \$1.4 million for medical services; \$0.7 million for the Hope Initiative; \$0.9 million for basic needs and medication-assisted treatment; \$0.6 million for residential treatment; and \$0.7 million for regional task forces.

The FY 2027 request is a placeholder since the Executive Office, in coordination with the Department, has not finalized the spending plan. When the plan is updated, further adjustments will be made through the budget process to include the appropriate funding amounts. *The Governor recommended \$2.5 million more than requested to reflect the updated planned fund use. The Assembly concurred.*

Governor's Recommendation				
Agency	Pre-FY 2026	FY 2026	FY 2027	6-Year Total
EOHHS	\$ 15,567,568	\$ 22,838,753	\$ 4,550,800	\$ 42,957,121
BHDDH	12,799,118	15,337,323	3,900,000	32,036,441
Health	12,604,529	10,569,921	4,549,200	27,723,650
Corrections	6,696,544	1,493,379	1,250,000	9,439,923
Total	\$ 47,667,759	\$ 50,239,376	\$ 14,250,000	\$ 112,157,135

State Opioid Response Grant. The Department requested \$9.1 million from federal State Opioid Response Grant funds, which is \$0.1 million more than enacted, to reflect updated grant awards. Funding examples for FY 2026 include: \$3.7 million for recovery housing, support services and recovery community centers, \$0.5 million to CODAC for a mobile van, \$0.5 million for a media campaign, \$0.3 million each for the Hope Initiative and Enhanced Teen Institute, \$0.4 million for regional task forces, \$0.2 million for the Imani Community Recovery Program, and \$0.2 million for residential care and emergency respite services. *The Governor recommended funding as requested. The Assembly concurred.*

Partnership for Success Grant. The Department requested \$1.0 million from federal funds from the multi-year strategic prevention framework-partnership for success grant to support activities that deliver and sustain effective substance abuse and/or mental health services. This includes preventing the onset of and reducing the progression of substance abuse, including childhood and underage drinking, reducing substance abuse-related problems in communities, and building prevention capacity and infrastructure at the state and community levels. The request is \$45,000 more than enacted for contracted administrative support and consistent with the revised request. The federal grant award is \$1.3 million for the third through

fifth years, ending in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Drug Court Support Project Grant. The Department recently received a five-year \$2.0 million federal grant for the Drug Court Support project. This project aims to increase the availability of screening, treatment, and recovery services to a minimum of 40 adults referred by adult or family drug courts through coordinated efforts. The FY 2027 request includes \$350,000, or \$5,894 more than enacted, and is consistent with the revised request. The grant ends in September 2029. *The Governor recommended funding as requested. The Assembly concurred.*

Recovery Housing. The Department received a new two-year grant, provided through an agreement with the state's Executive Office of Housing, to use a portion of the federal funds awarded by the Department of Housing and Urban Development to expand the statewide Recovery Housing Program. The requests include \$0.2 million for FY 2027 and \$0.9 million for FY 2026. The funds will increase access to housing that can include individuals with co-occurring mental health and substance use disorders, parents with children, and those with a history of substance use disorder who were previously incarcerated. *The Governor recommended funding as requested. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$10.7 million, including \$4.6 million from general revenues, for all other staffing and operations. This is \$1.0 million less than enacted, including \$0.2 million less from general revenues. Salaries and benefits are \$8.3 million, including \$3.8 million from general revenues. This is \$0.8 million less than enacted, mostly from federal funds, and appears to be based on the updated cost allocation plan that spreads expenses across the different programs, including \$0.1 million more from general revenues. This is consistent with the revised request.

Other expenses are \$2.4 million from all sources, including \$0.8 million from general revenues. This is \$0.2 million less than enacted, including \$0.1 million less from general revenues. The request includes \$0.6 million for centralized services charged to the division, or \$0.2 million less from general revenues. The request includes \$1.6 million, \$0.4 million more than enacted, for various administrative and contracted expenses, including \$0.2 million from indirect cost recovery restricted receipts for unidentified expenses. For all other federal grant expenses, the request is \$0.1 million, or \$0.4 million less than enacted.

The Department's request also includes \$0.1 million for liability insurance that is required for its crisis response teams; this was a Department of Administration requirement that started in FY 2025. The request is consistent with the revised request and FY 2025 expenses. The insurance covers events such as a large-scale disaster when the Division needs to oversee teams of volunteers deployed in the field to support response efforts. The liability insurance covers the actions of those volunteers.

The constrained budget reduced expenses by \$50,000 for liability insurance, assuming there is other adequate coverage at a lower cost and that the Department of Administration agrees.

The Governor recommended \$0.5 million more than requested, including \$0.3 million from general revenues. This includes \$0.3 million more than requested, mostly from general revenues, to reflect statewide adjustments to centralized services based on updated data, and \$16,820 for statewide adjustments to health and other benefit rates. It also includes \$0.2 million more from opioid restricted receipts for a position in the substance use program. The Assembly concurred.

Eleanor Slater Hospital

Hospital Operations. The Department requested \$124.1 million from all sources for hospital expenses at the Cranston campus and Zambarano unit in Burrillville. By source, this includes \$62.5 million from general revenues, \$57.8 million from federal funds, and \$3.8 million from restricted receipts. The request

is \$4.3 million more than enacted, including \$8.8 million more from general revenues, and excludes Rhode Island Capital Plan funds, as previously discussed. It also includes a decrease in staffing from 601.2 to 580.2 full-time-equivalent positions, or 21.0 fewer than currently authorized for the updated cost allocation plan, and repurposing of vacant positions to other divisions. Based on the November 2025 census of 130 patients, the annual cost per patient would be about \$924,000 if it remains consistent through FY 2027.

The enacted budget assumes 136 of the average 155 patients have either Medicaid, Medicare, or both. The remaining patients do not have coverage. The revised request assumed 135 patients, increasing to 141 for FY 2027. The November 2025 census totaled 130 patients, regardless of insurance coverage. The following table shows the daily rate paid by Medicaid, matched by general revenues, for the eligible patients.

The Governor recommended \$122.0 million, including \$49.3 million from general revenues, \$67.9 million from federal funds, and \$4.8 million from restricted receipts. He included the requested change to the staffing authorization but assumed that a physician position would be replaced by a manager of nursing services.

Medicaid Billings	FY 2025 Final	FY 2026 Enacted	FY 2026 Gov. Rec.	FY 2026 Final	FY 2027 Request	FY 2027 Governor/Enacted
# Patients	135	136	135	135	141	141
Daily Rate	\$ 2,342	\$ 1,732	\$ 2,412	\$ 2,412	\$ 2,402	\$ 2,375
Total	\$ 105,521,384	\$ 115,037,342	\$ 113,678,953	\$ 113,678,953	\$ 120,078,755	\$ 117,180,789
Medicaid	\$ 53,243,808	\$ 61,515,889	\$ 60,072,381	\$ 50,072,381	\$ 57,762,767	\$ 67,868,247

The Assembly concurred, except for an adjustment to correct for the license fee payment. The Assembly also included language in Article 1 requiring the Department to report monthly on hospital census by campus and number of patients, as well as information on insurance coverage and total collections.

Sources. The hospital is a Long-Term Care and Acute Care licensed facility providing long-term care, medical, and behavioral health services. Insurance coverage varies among patients who have it, including Medicaid, Medicare, and third-party. Medicaid coverage is available to individuals specifically approved for long-term care services. The hospital has been admitting Medicaid-eligible individuals who are not specifically approved for long-term care services. In these cases, it becomes a state-only expense. As of January 2026, the approval process has not been finalized. The Department has been asked how many patients in the most recent census of 130 do not have approval for long-term care services, but it could not provide the information. The constrained budget includes savings proposals for this expanded census, discussed separately.

The enacted budget includes \$4.6 million from anticipated Medicare payments and other third-party payments consistent with the Department's request and the Governor's recommendation. The request lowers that to \$3.8 million, or \$0.8 million more than enacted, to reflect projected collections. This is \$1.7 million less than the revised request. The Department attributes the failure to maintain its collections to a lack of staff to oversee the billing process and improve collections. *The Governor included the expanded census proposal and Medicare Part D and third-party funds. The Executive Office approved the expansion effective July 1, 2026. The Assembly concurred.*

Census Expansion - Medicaid Billings. The Department's request includes general revenue savings of \$9.7 million from proposals to expand access to the state-run hospital for patients who do not require long-term acute care services but would likely transfer from community hospitals. The hospital currently admits these patients but cannot claim Medicaid for the services. The proposal requires the approval of the Executive Office of Health and Human Services to bill Medicaid. As of December 2025, the Executive Office has

not approved this request. The first expanded population includes adults who receive coverage either through the Rite Care benefit or Rhody Health Partners. The other population is individuals receiving coverage through the Medicaid expansion program. As noted, the Department has been admitting patients with this type of Medicaid coverage, but cannot report on the number of patients, so it is not clear if savings could be achieved as proposed. *The Governor recommended the proposal.* **The Assembly concurred.**

Medicare Part B Receipts. The Department included \$1.0 million in general revenue savings from re-enrolling physicians in Medicare, allowing them to resume billing for appropriate Part B services. The Department minimally bills Medicare for compliance purposes. A portion of physicians are certified to bill for Medicare, while others are not, but are in the process of receiving it. The Department reports that the billings will increase after the doctors are trained and the encounter forms are revised. The FY 2026 enacted budget included savings of \$75,000 from the same proposal for Part A benefits for hospital services. *The Governor recommended the proposal.* **The Assembly concurred.**

Medicaid Billings - Third Party Receipts. The Department's request includes general revenue savings of \$1.1 million from updating the current rate methodology used for billing Medicaid, as the payer of last resort, after accounting for Medicare Part B and D receipts. Information provided by the Department notes that hospital staff realized the requirements governing the current Medicaid billing method may not be as strict as previously assumed, and that changes can be made to accurately claim Medicaid funds, reducing the impact on general revenues. *The Governor recommended the proposal.* **The Assembly concurred.**

Uses. The Department requested \$2.5 million more than enacted, including \$7.1 million from general revenues, for hospital operations. The enacted budget made significant changes to account for staffing and related expenses for the 24-hour operations that bill Medicaid for a portion of the services delivered, making it difficult to analyze the specific expenses at the state hospital. This excludes specific requests, discussed in the following sections. *The Governor recommended \$0.6 million less than requested, including \$0.8 million less from general revenues, for anticipated hospital expenses.* **The Assembly concurred and adjusted for the hospital license fee payment.**

Electronic Medical Records (5.0 FTE). The Department requested \$0.8 million, including \$0.6 million from general revenues, for five positions for the electronic medical records system. This includes data analysts, database management staff, and technical support. The Department has been asked about the current staff performing these tasks manually and what those responsibilities will be when the system is functional. The Department assumes that both manual record-keeping and the electronic system will operate at least partially concurrently in FY 2027, but has not provided any detailed information on this change. It should be noted that the requested staffing authorization includes these new positions in Central Management, with funding requested at the state hospital. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Hospital Consolidation - Adolf Meyer. The constrained request includes savings of \$1.5 million, of which \$0.6 million is from general revenues, from the closure of the Adolf Meyer building. The building will be vacated in July 2026 when the Regan building reopens. The proposal identifies 18.0 institutional psychiatric attendants who are no longer required to staff the hospital following its consolidation. The Department's request retains the staffing authorization and repurposes them for the state psychiatric hospital and for electronic medical records. *The Governor recommended the proposal.* **The Assembly concurred.**

Hospital License Fee. The Department requests \$4.2 million to pay the license fee set at 5.25 percent of 2023 hospital revenues. *Section 1 of Article 8 of 2026-H 7127 extends the FY 2027 hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues for collections totaling \$4.0 million.* **The Assembly reduced expenses by \$0.2 million to reflect the correct fee due under law.**

Security Services. As described earlier in this analysis, the Department requested \$3.0 million for security services, which is \$0.6 million more than enacted. This includes \$1.0 million from general revenues and \$1.9 million from restricted receipts. The change to the enacted is primarily from restricted receipts. *The Governor recommended funding as requested.* **The Assembly concurred.**

Unachieved Savings - Contracted Services. The FY 2026 enacted budget includes \$52,000 for the contract with Pinnacle Healthcare Solutions, assuming \$156,000 in savings from it ending on September 30, 2025. The original contract, effective from August 2021 through January 2022, totaled \$52,000 and was intended to assist the Department in addressing Medicaid billing issues and restoring long-term acute care functions at the hospital. Those two objectives were achieved. The contract has been extended through September 2026, with two one-year renewal options, for a value of \$220,000. The contract is \$220 an hour for 20 hours a week. The FY 2027 request includes \$216,000 from general revenues and restores the savings included in the enacted budget.

The new contract terms include evaluating current operations, with the emphasis on admission and discharge functions, developing a business plan to ensure financial solvency, with emphasis on Medicaid and Medicare funding, evaluating the staffing plan and requirements, optimizing revenue, and proposing and evaluating compliance strategies for avoiding designation as an Institute for Mental Disease. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hospital - Shared Services. The Department's request includes food and laundry services provided by Eleanor Slater Hospital staff to the state psychiatric hospital, and expenses are billed back. The request for the hospital increases expenses by \$0.1 million from general revenues, assuming \$2.9 million is billed back to Eleanor Slater Hospital. This is consistent with the adjustment in the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island State Psychiatric Facility

Hospital Operations. The Rhode Island State Psychiatric Facility is a 53-bed facility primarily funded from general revenues. The Department requested \$35.3 million, or \$1.7 million more than the enacted budget and \$1.4 million more than the revised request. The request increases staffing authorization from 135.4 to 148.4 full-time equivalent positions. The annual cost per patient would be \$666,528, or about five percent higher than the assumed \$633,727 cost included in the enacted budget. The increase reflects current service planning values, restoration of unachieved savings, and adjustments to contracted medical services. *The Governor recommended \$35.0 million, or \$0.3 million less than requested, and the requested staffing authorization of 148.4 positions, 13.0 more than enacted.* **The Assembly concurred.**

Staffing and Other Medical Services. The Department requested \$26.9 million from general revenues to provide direct care services at the psychiatric hospital. This includes \$24.1 million, or \$2.2 million more than enacted, for salaries and benefits, and \$2.7 million, or \$0.4 million more, for contracted medical services.

The request includes \$0.6 million more for overtime that would total \$3.7 million. It restores the \$0.5 million in assumed savings in the enacted budget from tracking and monitoring overtime expenses. The Department noted that the lack of access to employee attendance data, because the hospital uses a manual reporting system, including overtime, makes it difficult to track and control overtime expenses.

The requested staffing authorization is for 148.4 full-time equivalent positions, which is 13.0 more than enacted to repurpose vacant positions transferred from Eleanor Slater Hospital. The request reflects updated staffing expenses based on the reorganization and assumes keeping 21 positions vacant. As of mid-November, there are 121.1 positions filled. To offset the increase in staffing expenses, the request reduces contracted medical services expenses.

The constrained request includes savings of \$0.7 million from converting contracted medical staff to 13.0 full-time equivalent positions. This includes two nurses and eleven mental health workers. It should be noted that the revised request assumes that this action will take place in the third quarter of FY 2026, so it is not clear why this would not be included in the FY 2027 unconstrained request.

The Governor recommended \$0.3 million less than requested. He included the constrained proposal for savings from converting the positions, but at a lower level, adding \$0.3 million for anticipated overtime expenses. The recommendation also includes \$16,657 more in statewide adjustments to health and other benefit rates. The Assembly concurred.

Security Services. As described earlier in this analysis, the Department requested \$2.4 million from general revenues, or \$0.3 million less than enacted, to fund security services at the psychiatric hospital. The FY 2027 request is \$0.5 million less than FY 2025 expenses of \$2.9 million. The enacted budget assumes \$0.3 million in savings from a new security contract; the request lowers expenses by another \$0.3 million, reflecting a reduction in the need for coverage based on lower patient acuity. The Department noted that these savings will offset the unachieved overtime savings included in the enacted budget. *The Governor recommended funding as requested. The Assembly concurred.*

Hospital Shared Expenses. The Department's request includes food and laundry services provided by Eleanor Slater Hospital staff to the state psychiatric hospital, for which expenses are billed back. The request for the psychiatric hospital reduces expenses by \$0.2 million, assuming \$2.9 million is billed back to Eleanor Slater Hospital. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$0.4 million less than enacted from general revenues for a total of \$3.2 million for all other expenses. It is also \$0.1 million more than the revised request. The request includes \$1.9 million, essentially as enacted, for centralized services provided by the Department of Administration. All other expenses total \$1.3 million, of which \$1.1 million is for food, janitorial, laundry, and medical supplies. Remaining costs include \$0.1 million for contracted information technology and temporary services, and \$0.1 million for office and other expenses. The revisions to the enacted budget include \$0.1 million for medical supplies, \$0.1 million for staff training, and \$0.2 million for other expenses to be more in line with the revised request. *The Governor recommended \$15,659 less than requested to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Central Management

Legal Settlements/Contracted Services. The Department included \$1.0 million in general revenues in its request for litigation related to the state's current matter involving former Department employees. The revised request includes \$1.3 million for an anticipated payment of \$2.3 million. This more than doubles the prior expenses estimated at \$1.0 million. The FY 2024 and FY 2025 final budgets included \$1.0 million in general revenues in anticipation of settlement costs, but funds were not spent in either fiscal year. *The Governor recommended funding as requested. The Assembly concurred.*

Forensic Outpatient Clinic. The Department requested \$2.6 million from general revenues for the forensic outpatient clinic located at Eleanor Slater Hospital's Regan Medical Building. Funding supports four positions, contracted medical services, and operating expenses. This is \$0.6 million more than enacted, including \$0.5 million for examinations; the revised request adds \$0.4 million. It is also \$0.6 million more than spent for FY 2025. The Department's original FY 2026 budget request included \$0.1 million more for examinations, but it was neither recommended by the Governor nor appropriated by the Assembly.

The Department reported that it is statutorily required to perform examinations ordered by the Judiciary. It also provided follow-up services through the clinic, operated under a hospital's license.

The constrained request excluded \$0.4 million for the examinations. *The Governor added \$1,862 for staffing adjustments and concurred with the remainder of the request.* **The Assembly concurred.**

Staffing and Operations. The Department requested \$10.0 million from all sources, including \$6.1 million from general revenues, \$1.8 million from federal Medicaid funds, and \$2.1 million from restricted receipts for all other staffing and operations in central management administration. This is \$0.8 million more from all sources, including \$1.6 million more from indirect cost recovery restricted receipts, \$0.8 million less from Medicaid funds, and \$8,182 less from general revenues.

The FY 2026 enacted budget includes general revenue savings of \$1.6 million from shifting staffing expenses to indirect cost recovery, restricted receipts, and federal Medicaid funds. It also assumed the Department would be approved for a 32.5 percent indirect cost recovery rate on certain Medicaid-related expenses. The Department applied for the rate in June 2024, but as of December 2025, it has not received approval for it. The request reduces eligible Medicaid federal match expenses by \$1.0 million, lowering the required general revenue match by \$0.8 million. This increase offsets the loss of Medicaid federal funds.

As shown in the following table, there is an increase in state-only expenses of \$0.6 million for net general revenue savings of \$0.1 million. The request increases indirect cost recovery restricted receipts by \$1.1 million for an overall increase of \$0.1 million. The total of \$6.7 million, or \$0.1 million more from all sources, funds 41.0 of the 45.0 authorized positions.

Salaries & Benefits	General Revenues	Medicaid		Restricted Receipts	Total
		General Revenues	Federal Funds		
Enacted	\$ 1,229,284	\$ 2,468,452	\$ 2,631,491	\$ 270,000	\$ 6,599,227
Request	1,875,857	1,706,507	1,670,156	1,404,938	6,657,458
Change to Enacted	\$ 646,573	\$ (761,945)	\$ (961,335)	\$ 1,134,938	\$ 58,231
<i>Recommended/Enacted</i>	<i>\$ 1,881,898</i>	<i>\$ 1,710,490</i>	<i>\$ 1,674,027</i>	<i>\$ 1,408,582</i>	<i>\$ 6,674,997</i>
Change to Request	\$ 6,041	\$ 3,983	\$ 3,871	\$ 3,644	\$ 17,539

All other operating expenses total \$3.3 million, or \$0.7 million more than enacted and \$0.2 million more than the revised request. The request includes \$2.3 million for centralized services, \$0.3 million more than enacted for anticipated billings, and \$0.6 million, or \$0.2 million more than enacted, for contracted administrative services. Other changes include \$0.2 million more for software maintenance and \$0.1 million less for security services. The request also includes \$0.1 million from restricted receipts to maintain the group homes, consistent with the enacted budget.

The Governor recommended \$0.8 million more than requested, including \$1.1 million from general revenues, to reflect statewide adjustments almost entirely to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. He also included \$17,778 in statewide adjustments to health and other benefit rates. **The Assembly concurred.**

Office of the Child Advocate

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,059,493	\$ 1,965,308	\$ 2,124,961	\$ 2,124,961
Contracted Services	3,000	10,000	13,300	13,300
Subtotal	\$ 2,062,493	\$ 1,975,308	\$ 2,138,261	\$ 2,138,261
Other State Operations	200,120	207,702	265,226	265,226
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,000	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,264,613	\$ 2,185,010	\$ 2,405,487	\$ 2,405,487
Sources of Funds				
General Revenue	\$ 2,264,613	\$ 2,185,010	\$ 2,405,487	\$ 2,405,487
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,264,613	\$ 2,185,010	\$ 2,405,487	\$ 2,405,487
FTE Authorization	13.0	13.0	13.0	13.0

Summary. The Office of the Child Advocate requested \$2.3 million from general revenues, which is \$45,297 more than enacted. The request includes 13.0 full-time equivalent positions, consistent with the enacted authorization. *The Governor recommended \$2.4 million from general revenues and staffing consistent with the request. This is \$140,874 more than enacted and \$95,577 more than requested. The Assembly concurred.*

Constrained Budget. The Budget Office provided a general revenue target of \$2.1 million. The amount includes current service adjustments of \$48,162 and a 7.5 percent target reduction, adjusted for certain exclusions, of \$166,294. The constrained budget submitted by the agency is \$58,866 more than the target. The proposals to achieve the reduction are noted below, where appropriate. *The Governor's recommendation is \$259,006 above the target. The Assembly concurred.*

Salaries and Benefits. The Office requested \$2.1 million from general revenues to fully fund its 13.0 authorized full-time equivalent positions. The request is \$32,497 more than enacted and essentially consistent with the Budget Office's current service estimates. As of early November, the Office has 1.0 position vacant. The revised request includes turnover savings to reflect this, but the FY 2027 request assumes full staffing for the year.

The Office includes \$0.1 million in savings in its constrained request, which could be achieved by keeping a position vacant for approximately nine months.

*The Governor added \$32,971, primarily to reflect updated staffing cost projections and full staffing, as requested. This includes \$3,683 in statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Other Expenses. The Office requested \$217,920 from general revenues for all other expenses, which is \$12,800 more than the enacted budget and the FY 2026 revised request. The request includes \$26,700, or \$5,000 more than enacted, for expenses related to monitoring youth in the Department of Children, Youth and Families' care, including those placed at an out-of-state facility. The Office is statutorily required to provide oversight for the youth in out-of-state facilities. Spending in FY 2025 was \$15,877, but the Office indicates that its higher staffing level will allow for increased activity.

The Office requested \$13,300 for temporary services, \$3,300 more than enacted, to support potential legal action and increased staff training. It also requested \$2,000 more for computer and office supplies and \$2,500 more for attorney fees, reflecting its increased staff. The request includes \$147,456 for centralized services, consistent with the enacted budget.

*The Governor recommended \$62,606 more from general revenues, including \$6,000 more to reflect a supplemental request from the Office for legal filing fees related to ongoing investigations and potential litigation, and \$56,606 to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

Commission on the Deaf and Hard of Hearing

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 617,983	\$ 590,113	\$ 608,286	\$ 608,286
Contracted Services	210,700	210,700	210,700	210,700
Subtotal	\$ 828,683	\$ 800,813	\$ 818,986	\$ 818,986
Other State Operations	100,471	176,139	135,095	135,095
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 929,154	\$ 976,952	\$ 954,081	\$ 954,081
Sources of Funds				
General Revenue	\$ 786,233	\$ 767,663	\$ 835,904	\$ 835,904
Federal Aid	-	-	-	-
Restricted Receipts	142,921	209,289	118,177	118,177
Other	-	-	-	-
Total	\$ 929,154	\$ 976,952	\$ 954,081	\$ 954,081
FTE Authorization	4.0	4.0	4.0	4.0

Summary. The Commission on the Deaf and Hard of Hearing requested \$1.2 million for FY 2027 and authorization for 6.0 full-time equivalent positions. This is \$238,512 more than enacted, including \$296,721 more from general revenues and \$58,209 less from restricted receipts. It also reflects 2.0 new full-time equivalent positions. *The Governor recommended \$954,081 from all sources and the authorized level of staffing. This is \$247,050 less than requested from general revenues and \$33,465 more from restricted receipts. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this produced a general revenue target of \$747,185, including a current service adjustment of \$15,224 and a 7.5 percent reduction of \$54,272, adjusted for certain exclusions. The constrained budget submitted by the agency is \$10,520 more than the target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$88,719 above the target. The Assembly concurred.*

Chief Community Engagement Officer (1.0 FTE). The Commission requested \$137,694 from general revenues to hire a new Community Engagement Officer position for FY 2027. The new position would expand the Commission's current services to support DeafBlind individuals to address a reported lack of coordinated services from state agencies. The position would also be responsible for outreach and training and serve as the primary point of contact for community and interagency engagement.

The Commission's constrained request excludes this position. *The Governor did not recommend funding. The Assembly concurred.*

Administrative Officer (1.0 FTE). The Commission requested \$133,283 from general revenues for a new administrative officer position to supervise its interpreter referral service. The new position would serve as the operational lead for interpreting and computer-aided real-time translation referral services, which connects qualified sign language interpreters and captioning providers to institutions that require their services. The Commission believes that the lack of a backup structure for the referral service leaves it vulnerable to gaps in service during staff absences. Currently, there is one staff member who coordinates requests for services. The new position would also work to develop a larger pool of interpreters. The Commission reports that there are 30 licensed American Sign Language interpreters in the state, and about one-third of them are close to retirement age.

The Commission's constrained request excludes this position. *The Governor did not recommend funding.*
The Assembly concurred.

Other Salaries and Benefits. The Commission requested \$0.6 million for salary and benefit expenses for its authorized 4.0 full-time equivalent positions. This is \$32,465 less than enacted, including \$25,744 more from general revenues and \$58,209 less from restricted receipts. The request contains a negative value for restricted receipts, apparently in error, and fully funds all positions from general revenues. The FY 2026 revised request also shifts all staff costs to general revenues.

As of the end of FY 2025, there is \$173,152 remaining in the Emergency and Public Communication Access Program restricted receipt fund. The Commission reported that it reduced restricted receipt funding for staffing based on guidance from the Budget Office. *The Governor's recommendation is \$22,768 more than requested, including \$21,341 more from restricted receipts to correct for the requested negative value. His recommendation also adds \$1,427 from general revenues to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Computer Aided Real Time Translation and Interpreter Services. The Commission requested \$0.2 million from all sources for computer-aided real-time translation and interpreter referral services, consistent with the enacted budget. This includes \$102,200 from general revenues and \$100,000 from restricted receipts that are derived from an annual transfer from the \$0.09 Dual Party Phone Relay surcharge on all landlines. The Commission is mandated by statute to provide interpreter services to support communication access. As of the end of FY 2026, there is projected to be \$173,152 remaining in the Emergency and Public Communication Access Program restricted receipt fund. With the request, the FY 2027 ending balance will be \$151,572.

The constrained budget reduces these expenses by \$54,272 from general revenues. *The Governor recommended the enacted level and shifted \$11,000 from general revenues to restricted receipts. With his recommendations for both years, the fund balance would be \$51,739 at the close of FY 2027.* **The Assembly concurred.**

Other Operations. Consistent with the enacted budget, the Commission requested \$108,971 from all sources, including \$102,918 from general revenues, for all other operations. This includes \$79,343 for centralized services charges and \$8,500 for staff training. The request is \$979 more than the Commission spent in FY 2025. *The Governor recommended \$34,624 more than requested, primarily from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Governor's Commission on Disabilities

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 662,720	\$ 640,042	\$ 674,314	\$ 676,009
Contracted Services	154,275	168,228	168,228	168,228
Subtotal	\$ 816,995	\$ 808,270	\$ 842,542	\$ 844,237
Other State Operations	101,756	91,840	99,748	99,748
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	886,379	1,501,912	886,379	886,379
Capital	912	912	912	912
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,806,042	\$ 2,402,934	\$ 1,829,581	\$ 1,831,276
Sources of Funds				
General Revenue	\$ 1,386,032	\$ 1,995,652	\$ 1,422,299	\$ 1,423,994
Federal Aid	340,067	340,092	340,092	340,092
Restricted Receipts	79,943	67,190	67,190	67,190
Other	-	-	-	-
Total	\$ 1,806,042	\$ 2,402,934	\$ 1,829,581	\$ 1,831,276
FTE Authorization	5.0	5.0	5.0	5.0

Summary. The Governor's Commission on Disabilities requested \$2.2 million from all sources and the authorized level of 5.0 full-time equivalent positions. This is \$393,836 more than enacted, including \$406,564 from general revenues. *The Governor recommended \$1.8 million from all sources, including \$1.4 million from general revenues. This is \$370,297 less than requested, and maintains the Livable Home Modification Grant program at the enacted level. He later requested an amendment adding \$1,695 from general revenues for omitted expenses.* **The Assembly concurred with the amended recommendation.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this produced a general revenue target of \$1.3 million, including a current service adjustment of \$17,753 and a 7.5 percent reduction of \$100,907, adjusted for certain exclusions. The constrained budget submitted by the agency exceeds the target level by \$1,130. The proposals to achieve the reductions are noted among the items described below where appropriate. *The recommendation is \$119,421 more than the target.* **The enacted budget is \$121,116 above the target.**

Salaries and Benefits. The Commission requested \$0.7 million from general revenues for salary and benefit expenses for its authorized 5.0 full-time equivalent positions. This is \$10,519 more than enacted and approximately \$11,000 less than the current service estimate. The request does not reflect FY 2027 planning values. Subsequently, the Budget Office noted that the reduction appears to be attributable to an error in its system regarding the Commission's personnel information. It also omits holiday pay for staff members who work on election days.

The Commission's constrained budget includes savings of \$106,287 from general revenues to be achieved by closing its office one day a week; this includes \$20,467 for contracted employees. The savings also equate to approximately 15 percent of a full-time equivalent position or by maintaining a position vacant for four pay periods; however, as of late October, all of the Commission's positions are filled. *The Governor recommended \$1,075 more than requested in statewide adjustments to health and other benefit rates. This inadvertently omits \$1,695 of expenses for holiday pay, which he requested an amendment to correct.* **The Assembly concurred with the amended recommendation.**

Livable Home Modification Grant Program. The Commission requested \$897,246 from general revenues for the Livable Home Modification Grant Program, which is administered in consultation with the Executive Office of Health and Human Services. The program provides half of the total retrofit costs, up to \$4,500, to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The request is \$382,301 more than enacted, to primarily reflect restoration of a prior funding level, and would support approximately 80 more grants. Expenses in the last five completed fiscal years averaged \$567,167. The Commission has \$1.1 million available for FY 2026, and any unspent funds will automatically be reappropriated to FY 2027. The Commission's constrained budget maintains enacted funding for the program. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

School Construction Design Plans Review. The request excludes the enacted amount of \$77,915 from all sources, including \$55,000 from general revenues provided to review school construction design plans to ensure compliance with the Americans with Disabilities Act. The Commission had previously indicated that it had difficulties in retaining a contracted employee to do the work. Its FY 2024 revised request converted a full-time school construction design plan review specialist to a part-time building official position. The position was filled in FY 2024, but became vacant, and no expenses were incurred in FY 2025. The Commission's staff will review and approve the design plans for these projects. *The Governor concurred.* **The Assembly concurred.**

Public Outreach. The enacted budget included \$35,610 from all sources for outreach services. The funds are awarded to community-based organizations that are located in underserved communities to publicize services and programs that are available to individuals who are having accessibility issues. The request adds \$77,915, repurposing funding from school construction design plans review for a contracted outreach coordinator position that would also assist with administering the grants. The 2022 Assembly concurred with the Governor's recommendation to provide funding for a contracted public education aide coordinator. Instead, the Commission proposed awarding grants to community-based organizations, noting that these organizations would be more effective because they are already providing services, have relationships with the clientele, and can eliminate language/culture barriers. In FY 2025, three grants totaling \$60,000 were awarded. *The Governor recommended funding as requested.* **The Assembly concurred.**

Indirect Cost Recovery. The FY 2026 enacted budget includes general revenue savings of \$12,753, to be achieved by applying a 5.0 percent indirect cost recovery rate to the federal Statewide Independent Living grant. A state match of 10.0 percent, which can be provided in cash or in kind, is required. Consistent with the revised request, the request restores the savings. The Commission noted that it already includes the 5.0 percent cost recovery as part of the state match requirement and it is working on how to represent this in the new personnel system. *The Governor concurred.* **The Assembly concurred.**

Other Expenses. The request includes \$0.5 million from all sources for all remaining expenses. This is \$1,016 more than enacted. It adds \$975 from general revenues for the required 5.5 percent assessment on certain contractual costs. It includes the enacted amount of \$60,860 for the Commission's share of centralized services provided by the Department of Administration. *The Governor concurred and added \$10,929 to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Office of the Mental Health Advocate

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 945,777	\$ 761,619	\$ 1,011,317	\$ 1,011,317
Contracted Services	2,700	3,700	3,700	3,700
Subtotal	\$ 948,477	\$ 765,319	\$ 1,015,017	\$ 1,015,017
Other State Operations	167,687	166,122	95,692	95,692
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	1,000	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,117,164	\$ 932,441	\$ 1,111,709	\$ 1,111,709
Sources of Funds				
General Revenue	\$ 1,117,164	\$ 932,441	\$ 1,111,709	\$ 1,111,709
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,117,164	\$ 932,441	\$ 1,111,709	\$ 1,111,709
FTE Authorization	6.0	6.0	6.0	6.0

Summary. The Office of the Mental Health Advocate requested \$1.1 million from general revenues, \$31,079 more than enacted, to support its operations and the 6.0 positions authorized in the enacted budget. *The Governor recommended \$1.1 million from general revenues, or \$5,455 less than enacted. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Mental Health Advocate, this produced a general revenue target of \$1.1 million, including a current service adjustment increase of \$23,083 and a 7.5 percent reduction of \$74,310, adjusted for certain exclusions. The constrained budget submitted by the agency is \$2,190 lower than the Budget Office target; savings are achieved by converting a full-time position to part-time. *The Governor's budget is \$45,722 above the target. The Assembly concurred.*

Salaries and Benefits. The Office requested \$976,856 for salary and benefit expenses, \$31,079 more than enacted, intending to fully fund its 6.0 positions, including an attorney and social worker to staff the Mental Health Treatment Court. The request appears to reflect the intent to be consistent with FY 2027 planning values and medical benefit choices. However, the request inadvertently underfunds known expenses by approximately \$32,000.

To meet its constrained target, the Office proposed converting a full-time attorney to part-time, saving \$84,496. *The Governor recommended \$34,461 more than requested. This includes \$6,410 in statewide adjustments to health and other benefit rates and \$28,051 to fully fund the positions. The Assembly concurred.*

Operations. The Office requested \$171,387 for other operations, including \$151,648 for centralized services and \$19,739 for all other expenses. This is consistent with the enacted budget. Planned expenses include \$8,378 for office supplies, subscriptions, and computers; \$3,250 for mileage reimbursement; \$3,000 for a copier; \$2,000 for psychiatric consultations; \$700 for transcription and interpreter services; and \$2,411 for all other expenses. *The Governor recommended \$70,995 less than requested from general revenues to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Department of Elementary and Secondary Education

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
State Aid	\$ 1,311,183,289	\$ 1,320,856,547	\$ 1,342,369,480	\$ 1,364,859,242
School Housing Aid	119,887,755	114,019,174	102,869,291	122,128,556
Teachers' Retirement	137,991,006	133,600,078	130,236,201	130,236,201
RI School for the Deaf	10,278,768	11,068,756	11,830,395	11,830,395
Central Falls School District	54,567,882	54,567,882	53,683,500	55,246,303
Davies Career & Technical School	67,154,981	36,066,447	51,319,513	52,330,661
Met. Career & Tech. School	13,216,926	15,188,274	14,919,329	15,248,564
Administration	295,169,535	320,291,609	300,157,954	306,556,918
Total	\$ 2,009,450,142	\$ 2,005,658,767	\$ 2,007,385,663	\$ 2,058,436,840
Expenditures by Category				
Salaries and Benefits	\$ 54,893,406	\$ 54,708,698	\$ 56,066,632	\$ 55,926,076
Contracted Services	72,016,144	85,534,545	105,368,636	84,068,523
Subtotal	\$ 126,909,550	\$ 140,243,243	\$ 161,435,268	\$ 139,994,599
Other State Operations	11,039,956	12,865,127	13,689,917	12,871,629
Aid to Local Units of Government	1,780,304,186	1,778,181,632	1,777,866,561	1,823,174,284
Assistance, Grants, and Benefits	47,507,515	61,061,656	52,995,640	54,679,360
Capital	42,613,935	12,508,763	441,039	26,759,730
Capital Debt Service	-	-	-	-
Operating Transfers	1,075,000	798,346	957,238	957,238
Total	\$ 2,009,450,142	\$ 2,005,658,767	\$ 2,007,385,663	\$ 2,058,436,840
Sources of Funds				
General Revenue	\$ 1,659,208,810	\$ 1,654,942,004	\$ 1,660,788,322	\$ 1,706,000,511
Federal Aid	256,918,301	276,916,993	259,228,296	264,067,284
Restricted Receipts	50,745,881	61,443,157	61,650,354	61,650,354
Other	42,577,150	12,356,613	25,718,691	26,718,691
Total	\$ 2,009,450,142	\$ 2,005,658,767	\$ 2,007,385,663	\$ 2,058,436,840
FTE Authorization				
Administration	156.1	156.1	157.1	156.1
Davies	125.0	125.0	125.0	125.0
School for the Deaf	61.0	61.0	61.0	61.0
Total Authorized Positions	342.1	342.1	343.1	342.1

Summary. The Council on Elementary and Secondary Education requested \$2,086.2 million from all sources, including \$1,722.7 million from general revenues. The request is \$76.7 million more than enacted, including \$63.5 million from general revenues. The staffing request includes 345.1 full-time equivalent positions, 3.0 more positions than enacted for the administration. *The Governor recommended \$2,007.4 million from all sources, including \$1,660.8 million from general revenues. This is \$78.8 million less than requested, including \$61.9 million from general revenues. The general revenue recommendation is \$1.6*

million more than enacted. He recommended 343.1 full-time equivalent positions, 1.0 more than enacted for the administration.

The Assembly provided \$2,058.4 million from all sources, including \$1,706.0 million from general revenues. This is \$51.1 million more than recommended, including \$45.2 million from general revenues, primarily reflecting additional spending for education and construction aid. It also provided staffing consistent with the enacted authorization.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Elementary and Secondary Education, this produced a general revenue target of \$1,704.6 million, including a current service adjustment of \$47.5 million and a 7.5 percent reduction of \$2.1 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$9.4 million more than the Budget Office target. The proposals to achieve the reduction are noted below, where appropriate. *The Governor's recommendation is \$43.8 million less than the target. The Assembly provided \$1.4 million more than the target.*

Note to Reader. There is a separate Education Aid report in the Special Reports section of this publication with more information on education funding. This includes more detail on the funding formula, history and trends, specific program funding, and funds distributed to districts, charters, and state schools.

Education Aid. The Council requested \$1,238.7 million for state aid to local school districts, excluding the Central Falls School District and the Met School. The formula requires that the core instruction amount be updated annually. Using the next year of available National Center for Education Statistics data, the core instruction amount increases from \$13,332 to \$13,859 per pupil, a \$527 or 4.0 percent increase per pupil. The request is \$47.6 million more than enacted and \$1.1 million above the Budget Office's current services estimates; it uses March 2025 enrollment data.

The Governor's recommendation is \$16.3 million more than enacted for base formula aid. The Governor's calculation of education aid uses October 2025 student enrollment data, including projected charter school enrollments, the current law core instruction amount of \$13,859, and state share ratio variables updated using June 30, 2025, data. Notably, the October 2025 data include 2,186 fewer students overall and 7,829 fewer students identified in poverty than the March 2025 data.

Aid amounts are subject to final student enrollment data collected in March 2026, which can result in significant revisions. The recommendation also includes a proposal to increase the student success factor from 40.0 percent to 43.0 percent for all local education agencies. The effect of this change to funding under the current law formula is \$14.4 million, including Central Falls and state schools.

The Assembly provided \$18.4 million more based on updated March 2026 enrollment data, which included 83 fewer students and 4,829 more students in poverty than the October data. The Assembly concurred with the Governor's proposal to increase the student success factor to 43.0 percent and provided \$15.6 million for the updated cost of this change, including Central Falls and the state schools. The Assembly also required that the Department provide a report with its FY 2028 budget request, using the most recent available data, comparing the current funding system with the system proposed in December 2025 by the Blue Ribbon Commission, convened by the Rhode Island Foundation.

Medicaid Poverty Measure. Under current law, the number of students directly certified as eligible for a means-tested benefit through the Department of Human Services is multiplied by 1.6. This factor is intended to address shortcomings of direct certification data, including that it relies on voluntary household participation and excludes some non-citizens. Medicaid matching, also called expanded direct certification, matches

students whose families participate in Medicaid with incomes up to 185.0 percent of the federal poverty level. With Medicaid matching, there would be no multiplier.

Although not included in the Department's request, calculations provided indicated that if Medicaid matching is adopted in the funding formula, it would require \$92.2 million more than the current law calculation. This is based on March 2025 enrollment data and June 2025 Medicaid information used for the poverty measure. It will change with updated October 2025 and March 2026 data. *The Governor's budget does not propose incorporating Medicaid into the poverty measure.* **The Assembly concurred, but required the Department to include Medicaid information again in its FY 2028 request.**

Enrollment Loss Transition Fund. The 2023 Assembly created an enrollment loss transition fund that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The FY 2026 enacted budget assumes \$2.7 million from this fund for FY 2027. Excluding Central Falls, the Department's preliminary calculations for districts eligible for year one in FY 2027 are \$2.5 million, for a total of \$4.4 million, or \$4.0 million less than enacted.

It should be noted that because the request uses March 2025 data, the only new losses are charter school shifts that occurred since March 2025. Updated October 2025 and March 2026 data will likely produce higher losses if student population declines continue. *The Governor recommended \$6.6 million more than requested, based on October 2025 enrollment data and his student success factor proposal.* **The Assembly provided \$0.5 million more as a result of enrollment changes reflected in the March data.**

Poverty Loss Stabilization Fund. The 2023 Assembly also created a poverty loss stabilization fund to support districts when the foundation formula aid produces less than the prior year, and the decrease in the state share ratio is more than 2.0 percent. The fund provides 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio. The Department's preliminary calculations produced \$3.7 million for FY 2027, or \$1.1 million less than enacted. *The Governor recommended \$61,486 less than requested based on October 2025 data and his student success factor proposal.* **The Assembly provided \$8,534 more based on March data.**

Group Home Aid. The Council requested \$3.5 million from general revenues to fund beds for communities hosting group homes, consistent with the enacted budget. The law uses the count of beds as of December 31 for the budget year's aid. The request assumes a bed count of 208, consistent with the enacted budget pending an update from the Department of Children, Youth and Families. The 2025 Assembly made changes to group home aid, removing the statutory provision that allowed for group home beds to be deducted from enrollment data to determine average daily membership. The change ensures districts will receive the full \$17,000 for each group home bed. *The Governor recommended \$34,000 more, reflecting two new beds for Providence.* **The Assembly concurred.**

Central Falls School District. The Council requested \$56.1 million from general revenues to support the Central Falls School District. This is \$0.7 million more than enacted from funding formula aid, reflecting preliminary calculations, and includes \$0.6 million from the enrollment loss transition fund. The formula includes a stabilization fund to provide additional support to the Central Falls School District until the city can begin paying its local share. The request assumes enrollment of 2,404, which is 83 fewer than the enacted budget to reflect estimated charter school growth, and is subject to change with updated data. It is worth noting that enrollment at the district has declined by an average of 6.3 percent annually since FY 2020. Much of that decline is a shift to charter schools. Combined, public school enrollment for Central Falls students averaged 1.6 percent less annually since FY 2020.

The state has borne the full cost of the school district since FY 1993; the stabilization fund essentially reflects the local share of education expenses, including local tuition payments to schools of choice. The

request includes \$11.7 million in stabilization funding from general revenues, \$0.9 million more than enacted.

The Governor recommended \$53.7 million, which is \$0.9 million below the enacted level. This primarily reflects enrollment declines relative to the March data used for the enacted budget, partially offset by \$1.7 million from the enrollment transition fund, which is \$1.3 million more than the enacted amount. The recommendation includes \$11.7 million in stabilization funding as requested.

The Assembly provided \$1.6 million more than recommended based on March enrollment and poverty data. It also included revision in Article 7 of 2026-H 7127, Substitute A, as amended, to return the district to local governance and define a local contribution, consistent with recommendations from the Joint Legislative Commission to Return Central Falls to Local Governance. The Assembly made no change to the stabilization fund and provided \$11.7 million as recommended.

Metropolitan Career and Technical School. The Council requested \$14.0 million from all sources for the Metropolitan Career and Technical School, including \$0.3 million from Rhode Island Capital Plan funds for annual asset protection support. This is \$0.7 million more than enacted from general revenues. The request reflects \$0.3 million more from the funding formula based on preliminary calculations for FY 2027 and an increase of \$0.4 million from stabilization funding, consistent with the Budget Office's current service estimates.

The Met School is funded pursuant to the funding formula, with the state paying its share for each student and the sending districts contributing a local share. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula. The FY 2027 request would increase the per-pupil state aid by \$921, or 6.7 percent; the core instruction amount is projected to increase 4.0 percent. *The Governor recommended \$1.0 million more than requested, which reflects 65 more students using October data and the Governor's student success factor proposal. The recommendation includes \$3.6 million from stabilization funds as requested. The Assembly provided \$0.3 million more than recommended based on March enrollment and poverty data.*

Career and Technical Education Categorical Funding. The Council requested \$4.5 million from general revenues for career and technical education categorical funding, which is consistent with the enacted budget. 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, repair, and supplies necessary for maintaining the quality of highly specialized programs. The Department of Elementary and Secondary Education has established criteria for allocating the appropriation each year.

Funds are distributed in two priority areas: offset funding to diminish the financial costs incurred by districts offering career and technical education, and support schools starting up new career and technical education programming. For FY 2026, at least 33 schools and districts will receive career and technical categorical funding. Funding for this category was intended to grow over the ten-year formula phase-in period; however, it has only been increased twice since FY 2013, excluding a one-time \$2.0 million increase provided for FY 2025 to support new programs. *The Governor recommended funding as requested. The Assembly added \$1.0 million from general revenues to provide additional support to these high-cost programs.*

Early Childhood Categorical Funding. The Council requested the enacted amount of \$28.9 million from general revenues for early childhood categorical funding. This is \$0.7 million more than spent in FY 2025. The funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality prekindergarten programs. Funds are distributed through a request for proposals process and

paid directly to early education programs, with some funding set aside for monitoring and professional development.

The 2022 Assembly required the Department to develop an expansion plan for the state prekindergarten program, including annual participation growth and associated costs, to achieve 5,000 seats over five years, including children ages three and four. The plan submitted on December 30, 2022, suggested building a pipeline of programs ready to become preschool providers so the state can open between 35 and 40 new classrooms a year from FY 2025 through FY 2028 to reach the 5,000-seat goal. The Department indicated that a limited number of providers available and a shortage of instructors slowed the expansion of the program. *The Governor recommended funding as requested. The Assembly concurred.*

High Cost Special Education. The Council requested \$15.0 million for high-cost special education, which is \$2.5 million less than the enacted budget. The reduction is based on guidance from the Budget Office, which treated the base increase provided in FY 2026 as one-time. The enacted budget represented 56.0 percent of full funding, based on FY 2024 expenses. The FY 2027 request represents 48.0 percent of these costs. The funding formula allows for additional resources for costs related to high-cost special education students when those costs exceed four times the district's combined per pupil core instruction amount and student success factor amount. This threshold was reduced from five times the combined amount by the 2023 Assembly. Funds available for distribution are prorated if the total costs exceed the appropriation.

The 2025 Assembly required the Department to submit a separate report by December 31, 2025, on the current and recommended processes to ensure that it receives consistent and accurate data from districts. The Department submitted the report by the deadline, which includes recommendations to standardize data-collection practices across local education agencies and to provide more training and guidance throughout the process to improve reporting quality. The report did not include an estimate of additional funding that would be needed to implement the recommendations. *The Governor recommended \$20.0 million, which is \$2.5 million more than enacted. This represents 78.7 percent of eligible expenses. It should be noted that the calculation is affected by the Governor's proposal to increase the student success factor, thereby raising the reimbursement threshold. The Assembly concurred.*

Non-Public School Transportation Categorical Funding. The Council requested the enacted amount of \$4.7 million for non-public school transportation funding to fully fund this category of aid based on expenses used for FY 2026 aid. Updated data will be available in December, and the cost of fully funding this category may change. The funding formula allows for additional resources from the state for specific purposes. The state pays a portion of the costs of non-public out-of-district transportation for those districts participating in the statewide transportation system. It does not include transportation costs for charter schools, state schools, and special education programs. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommended \$4.7 million as requested. This represents 70.1 percent of full funding, based on the Department's updated projections of actual reimbursements. The Assembly provided \$2.0 million more to fully fund this category of aid.*

Regional School District Transportation Categorical Funding. The Council requested the enacted amount of \$7.8 million from general revenues to fully fund the regional school district transportation category of education aid based on expenses used for FY 2026 aid. Updated data will be available in December, and the cost of fully funding this category may change. The funding formula allows the state to provide resources to mitigate the excess costs of transporting students within regional school districts. The state and regional school districts equally share the student transportation cost, net any federal sources of revenue for these expenditures. Funds available for distribution are prorated if the total costs exceed the appropriation. *The Governor recommended \$7.8 million as requested. This represents 94.1 percent of full funding, based on the Department's updated projections of actual reimbursements. The Assembly provided \$0.5 million more to fully fund this category of aid.*

School Housing Aid. The Council requested \$131.7 million from general revenues for school housing aid. This is \$11.8 million more than the enacted budget and consistent with the Budget Office's current service estimates and out-year estimates from the FY 2026 enacted budget. Consistent with current law, the FY 2026 revised request includes a shift of \$5.9 million from the traditional program to the School Building Authority Capital Fund, which primarily reflects project delays. The Council's FY 2027 through FY 2031 capital budget request also includes \$10.0 million for the Capital Fund to support ongoing projects for high need districts. This \$10.0 million is not reflected in the operating request.

The voters approved \$250.0 million of new general obligation bonds on the November 2018 ballot for public school construction and repairs. Passage of the general obligation bonds unlocked temporary incentives enacted by the 2018 Assembly to enhance the school housing aid ratio to encourage new school construction and renovation projects. Districts may be eligible for share ratio increases of up to 20.0 percent for projects that address health and safety deficiencies, specific subject areas, replacing facilities, and consolidating facilities. The voters approved a second \$250.0 million general obligation bond in November 2022 to be distributed as upfront funding for newly approved projects. The Department has obligated all \$500.0 million as of December 2023 for qualifying projects.

The Governor recommended \$28.8 million less than requested and \$17.0 million less than enacted. The Governor proposed several changes to current School Building Authority reimbursement practices and assumed they would be achievable under current law. Together, these shifts essentially delay aid that was projected to be paid in FY 2027 until later years.

The recommendation includes \$7.9 million in savings from spreading reimbursements funded from a district's capital reserve over multiple years. The School Building Authority currently reimburses districts separately for each capital reserve-funded project; the recommendation assumes that projects are grouped and paid over a longer period. It also includes \$15.1 million in savings to spread the initial payment for bond-funded projects over three years after completion of the project; current practice appears to have reimbursed districts for the state share of debt service payments made prior to completion. Lastly, the recommendation includes a further reduction of \$5.9 million, which is linked to the expected FY 2026 School Building Authority transfer.

Rhode Island General Laws, Section 48-38.2-2, requires the difference between annual housing aid appropriations and required commitments for that year to be transferred to the School Building Authority Fund. The Governor proposed to eliminate this requirement, effective for FY 2027. Current practice is for the revised budget to identify the difference as a separate appropriation line authorizing that transfer. For FY 2026, the estimated difference is \$5.9 million, but the Governor's budget does not designate appropriation authority for it.

The Assembly included \$122.1 million for construction aid to local districts, which is \$19.3 million more than recommended. The funding level assumes that proposed changes would not be implemented until FY 2028, allowing municipalities and local education agencies time to prepare for changes in their cash flow. This provides \$14.2 million more for FY 2027 and reduces out-year expenses by \$7.1 million each in FY 2028 and FY 2029. The Assembly also concurred with the Governor's proposal to eliminate the requirement that any current year difference between appropriations and entitlements under the traditional housing aid program be transferred to the School Building Authority Capital Fund, effective for FY 2026, by recognizing the \$5.9 million change in FY 2026 rather than FY 2027.

Expenses for the traditional program are anticipated to reach \$164.0 million by FY 2029 and exceed \$235 million by FY 2031. The following table shows the out-year estimates for the FY 2027 enacted budget compared to those assumed as of the FY 2026 enacted budget. It includes the debt service for the state bonds and the Central Falls debt to provide a more complete picture.

Out-Year Estimates						
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
<i>Traditional School Construction</i>						
FY 2026 Enacted	\$ 131.7	\$ 158.4	\$ 172.5	\$ 176.6	\$ -	
FY 2027 Enacted	122.1	141.1	164.0	203.6	235.4	
<i>Debt Service</i>						
School Construction Bond	26.4	32.5	32.9	32.9	32.9	
Central Falls Debt	10.8	10.8	10.8	10.8	10.8	
Adjusted FY 2027 Total	\$ 159.3	\$ 184.4	\$ 207.7	\$ 247.3	\$ 279.1	
<i>\$ in millions</i>						

Teacher Retirement. The Council requested the enacted \$138.0 million to fund the state's share of the employer contribution for teacher retirement costs. The Department's request does not reflect updated estimates for FY 2026 revised or FY 2027, based on the FY 2025 experience of \$135.0 million. Using the state share of 11.42 percent, this equates to a base salary amount for teachers of \$1,138.9 million. Assuming a 2.0 percent payroll increase for teachers for FY 2026 and a state share of 10.58 percent would result in a state share of \$130.7 million for FY 2027. The request is \$7.3 million more, and the Department has indicated that it is working with the Budget Office on updated estimates.

The state shares in the cost of teacher retirement with teachers and local districts. Teachers contribute 8.75 percent of their salaries, which is set in the General Laws. The state and the local district pay the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40 percent of the employer's share, and the local district pays 60 percent. *The Governor recommended \$7.8 million less than enacted and requested to reflect up-to-date payroll information and rates consistent with planning values. The FY 2026 revised recommendation also includes \$4.4 million less to reflect these assumptions.* **The Assembly concurred.**

Education Telecommunications Access Fund. The Council requested \$0.8 million from restricted receipts for the Education Telecommunications Access Fund, which is \$0.3 million more than enacted and essentially consistent with the revised request. The enacted budget discontinued general revenue support, which was \$0.4 million in FY 2025, leaving only \$0.5 million from restricted receipts. The increase is based on anticipated program expenses and essentially backfills the reduction with available carryforward. The requested funding includes support for 0.8 full-time equivalent positions. Based on the updated requests, remaining carryforward funding will be \$0.1 million after FY 2027.

The Education Telecommunications Access Fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line. Prior to FY 2026, state general revenues supplemented these reserves. The federal rate is based on the percentage of students eligible for free and reduced-price lunches, is determined through a calculation, and is paid directly to the vendor, not reflected in the Department's budget. *The Governor added \$413 to reflect statewide adjustments to health and other benefits.* **The Assembly concurred.**

School Breakfast. The Council requested the enacted level of \$270,000 from general revenues for the administrative cost reimbursement to districts for the school breakfast program. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals shall be borne by the state, subject to appropriation. *The Governor recommended funding as requested.* **The Assembly concurred.**

Reduced-Price Meals. The Council requested the enacted \$0.8 million for the program that makes reimbursable breakfasts and lunches free for students from families who qualify for free or reduced-price meals. As recommended by the Governor, the FY 2025 enacted budget created this program, which

requires the state to provide public schools with funds equal to the difference between the federal reimbursement rate for free breakfast and lunch meals and the reimbursement received for students eligible for reduced-price meals.

Funding included in the enacted budget was based on the FY 2025 estimate to cover 1.2 million breakfasts and lunches for eligible students. Reported spending in FY 2025 was \$0.3 million, and data suggest the program paid for approximately 200,000 breakfasts and 500,000 lunches. This represents 14.9 percent of the estimated breakfasts and 44.5 percent of lunches. The original estimate also appears to have included all students who qualified for reduced-price meals, including those who already receive free meals in their district through the community eligibility provision, which could account for most of the difference between assumption and actual program activity. There will likely be savings available in FY 2027, given the significant difference in FY 2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Textbook Reimbursement. The Council requested the enacted level of \$60,000 from general revenues for the textbook loan program. The state currently reimburses districts for the cost of providing textbooks to non-public school students in English/language arts and history/social studies in kindergarten through 12th grade. In FY 2025, final program expenditures were \$59,629. *The Governor recommended funding as requested.* **The Assembly concurred.**

Advanced Placement Tests. The Council requested \$875,000 from general revenues for expenses related to providing advanced placement tests to low-income students for free through the fee waiver program established by the 2021 Assembly. This is \$475,000 more than enacted and \$75,000 more than the revised request to reflect a proposal to expand teacher professional development and stipend opportunities to increase the availability of these opportunities to high-need students. In FY 2025, the Department spent \$0.2 million for test waivers and \$0.2 million for teacher stipends and professional development. The Department signed a memorandum of agreement with the College Board to pay for all low-income student test waivers in June 2022 and has been working to increase awareness about advanced placement test offerings.

The constrained request excludes the \$475,000 in new funding. *The Governor recommended \$400,000, consistent with the enacted budget.* **The Assembly concurred.**

Statewide Student Transportation. The Council requested \$48.9 million, or \$10.5 million more than enacted, from restricted receipts for the statewide student transportation system. This is 2.5 percent more than the revised request, which is \$3.0 million or 6.7 percent above FY 2025 spending. Restricted receipts are collected from districts for transportation expenditures, not including transportation categorical funds. The request reflects anticipated utilization by local education agencies for out-of-district transportation for students attending charter schools, vocational schools, and special education programs.

For FY 2025, the Department reprocured its transportation vendors, and the FY 2026 enacted budget assumed lower costs resulting from route redistribution and contract negotiations. However, an additional vendor was contracted to address an issue with servicing all necessary routes, and 40 routes were added after the start of the school year to reflect late sign-ups. *The Governor recommended funding as requested.* **The Assembly concurred.**

Out-of-School Time Education Providers. The Council requested the enacted \$1.3 million from general revenues to expand access to out-of-school educational programs. This is inconsistent with the Budget Office's current service estimates, which treated the FY 2026 funding as one-time. The appropriations act included language to reappropriate any general revenues for the Learn365RI program from FY 2025 to FY 2026, but did not include similar language requested for FY 2026.

From all sources, \$4.3 million from general revenues and \$6.0 million from State Fiscal Recovery funds, including \$2.0 million in the Department of Administration's budget for community learning centers, have been provided to directly support this initiative. Uses differ by district, and include afterschool programs, summer math and English initiatives, and supporting students in postsecondary planning. *The Governor recommended \$2.0 million, \$0.7 million more than requested, to continue general revenue support for this initiative. The recommendation includes \$1.7 million for municipalities and \$0.1 million each for the Rhode Island Afterschool Network, Teach for America Ignite, and Onward We Learn. The Assembly concurred.*

Teacher Quality Grant. The Council requested authorization to spend \$12.1 million from federal funds to support effective instruction. This is \$0.6 million more than enacted and consistent with the revised request and available carryforward. These are formula grants to local education agencies, which increase student achievement by improving the quality and effectiveness of teachers and administrators; increasing the number of teachers and administrators who are effective in improving student academic achievement in schools; and providing low-income and minority students greater access to effective teachers and administrators. Most of the funding is passed through to schools for teacher training and professional development.

It should be noted that the Trump Administration froze the federal FY 2025 funding for this and several other grants on June 29, 2025, to conduct a review of the funding. The release of funding to the states was announced by the Administration on July 25, 2025. While briefly delayed, funds have been available to local education agencies in FY 2026. The Department indicates that the future of these funds is uncertain, and some of its new general revenue requests anticipate lower federal funds availability. *The Governor recommended funding as requested. The Assembly concurred.*

Language Acquisition Grant. The Council requested authorization to spend \$3.1 million from federal funds to help students learn English and meet challenging state academic content and student academic achievement standards. Federal guidance suggests funding be used to implement and upgrade high-quality programs for multilingual learners. This is \$0.3 million more than enacted and consistent with the revised request, reflecting carryforward from the formula-based federal grants.

It should be noted that the Trump Administration froze the federal FY 2025 funding for this and several other grants on June 29, 2025, to conduct a review of the funding. The release of funding to the states was announced by the Administration on July 25, 2025. While briefly delayed, funds have been available to local education agencies in FY 2026. The Department indicated that the future of these funds is uncertain, and some of its new general revenue requests anticipate lower federal funds availability. *The Governor recommended funding as requested. The Assembly concurred.*

Literacy and Math Matters Support. The Council requested \$2.0 million from general revenues to hire a vendor to provide direct support to local education agencies to successfully implement high-quality curricula in math and English language arts. The Department intends to provide professional learning at the beginning of the 2026-2027 school year, and its goal is to provide annual training. It currently has 7.0 full-time positions related to professional development, which focus on providing resources and limited support to local education agencies. These positions would remain if this initiative is approved.

The request cites 2019 legislation passed by the Assembly requiring the adoption of high-quality curricula in English Language Arts, Math, and Science. This required identifying at least five high-quality curriculum materials for each subject and having the Department provide support for the implementation and professional development of the new materials. The Department indicates that no funding was provided and that it lacks the internal capacity to provide professional development.

The constrained request excludes this initiative. *The Governor did not recommend funding. The Assembly concurred.*

Science High Quality Curriculum. The Council requested \$0.5 million from general revenues to hire a vendor to provide support to local education agencies to implement high-quality science curricula. Similar to the math and English language arts support, the Department plans to provide professional development to teachers to train them in the newly approved curriculum materials. It should be noted that while the Department met the original statutory deadlines for identifying math and English language arts curricula, the requirement for the Commissioner to identify five high-quality science curricula has been delayed until June 30, 2026. Massachusetts shares many of the approved curricula across grade levels, including only three middle school science curricula. This indicates that, using required metrics, there may not be five high-quality curricula for all grade levels. The Department indicates that it lacks the internal capacity to conduct this training, as it has 1.0 position focused on science professional development.

The constrained request excludes this initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Multilingual Learner Regulation Support. The Council requested \$450,000 from general revenues to support the implementation of updated multilingual learner regulations promulgated on April 23, 2025. They were last updated in 2007. The revised request includes \$200,000 for this initiative. The requested funding would be used to hire a vendor to develop training programs that meet state and federal requirements for teachers, and to provide direct support to local education agencies as they work toward meeting the updated regulations. The Department indicated that it primarily uses federal funds to support professional development for local education agencies, and if funding is lost, general revenues may be necessary to provide the same level of support to districts.

The constrained request excludes this initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Multilingual and Bilingual Dual Language Teacher Grants. The Council requested \$0.5 million from general revenues to establish a grant program to address the need for bilingual and dual-language teachers. If approved, the Department will offer competitive grants to local education agencies, higher education institutions, and teacher preparation programs and partnerships to expand the multilingual educator workforce. If funding is approved for FY 2027, that year would likely be a planning period, with the first cohort of grantees beginning in FY 2028.

It should be noted that the FY 2026 enacted budget includes \$37.6 million in the funding formula for the multilingual learner factor. Allowable uses for these funds include providing teacher training to increase the number of certified teachers. The Department reports that local education agencies lack the capacity to develop their own programs and that creating a centralized one would be more efficient.

The constrained request excludes this initiative. *The Governor did not recommend funding.*

The Assembly included Section 5 of Article 7 of the appropriations act to create the Support and Access to Bilingual Education fund, a similar initiative, and provided \$750,000. The Department will administer the fund and provide grants to traditional school districts, community organizations, and institutions of higher education to establish and expand bilingual education programs and to expand teaching certifications for bilingual, dual-language, and world language teachers.

Accelerated Certification Pathways. The Council requested \$0.2 million from general revenues to create a program to support educators who enter the teaching profession after a career in another field. The Department reported that increasing the number of pathways into education would mitigate the continued decline in the educator workforce. The cost of tuition can be a significant barrier for aspiring educators, and a scholarship program could make these programs more accessible.

Those who hold a bachelor's degree and can demonstrate content knowledge by passing the Praxis test would be eligible. These educators will still be required to complete pedagogy coursework to receive a certification. The requested funding would cover three courses at either Rhode Island College or the University of Rhode Island for 30 educators, offsetting the cost of certification.

The constrained request excludes this initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Educator Prep Program Reviews. The Council requested \$0.1 million from general revenues to hire a vendor to complete visits for the Performance Review of Educator Preparation program. Currently, visits are conducted by educators, Department staff, and faculty and staff from preparation programs from other states, often on a volunteer basis. For large programs, the Department often brings in outside support.

The vendor would support the Department in ensuring reliable results during visits to evaluate educator preparation programs at higher education institutions and other organizations that offer alternative pathways to certification. These programs are reviewed to determine if they meet standards. The Department notes that reviews were previously supported by other sources, including private grants and federal elementary and secondary school emergency relief funds, and it will be unable to continue timely reviews without additional support.

The constrained request excludes this initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Legal Staff Capacity (2.0 FTE). The Council requested \$229,984 for 2.0 new full-time equivalent positions to expand the Department's internal legal capability. The revised request also includes \$184,782 for this purpose. The request includes an attorney and an investigator to handle teacher misconduct cases. The Department reported that the responsibilities of its 4.0 current attorneys have increased, particularly related to labor issues, the funding of Providence Public Schools, public records requests, and special education. The Department has acknowledged that the requested funding is not sufficient for a full year.

The constrained request excludes the positions. *The Governor recommended \$151,704 for the investigator position.* **The Assembly did not concur with the new position.**

Dual Enrollment Expansion (1.0 FTE). The Council requested \$0.4 million from general revenues to expand access to dual enrollment programs. The request includes \$158,766 for a program administrator position and \$241,234 to provide additional funding for dual enrollment programs, which appears to be similar to the program in place in the Office of Postsecondary Commissioner. The position would coordinate with higher education institutions and districts to increase offerings and manage partnerships.

The Department indicated the funding could increase the availability of dual enrollment programs for students in underserved populations, grow industry connections through apprenticeships, and incentivize partnerships between districts and higher education institutions.

It should be noted that the FY 2026 enacted budget includes \$2.9 million in the Office of the Postsecondary Commissioner for dual enrollment, allowing qualified high school students to earn college credit at no cost to the students, either at a higher education institution campus or at their high school. These funds support part-time dual enrollment, while the full-time program at the Community College of Rhode Island is paid for by local education agencies.

The constrained request excludes this initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

All Course Network. Consistent with the enacted budget, the Council requested \$1.1 million from general revenues to support the all-course network, formerly the advanced coursework network, and the EnrollRI online platform. All Rhode Island schools participate in the all-course network, with courses offered by 33 provider organizations in FY 2026. Provider organizations include other school districts, nonprofits, and postsecondary institutions.

Courses include advanced science and mathematics courses as well as Advanced Placement, world language, career-focused, and other Prepare RI courses that offer high school and postsecondary credit (i.e., dual or concurrent enrollment). The network covers costs associated with student tuition, fees, exams, textbooks, and other costs that students may incur while participating. As noted previously, the enacted budget includes \$2.9 million for the dual and concurrent enrollment program through the Office of Postsecondary Commissioner. *The Governor concurred. The Assembly concurred.*

Educator Evaluation Software. The Council requested \$289,000 from general revenues for the educator evaluation software used by all local education agencies. This is \$100,000 more than specifically assumed in the enacted budget and reflects contract costs not previously identified by the Department. The request includes funding for maintenance of the software that provides local education agencies with access to roster verification, schedule observations, and keeps track of evaluation ratings. The Department reported that it previously used various funding sources to offset the shortfall, and annual increases in this cost are likely. The contract cost for FY 2025 was \$268,659; the request includes anticipated funding for the new contract, which will be renewed in FY 2027.

The constrained request excludes the increase in funding. *The Governor recommended \$189,000, consistent with the enacted budget. The Assembly concurred.*

Providence Public School District Oversight. The Council's request does not include specific funding for oversight of the Providence Public School District. In October 2019, the Commissioner of Elementary and Secondary Education exercised control over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also called the Crowley Act. In August 2024, the Council approved Commissioner Infante-Green's decision to extend the takeover until October 15, 2027, with the ability to recommend an early return to local control if certain conditions are met. While the city remains financially responsible for the school district, the Department continues to support the school district's Turnaround Action Plan. It reports that leadership and staff from various program areas support the school district when needed. *The Governor concurred. At the May 2026 Council on Elementary and Secondary Education meeting, the Council voted to approve the Commissioner's recommendation to return the district to local control, effective July 1, 2026. The Assembly concurred.*

Special Education Grants. The Council requested authorization to spend \$58.5 million, or \$1.0 million more than enacted, from federal special education funds to reflect updated grant awards. This reflects proposals discussed later in this analysis to substitute state support for several programs currently using federal Individuals with Disabilities Education Act funding in order to align more funding with a new Strategic Plan for Differently Abled Students' success. The Department indicates that this will allow it to focus more on statewide support for teachers and districts in supporting youth with disabilities.

Available funds are subject to change based on FY 2026 awards. The funds are distributed to school districts and provide administrative support. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free, appropriate public education, including special education and related services. *The Governor recommended funding as requested. The Assembly concurred.*

Individuals with Disabilities Act Funding	FY 2026 Enacted	FY 2027 Governor	Governor Chg. to Enacted	FY 2027 Enacted	Enacted Chg. to Governor
District Funds & Statewide					
Initiatives	\$ 57,483,989	\$ 58,517,864	\$ 1,033,875	\$ 58,517,864	\$ -
Surrogate Parent Program	992,579	943,197	(49,382)	943,197	-
Vision Services Program	684,600	-	(684,600)	-	-
Auditory Oral Program	270,000	-	(270,000)	-	-
Total	\$ 59,431,168	\$ 59,461,061	\$ 29,893	\$ 59,461,061	\$ -
General Revenue Increase	\$ -	\$ 1,259,600	\$ 1,259,600	\$ 2,001,700	\$ 742,100

Surrogate Parent Program. The Council requested \$1.2 million from all sources, including \$0.2 million from general revenues and \$0.9 million from Individuals with Disabilities Education Act Part B and Preschool federal funds, for the Department's contract with Rhode Island College for the Educational Advocate Surrogate Parent program. This is \$100,618 more than enacted, including \$150,000 more from general revenues and \$49,382 less from federal funds. Advocates are responsible for making education decisions for youth in the state's care whose parents are not available to act on their behalf. The request appears to overstate the value of the FY 2027 contract by \$74,563, including \$68,629 from general revenues. The Department later indicated that its intent is to eventually transition funding for the program from federal funds to general revenues.

The constrained request excludes \$150,000 in new general revenues. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Auditory Oral Program. The Council requested \$425,000 from general revenues to support the Rhode Island Auditory Oral Program run by the Foster Public School District. From all sources, this is \$155,000 more than enacted. The increase reflects the anticipated support necessary for the program that cannot be covered by the tuition charged to districts. The Department is requesting general revenues in lieu of federal special education funding, as it intends to focus those federal funds on direct district support for youth with disabilities.

The program provides early intervention, school-based programming, technology support, and outreach services for children with hearing loss. The FY 2024 and FY 2025 enacted budgets included language that directed \$270,000 of the Department's allocation of education relief discretionary funds to support the RI Auditory Oral Program. The Department continued this support in FY 2026 with federal Individuals with Disabilities Act funds. It reports that it intends to use the federal funding to provide social emotional support training for teachers who work with differently-abled students.

The constrained request excludes the new general revenue support. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly provided \$742,100 more than recommended to fully fund the program, allowing it to continue operations without charging districts tuition.**

Vision Services Program. The Department requested \$684,600 from general revenues to replace federal Individuals with Disabilities Act funds for the Rhode Island Vision Education Services Program at the Sherlock Center at Rhode Island College. The Department indicated that this would return the federal funds to build capacity to address the needs of students with disabilities receiving special education services, particularly in math subjects. It also indicated that shifting funding to general revenues will allow it to focus its federal funding more on statewide support for teachers and districts in supporting youth with disabilities.

The program was created by legislation in 2006, and the Department has provided funding from federal special education funds since its establishment. It should be noted that the 2023 Assembly created a

standalone appropriation in Rhode Island College's budget of \$1.8 million from general revenues to support the program.

The constrained request excludes this initiative. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Title I Grants. The Council requested authorization to spend \$62.3 million from federal Title I funds. This is \$2.0 million less than enacted and consistent with the revised request, reflecting updated anticipated awards and spending by local education agencies. Title I funds are passed through to local schools, where they are used to provide extra help to low-achieving students. Title I fund distributions to states are calculated using four distinct formulas based on different levels of poverty; however, funds are allocated to districts as a single amount. *The Governor recommended funding as requested.* **The Assembly concurred.**

Adult Education Grants. The Council requested \$8.9 million for adult education from multiple sources, including \$2.7 million from general revenues, \$2.7 million from federal funds, and \$3.5 million from restricted receipts. This is \$0.1 million less than enacted from federal funds, which reflects the exhaustion of a trade assistance grant.

The Department administers adult education grants to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs is limited to adults and high school dropouts aged 16 and older. Approximately 6,000 students participate in these programs, with 25 percent of the program attendees for general education development preparation services, 50 percent for English as a second language services, and 25 percent for low-level literacy services.

The Council's constrained request reduces general revenues by \$2.4 million, which would reduce payments to adult education providers. The Department indicates that this would result in a reduction of services, but the required state match for federal funds would continue to be met with Department of Labor and Training funds. *The Governor recommended funding consistent with the unconstrained request and enacted budget.* **The Assembly concurred.**

Nutrition Grants. The Council requested authorization to spend \$65.3 million, or \$0.1 million more than enacted from federal nutrition program funds. The increase reflects an updated award for the Fresh Fruit and Vegetable Program. Unlike previous years, the request made few adjustments, but is essentially consistent with FY 2025 spending and is consistent with the FY 2026 revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

School Mental Health. The Council requested authorization to spend \$3.5 million from federal funds to address youth mental health. This is \$4.9 million less than enacted and \$7.7 million less than the revised request, reflecting multiple grants ending and the cancellation of a cohort-based mental health grant. This grant provided recruitment and retention support for school-based mental health providers in Coventry, Exeter-West Greenwich, Johnston, and the Segue Institute for Learning. This grant was originally programmed through FY 2027, but was ended early by the federal government, leaving approximately \$6.5 million unspent. The request removes this funding in FY 2027. *The Governor concurred.* **The Assembly concurred.**

21st Century Community Learning Centers. The Council requested authorization to spend \$6.4 million from federal 21st Century Community Learning Centers funds, reflecting anticipated grant amounts. This is essentially consistent with the enacted budget and \$0.4 million less than the revised request. These funds are distributed to local education agencies to support programs that provide academic enrichment opportunities for students in poverty and low-performing schools. *The Governor concurred.* **The Assembly concurred.**

Comprehensive Literacy Development Grant. The Council requested authorization to spend \$6.4 million for the second year of a new federal grant to strengthen literacy programs. In August 2024, the Department received a new five-year, \$40.0 million Comprehensive Literacy Grant to advance literacy skills from pre-kindergarten through twelfth grade, focusing on improving reading instruction for multilingual learners and students with disabilities. The Council's prior year request did not include this new funding. This grant did require additional federal review after the change in administration. The FY 2026 revised request includes \$8.6 million. The grant will support seven early childhood programs, seven elementary programs, and nine secondary programs in developing literacy coaching structures and standards, improving partnerships with educator preparation programs, and refining multi-tier systems of supports to improve student outcomes. *The Governor concurred. The Assembly concurred.*

ServeRI. The Council requested the enacted \$2.1 million from federal funds for the ServeRI program. In 2018, the Rhode Island Service Alliance transferred the program to the Department. The 1994 Assembly established the program to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. Funding supports operating costs and grants to participating member sites. It should be noted that federal funding for the AmeriCorps programs was canceled in April 2025, but the funding was restored in September. The Department's request anticipates that the program will continue to be funded at previous levels. *The Governor recommended funding as requested. The Assembly concurred.*

Vocational Education Grants. The Council requested authorization to spend \$9.3 million from federal vocational education grants, \$0.5 million less than enacted and \$0.9 million more than the revised request. Vocational education funds are used to improve vocational education programs statewide. The request reflects updated grant award availability. *The Governor concurred. The Assembly concurred.*

Healthy Environments Advance Learning Grant. The Council requested \$0.8 million from federal funds to implement the Healthy Environments Advance Learning Program grant to support school infrastructure improvements. This is \$0.3 million less than enacted and \$1.6 million less than the revised request.

The focus of this five-year, \$5.0 million grant is to provide support to Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. The 2024 Assembly added authorization for 3.0 new positions and included language in the appropriations act that explicitly limits the authorization of the new full-time equivalent positions for this use. Hiring took longer than anticipated in FY 2025, and spending for approximately half a year was \$0.3 million. At the time of the FY 2027 request, all three positions are filled. The FY 2026 revised request reflects a carryforward of unspent FY 2025 funding. *The Governor added \$1,271 to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Public Charter School Program Grant. Consistent with the revised request, the Council requested authorization to spend \$3.1 million from a new federal grant to increase education opportunities for disadvantaged students in charter schools. The Department received a five-year, \$14.3 million grant to expand high-performing charter schools and increase educational opportunities for disadvantaged students. The request indicates that funding will be provided to new and expanding charter schools to support partnerships between charter schools and traditional programs and plan for new academic programs. *The Governor recommended funding as requested. The Assembly concurred.*

Rural Health Transformation Program. On July 4, 2025, H.R. 1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office of Health and Human Services applied for the grant in early November 2025, with awards expected to be announced by the end of December. The Council's request did not include any funding for this program. *The Governor's budget did not include funding for this program.*

*He subsequently requested an amendment to add \$142.7 million from federal funds to several state agencies for the first year of the state's award from the program. This program will support workforce development, technology innovation, improved health for rural residents, innovative access, and sustainable access to care. For the Department, the amendment includes \$1.1 million for FY 2026 and \$4.8 million for FY 2027. Funding will primarily support Career and Technical Education programs and workforce development. **The Assembly concurred with the amended recommendation.***

Hasbro Children's Hospital School. The Council requested the enacted amount of \$90,000 from general revenues to support the hospital school at Hasbro Children's Hospital. *The Governor concurred. **The Assembly concurred.***

Child Opportunity Zones. The Council requested the enacted amount of \$395,000 from general revenues to support child opportunity zones. Funding is used to strengthen education, health, and social services for students and their families as a strategy to accelerate student achievements. *The Governor concurred. **The Assembly concurred.***

City Year. The Council requested the enacted amount of \$130,000 from general revenues to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students. *The Governor concurred. **The Assembly concurred.***

Other Salaries and Benefits. The Council requested \$27.1 million for the administration's remaining 152.3 authorized positions, including \$19.6 million from general revenues, \$6.1 million from federal funds, and \$1.7 million from restricted receipts. This is \$377,577 more than enacted, including \$412,578 more from general revenues, \$128,730 more from restricted receipts, and \$163,731 less from federal funds. The federal funds request supports fewer positions, reflecting the termination of mental health and personnel development grants. The general revenue increase is essentially consistent with the Budget Office's current service estimates, and the request assumes turnover savings equivalent to about nine positions, consistent with the enacted budget. As of mid-November, the administration program had 9.1 vacancies, and averaged 8.7 vacancies since the beginning of the fiscal year. *The Governor recommended \$163,000 less than requested, including \$179,306 from general revenues. He assumed additional turnover savings equivalent to 1.5 positions and added \$56,242 to reflect statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Capital - Administration. The Council's operating request does not reflect funding for the newly requested Nowell Academy Facility Master Plan or Shepard Building Upgrades in its capital budget submission. *The Governor recommended \$150,000 from Rhode Island Capital Plan funds for the Nowell Academy project in FY 2027. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Grants and Programming. The Council requested \$23.9 million from all sources for all other grants and programming, including \$8.3 million from general revenues. The request is \$126,423 less than enacted, including \$23,690 more from general revenues, \$132,883 less from federal funds, and \$17,500 less from restricted receipts. The general revenue increase represents an updated parking contract with the Rhode Island Convention Center Authority. From federal funds, the request includes \$7.8 million from Every Student Succeeds Act Block Grant funding, \$4.0 million from federal grants for state assessments, and \$0.6 million to support homeless students.

The constrained request removes the requested \$23,690 increase from general revenues for the parking contract.

The Governor recommended funding consistent with the unconstrained request. He also added \$29,281 from general revenues to reflect statewide adjustments to centralized services, including a new charge for

accounts and control expenses, and other changes based on updated data. He subsequently requested an amendment to add \$0.2 million from general revenues to reflect electricity and natural gas charges not previously included in the Department's budget. The Assembly concurred with the amended recommendation.

Davies Career and Technical School

Operations. The Council requested \$26.9 million from all sources, including \$21.0 million from general revenues, \$1.0 million from federal funds, and \$4.9 million from restricted receipts for Davies Career and Technical School. This is \$2.5 million more than enacted from general revenues, including \$0.4 million based on preliminary funding formula calculations and \$2.1 million from supplemental funding. The request includes \$29,611 more from federal funds, reflecting various grant adjustments, and \$539,163 less from its local share of education restricted receipts. This reflects the School aligning its expenses with projected local tuition payments; it began FY 2026 with \$2.6 million available and anticipates receiving \$4.8 million from districts during the current school year.

Since FY 2012, Davies has been subject to the education funding formula, and its state aid is determined by the formula calculation just as any other local education agency would. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula. The request includes \$10.0 million from stabilization funding and \$11.0 million from the funding formula. *The Governor added \$43,264, including \$42,635 from general revenues for statewide adjustments to health and other benefit rates. He also included \$1.0 million more than enacted from stabilization funds in his revised budget, consistent with the Department's request. The Assembly provided \$11,148 more from general revenues based on updated March data.*

Capital Projects. The Council requested the enacted \$42.2 million from Rhode Island Capital Plan funds for projects at Davies Career and Technical School. This is not consistent with the capital request; the Department indicates that this was an error and that the capital request should prevail. *The Governor recommended \$17.9 million less to correct the error in the request and reflect an updated timeline for the Wing Renovation Project. The Assembly concurred and shifted \$1.0 million from FY 2026 to FY 2027 based on additional information from the school. A detailed description of the projects is included in the Capital Budget section of this publication.*

Rhode Island School for the Deaf

Restricted Receipts. The Council requested \$1.6 million from restricted receipts for the School for the Deaf, including \$0.1 million collected from school meal programs and renting out its field and gym, and \$1.5 million from tuition applicable to some students. The request is \$0.5 million more than enacted, all from tuition collections, reflecting the FY 2025 experience and revisions requested for FY 2026. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first base level of service. The School reported an increased need for specialized positions to support students with behavior and special education needs, primarily behavior specialists. It indicated that as of November, it has 22 contracted staff to address this need. It has 86 students enrolled for the 2025-2026 school year, with 1 out-of-state student. *The Governor concurred. The Assembly concurred.*

Other Operations. The Council requested \$9.2 million from all sources for all other expenditures for the School for the Deaf, including \$9.0 million from general revenues. The request is \$162,687 more than enacted, including \$209,152 more from general revenues and \$46,465 less from federal funds. The request includes \$0.2 million more for staffing expenses, primarily reflecting current service adjustments and eliminating turnover savings to fully fund the authorized 61.0 positions. As of the end of November, the school had an average of 59.0 positions filled. The request makes minor adjustments to federal formula-

based grants based on anticipated funding. *The Governor added \$20,249 from general revenues for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Capital Projects. The Council requested \$0.1 million from Rhode Island Capital Plan funds for asset protection projects at the School for the Deaf, consistent with funding enacted for FY 2026. This is inconsistent with the capital request, which includes increases in funding for multiple subprojects. The Department noted that this was in error and that the capital request should prevail. *The Governor recommended \$0.9 million more to correct the error in the request; this is consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Public Higher Education

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Office of Postsecondary Comm.	\$ 55,263,498	\$ 60,061,150	\$ 57,022,951	\$ 58,602,438
University of Rhode Island	1,111,723,299	1,104,713,555	1,123,709,806	1,125,271,151
Rhode Island College	216,421,110	234,118,548	232,598,905	232,598,905
Community College of RI	214,486,829	207,299,066	223,699,060	219,598,627
Total	\$ 1,597,894,736	\$ 1,606,192,319	\$ 1,637,030,722	\$ 1,636,071,121
Expenditures by Category				
Salaries and Benefits	\$ 673,899,019	\$ 675,090,148	\$ 703,457,082	\$ 708,457,082
Contracted Services	46,343,551	45,319,441	136,282,241	44,946,347
Subtotal	\$ 720,242,570	\$ 720,409,589	\$ 839,739,323	\$ 753,403,429
Other State Operations	291,287,444	295,538,017	304,010,418	305,510,418
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	376,601,089	385,189,640	384,637,008	384,581,495
Capital	137,231,072	129,827,429	34,267,963	118,199,769
Capital Debt Service	72,532,561	75,227,644	74,376,010	74,376,010
Operating Transfers	-	-	-	-
Total	\$ 1,597,894,736	\$ 1,606,192,319	\$ 1,637,030,722	\$ 1,636,071,121
Sources of Funds				
General Revenue	\$ 327,246,516	\$ 331,208,282	\$ 341,249,967	\$ 346,354,454
Federal Aid	5,642,208	11,704,544	5,377,602	6,877,602
Restricted Receipts	12,736,631	12,686,729	12,816,833	12,816,833
Other	1,252,269,381	1,250,592,764	1,277,586,320	1,270,022,232
Total	\$ 1,597,894,736	\$ 1,606,192,319	\$ 1,637,030,722	\$ 1,636,071,121
Uses of Funds				
Unrestricted Use Funds	\$ 938,864,604	\$ 932,530,103	\$ 972,220,489	\$ 977,324,976
Restricted Use Funds	659,030,132	673,662,216	664,810,233	658,746,145
Total	\$ 1,597,894,736	\$ 1,606,192,319	\$ 1,637,030,722	\$ 1,636,071,121
FTE Authorization	3,972.5	3,548.0	3,972.5	3,632.5
<i>Limited to Third Party Funds</i>	<i>544.8</i>	<i>544.8</i>	<i>544.8</i>	<i>544.8</i>
<i>Limited to Auxiliary Operations</i>	<i>-</i>	<i>424.5</i>	<i>-</i>	<i>450.0</i>
Total Authorized Positions	4,517.3	4,517.3	4,517.3*	4,627.3

**The Governor proposed retroactively exempting the University from any limitations effective July 1, 2025, which removed 2,671.0 full-time equivalent positions from the total.*

Summary. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island, effective February 1, 2020. Authority for various functions was transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the Commissioner of

Postsecondary Education's authority. All of the General Assembly's authority over the University was preserved. The University's budget is still presented with the other entities.

The governing bodies requested \$1,663.2 million from all sources, including \$362.0 million from general revenues. This is \$65.3 million more than enacted from all sources, including \$34.8 million more in general revenue support, \$8.7 million more from tuition and fee revenues, \$0.2 million less from other unrestricted sources, and \$21.9 million more from restricted sources. The request includes \$982.3 million from unrestricted-use funds and \$681.0 million from restricted-use funds. The unrestricted request represents 5.7 percent growth over FY 2026 revised expenditure projections.

The Governor recommended \$1,637.0 million from all sources, which is \$39.1 million more than enacted and \$26.2 million less than requested. General revenues are \$341.2 million, which is \$14.0 million more than enacted and \$20.8 million less than requested. The Governor's presentation indicates that his intent was to provide the institutions with 2.5 percent more state support, consistent with revenue growth.

The Assembly provided \$1,636.1 million from all sources, including \$346.4 million from general revenues. This is \$1.0 million less than recommended from all sources and \$5.1 million more than recommended from general revenues, primarily to reflect \$5.0 million for planning and startup costs for a new medical school at the University. The Assembly authorized 200.0 new full-time equivalent positions for the University. It included a separate cap of 450.0 positions that support auxiliary operations. It also reduced staffing by 50.0 and 40.0 for the College and Community College, respectively, to reflect long-standing unfunded vacancies.

Staffing. The FY 2027 request includes authorization for 5,059.3 full-time equivalent positions, provided that 607.8 of those positions would be limited to third-party sources. This is 542.0 more than the enacted level for the University, including 63.0 limited to third-party funds. The 2004 Assembly changed its treatment of research-funded positions to allow institutions to provide estimates of staffing needs associated with additional research grants and other third-party funds. Article 1 separately lists the authorization for each institution and the Office of Postsecondary Commissioner and indicates how many positions are reserved for third-party-funded activities.

The Governor recommended 1,846.3 full-time equivalent positions, provided that 166.0 of those positions would be limited to third-party sources. This reflects his recommendation to retroactively exempt the University of Rhode Island from any limitations on full-time equivalent positions, effective July 1, 2025. The enacted budget includes 2,671.0 University positions, of which 378.8 are limited to third-party funds. The University exceeded its FY 2025 enacted cap for most of that year, and the 2025 Assembly authorized 100.0 new positions to enable it to stay within its cap while also allowing for growth.

The Assembly did not concur and authorized 200.0 new full-time equivalent positions for the University. It included a separate cap of 450.0 positions that support auxiliary operations, as requested by the University. It also reduced staffing by 50.0 and 40.0 for the College and Community College, respectively, to reflect long-standing unfunded vacancies.

Current Year Revisions. Historically, the institutions' analysis begins with adjustments made for the current year. State law requires the Board of Education to review, develop, and submit the higher education budget it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The governing bodies continue to review and approve each institution's allocation of all current-year resources and describe its requested budget year items in terms of changes to those current-year allocations. To ensure that the analysis is conducted in terms of the items the entities specify as requested, staff analysis starts from the allocations. *The Governor recommended \$6.0 million less than*

*enacted from all unrestricted sources, which is \$4.1 million more than requested. General revenues are \$4.4 million more than enacted and \$4.1 million above the request. **The Assembly concurred.***

Higher Education Funding. Expenditures in Public Higher Education increased 42.2 percent from FY 2016 through FY 2026, an average annual rate of 4.0 percent. They would grow 48.0 percent if the FY 2027 request were funded, an average annual rate of 4.4 percent. In Rhode Island, as in many other states, expenditures and sources for public higher education are generally broken into two categories: (1) *unrestricted* budget and (2) *restricted* budget. The distinction is extremely important to the understanding of public higher education funding. *The Governor's recommendation represents 44.2 percent growth during the FY 2017 through FY 2027 period, with an average annual rate of 4.4 percent. **The enacted budget represents 44.1 percent growth, which is an annual rate of 4.4 percent.***

Unrestricted Budget. The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the institutions' education and general operations. They include state general revenue appropriations, tuition, and general fees, auxiliary indirect costs, a portion of research indirect costs, and miscellaneous revenue. The latter is the indirect cost added to research grants to reimburse the college or university for items required for research, such as an accounting system, facilities, and utilities.

The unrestricted budget is similar to the general revenue budget of other agencies and departments. The governing bodies' unrestricted budget includes \$982.3 million, of which \$362.0 million is from general revenues. The general revenue portion is \$34.8 million more than the FY 2026 enacted budget; other unrestricted sources, including tuition and fee revenue, increase by \$8.6 million. Compared to the revised allocation, the request is \$53.0 million more, including \$34.1 million from general revenues and \$18.9 million from other unrestricted sources.

The Governor recommended \$972.2 million from unrestricted sources, which is \$33.4 million more than enacted and \$10.0 million less than requested. General revenues are \$14.0 million more than enacted and \$20.8 million less than requested. Excluding debt service, general revenues are \$11.6 million more than enacted and \$22.1 million less than requested. Other unrestricted sources, including tuition and fees, are \$10.8 million more than requested, suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources.

The enacted budget includes \$977.3 million from unrestricted sources, which is \$5.1 million more than recommended from general revenues, largely to reflect planning and startup funding for a new medical school at the University.

Restricted Budget. The restricted budget consists of what are generally considered restricted or enterprise funds. They include residence hall, dining, and parking funds, as well as any other funds whose sources are limited to specific purposes. Federal funds, including sponsored research overhead, are considered restricted use; the traditional display in the Governor's budget presentation separates them. The restricted budget includes \$681.0 million for FY 2027, \$21.9 million more than the enacted level. Compared to the revised allocation, the request is \$5.1 million less.

*The Governor recommended \$664.8 million from restricted sources, \$5.8 million more than enacted and \$16.2 million less than requested. **The enacted budget includes \$658.7 million from restricted sources, which is \$6.1 million less than recommended from Rhode Island Capital Plan funds based on revised spending plans.***

Enrollment. FY 2027 enrollment would be 28,055 full-time equivalent students, 331, or 1.2 percent, more than the enacted FY 2026 estimate and 143, or 0.5 percent, more than the revised estimates. The estimates for the University are 66, or 0.5 percent, more than the enacted assumptions and 58, or 0.4 percent, more

than the revised estimate. The estimates for the College are 374, or 6.9 percent, more than the enacted assumption and 85, or 1.5 percent, more than the revised estimate. The estimates for the Community College are 109, or 1.4 percent, lower than the enacted estimate and are consistent with the revised estimates. *The Governor's recommendation appears to reflect the governing bodies' projections.* **The Assembly concurred.**

Tuition and Fees. The FY 2027 request includes \$586.7 million from tuition and fees. This represents an \$8.7 million increase in revenues compared to the FY 2026 enacted level, and is \$22.5 million, or 4.0 percent, more than the revised allocation. The Council approved FY 2027 tuition rates for the College and Community College at its October 2025 meeting. For the College, this includes a 3.5 percent tuition increase, which amounts to \$354 for in-state students and \$933 for out-of-state students, and a \$60 fee increase for all students. For the Community College, tuition and fees increase by \$214 for in-state students or 3.6 percent, and \$598 for out-of-state students, or 3.8 percent. For in-state students, this includes a \$210 increase in tuition and a \$4 increase in mandatory fees. For non-residents, tuition increases by \$594, and mandatory fees increase by \$4.

At its November 2023 meeting, the University's Board of Trustees shifted final approval of tuition and mandatory fees to February 2024 and each February thereafter. It did approve a baseline increase for FY 2027, which includes a tuition and fee increase for in-state students equal to \$508, or 2.9 percent, and \$1,146 for out-of-state students, or 3.0 percent, compared to the enacted budget. It assumes a \$46 increase in mandatory fees for all students. Room and board costs would increase by \$390 or 2.6 percent. The University, College, and Community College indicated that tuition rate increases would be required to offset the general revenue reduction contained in the constrained budget. The governing bodies would have to approve new rates consistent with the constrained request.

The Governor's budget assumes tuition and mandatory fee increases consistent with the governing bodies' approved rates, but also includes \$10.8 million more than requested from tuition and fees or other unrestricted sources, suggesting that the schools will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources. **The Assembly concurred.**

Office of Postsecondary Commissioner

Office of Postsecondary Commissioner	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 6,731,756	\$ 6,368,637	\$ 6,776,470	\$ 6,776,470
Contracted Services	4,991,508	4,991,508	5,244,999	5,244,999
Subtotal	\$ 11,700,764	\$ 11,360,145	\$ 12,021,469	\$ 12,021,469
Other State Operating	9,972,301	10,013,979	10,210,956	11,710,956
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	31,104,183	37,443,276	33,544,776	33,464,263
Capital	1,295,000	75,000	75,000	235,000
Capital Debt Service	1,168,750	1,168,750	1,170,750	1,170,750
Operating Transfers	-	-	-	-
Total	\$ 55,263,498	\$ 60,061,150	\$ 57,022,951	\$ 58,602,438
Sources of Funds				
General Revenue	\$ 33,322,291	\$ 32,873,006	\$ 36,172,492	\$ 36,251,979
Tuition and Fees	3,295,810	3,365,646	3,494,558	3,494,558
Other Unrestricted	-	-	-	-
Total Unrestricted	\$ 36,618,101	\$ 36,238,652	\$ 39,667,050	\$ 39,746,537
Restricted	18,645,397	23,822,498	17,355,901	18,855,901
All Sources	\$ 55,263,498	\$ 60,061,150	\$ 57,022,951	\$ 58,602,438
FTE Authorizations	47.0	47.0	47.0	47.0
<i>Third-Party Funded Positions</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>
Total Positions	48.0	48.0	48.0	48.0

Summary. The Council requested \$56.8 million from all sources and 48.0 full-time equivalent positions for the Office of Postsecondary Commissioner for FY 2027, including \$35.8 million from general revenues. This is \$1.5 million more than enacted, including \$2.5 million more from general revenues, \$28,893 more from restricted receipts, \$0.3 million less from federal funds, and \$0.7 million less from other funds. Consistent with the enacted budget, the staffing request includes 48.0 full-time equivalent positions, one of which is funded through third-party sources.

The Governor recommended \$57.0 million, which is \$1.8 million more than enacted and \$0.2 million more than requested. The Assembly provided \$1.6 million more than recommended, including \$0.1 million from general revenues.

Staffing. The Office requested authorization for 48.0 full-time equivalent positions, consistent with the enacted budget. The 2025 Assembly added 2.0 positions for DATA RI. As of mid-December, the Office had 38.0 filled positions, including 5.0 for DATA RI, 8.0 for the Nursing Education Center, 10.0 for the Higher Education Centers, 1.0 funded through third-party sources, and 14.0 for the Office. *The Governor recommended staffing consistent with the enacted level. The Assembly concurred.*

DATA RI. The Office requested \$1.8 million from all sources for DATA RI operations, including \$1.2 million from general revenues, \$0.3 million from restricted receipts, and \$0.4 million from federal funds. DATA RI was created in the FY 2026 enacted budget and is the state's central repository of inter-agency,

longitudinal, linked, and individual data. The request is \$0.3 million more than enacted, including \$0.6 million more from general revenues, \$32,981 less from restricted receipts, and \$0.2 million less from federal funds. The increase in general revenues is primarily in anticipation of reductions to the federal Statewide Longitudinal Data System Grant program. The Office noted that operations conducted prior to September 30, 2025, are covered through the current grant. The enacted budget established DATA RI and created a single board to oversee the Rhode Island Longitudinal Data System, and the Ecosystem, the state's health and human services integrated data system. Consistent with the enacted budget, the request funds all 9.0 full-time equivalent positions. As of December 17, 2025, 4.0 positions were vacant, including the 2.0 new ones authorized by the 2025 Assembly.

The constrained budget proposes a 32.4 percent reduction to general revenues of \$0.4 million. This would require maintaining vacancies or introducing layoffs and reducing necessary legal and information technology services to ensure data is protected and operations run smoothly. *The Governor recommended \$0.1 million less than the unconstrained request, almost entirely from general revenues. This includes around \$2,900 in statewide adjustments to health and other benefit rates offset by an additional \$0.1 million in turnover savings, consistent with the revised recommendation.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$2.8 million from all sources, including \$2.7 million from general revenues and \$0.2 million from federal funds, for 17.0 positions not dedicated to other programs. The request funds 15.5 of them. Consistent with the enacted budget, the request allocates funding for half of a position located in the Commissioner's Office to the Higher Education Centers. The request is \$12,745 more than enacted, including \$19,679 more from general revenues and \$6,934 less from federal funds. This reflects current service adjustments and turnover savings. There were 2.0 vacancies as of mid-December 2025. The Office anticipated these positions to be filled before the new year.

The Office's constrained request increases turnover savings by approximately two unidentified positions, generating general revenue savings of \$0.3 million. The Office would maintain any active vacancies if available and pursue layoffs if necessary. *The Governor recommended \$6,116 more from all sources, of which \$5,657 is from general revenues to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a "last dollar scholarship," meaning that after a student exhausts all other sources of student aid, the program would cover the remainder of their tuition bill with general revenues. This program does not cover other non-mandatory fees. Created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade, renamed Onward We Learn, scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not reflected in the Community College's budget request, as it is a scholarship awarded by the Office of Postsecondary Commissioner. The Office requested \$7.6 million from general revenues, \$0.3 million more than the enacted budget, but \$0.9 million less than the November 2025 Promise report. For FY 2027, the report indicates that \$8.6 million is needed to support a projected 2,955 students. That same report suggests FY 2026 costs will be \$7.5 million for 2,724 students.

The constrained request excludes the requested \$0.3 million increase but does not propose a law change that would effectuate these savings. *The Governor recommended \$8.1 million, which is \$0.7 million more than enacted but \$0.5 million less than the November report estimate based on the Budget Office's own estimates.*

The Assembly provided \$0.1 million less based on the May Promise report. It also added \$0.2 million to cover the cost of the program's expansion. The Assembly extended the timeframe for graduating

high school seniors by one semester, provided the student enrolls immediately after graduation in a postsecondary institution and at the Community College in the first spring after high school graduation. It also allowed students to defer enrollment for up to one semester after graduating from high school, upon submitting an approved written request.

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner's budget. The scholarship is provided to students during their third and fourth years, originally limited to those graduating in 2024, 2025, and 2026.

The 2024 Assembly concurred with the Governor's request to extend the program to include the last cohort entering their junior year in the fall of 2029 to allow for better program evaluation. It also modified the reporting requirements to be like those for the Promise program and requires that the College and the Commissioner of Postsecondary Education submit a report evaluating the program based on all cohorts by July 1, 2030.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum grade requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate, and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The Office requested \$6.7 million from general revenues, \$1.4 million more than enacted. The November 2025 Hope Scholarship report indicates that around 770 juniors and seniors will be eligible for the scholarship in FY 2027 with an estimated cost of \$7.1 million, \$0.2 million more than the requested amount.

The constrained budget excludes the \$1.4 million requested increase but does not propose a law change that would effectuate these savings. *The Governor recommended \$7.1 million, consistent with the November report. He also proposed making the program permanent; an evaluation of the pilot is due July 1, 2030.* **The Assembly extended the program for three years, advanced the evaluation due date to July 1, 2028, and concurred with recommended funding.**

Dual Enrollment Program. The Office requested \$3.0 million from general revenues for the Dual Enrollment program, \$0.1 million more than enacted. Beginning in FY 2025, funding for the program shifted to general revenues as previous reserve funds were exhausted and tuition savings fees were insufficient.

This program allows students to take courses at either a higher education institution campus or at their high school. It is intended to allow qualified high school students to earn college credit through dual and concurrent enrollment at no cost to the students. New regulations took effect in FY 2019. These were necessitated by a lack of oversight for program enrollments and subsequent overspending during FY 2017. The program was again projected to overspend FY 2025 appropriations.

Based on a pending higher education affordability study, the Governor recommended \$2.9 million for FY 2026 and an additional \$0.4 million for FY 2025. To fund these changes, he recommended transferring Rhode Island Student Loan Authority funds to general revenues for FY 2025 and FY 2026. The Assembly concurred with these changes. Since FY 2019, program reimbursement has been shifted from a cost-per-credit basis to the lesser of the cost per credit amount and a cost per course that accounts for the direct costs of personnel and materials, plus a small indirect cost for administrative functions, such as the bursar's office. Local school districts split the cost of administering the program for students enrolled full-time at the Community College, while ceasing full-time enrollment at the other institutions.

The constrained request eliminates the requested \$0.1 million increase. *The Governor recommended funding consistent with the enacted level.* **The Assembly concurred.**

Last Dollar Scholarship. The Office requested \$10.0 million for the Last Dollar Scholarship Program, including \$6.6 million from general revenues and \$3.4 million from tuition savings fees, consistent with the enacted budget. The request is \$0.1 million more than enacted from tuition savings fees collected from out-of-state participants in the state-sponsored CollegeBound Saver plan. These fees are collected by the Office of the General Treasurer. This is offset by a \$0.1 million reduction from guaranty agency reserve funds. This program replaced the state's need-based scholarship and grant program with more flexible state grant programs directed by the Commissioner of Postsecondary Education. The 2019 Assembly provided that the lesser of 20.0 percent, or \$1.5 million annually, be allocated to students attending independent, nonprofit higher education institutions in Rhode Island, with the remaining funding reserved for public institutions in Rhode Island. The 2023 Assembly increased that allocation to \$1.8 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Higher Education Affordability. The Office requested the enacted level of \$100,000 from general revenues for contracted research services to examine the affordability of higher education, provide recommendations on the implications of expanding state-funded scholarship programs, begin to develop a predictable funding policy for consideration by the Assembly, and examine strategies for public/private investments that support Rhode Island students. The Office anticipates the results of the initial study to be available before the end of FY 2026. The FY 2027 request intends to fund an ongoing analysis of the same mechanisms being examined in the initial study.

The Governor's FY 2026 budget noted that short-term funding decisions for programs such as dual enrollment are based on this pending study. However, as the results remain delayed, it is unclear which programs offer the most effective affordability mechanisms. *The Governor recommended funding as requested.* **The Assembly concurred.**

Nursing Education Center. The Nursing Education Center provides a centralized nursing program for students enrolled at the University of Rhode Island or Rhode Island College. Staffing and operating expenses are shared between the two institutions, with funding and staffing authorizations reflected in the Office of Postsecondary Commissioner's budget. The Office requested \$9.0 million, including \$3.5 million for 8.0 of the 10.0 authorized full-time equivalent positions and operations, \$4.3 million for lease expenses, and \$1.2 million for debt service. The request is \$0.2 million more than enacted and includes \$0.1 million more for salaries and benefits and \$0.1 million more for all other expenses, including \$30,000 from restricted receipts from facility charge rentals. As of mid-December 2025, the Center had 2.0 vacancies. *The Governor recommended \$3,154 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Higher Education Centers. The Westerly Higher Education and Industry Center is a collaborative job-skills and educational center that partners with all three public higher education institutions, the Department of Labor and Training, and General Dynamics Electric Boat. The Center offers undergraduate and graduate courses, as well as non-credit educational courses. It is structured to be financially self-sustaining, with program fees and leasing space revenues covering operating costs. The Community College pays the salaries and benefits for its staff who teach at the center from its unrestricted budget. Modeled after Westerly, the Northern Rhode Island Education Center opened in late summer 2022 to provide a collaborative job skills and educational center in the northern part of the state.

The Office requested \$8.0 million from restricted receipts for both centers, which is \$28,126 less than enacted, reflecting lower costs for salaries and benefits because of staff turnover, lower grounds maintenance costs, and current service adjustments. Consistent with the enacted budget, the request includes funding for half of a position in the Commissioner's Office. There were 2.0 vacancies at the time

of the request. *The Governor recommended \$5,039 more than requested to reflect statewide adjustments to health and other benefit rates.*

The Governor requested an amendment to allow the Office to enter into a new lease for 2,385 square feet of space at the Tower Street Community Center. Currently, the Westerly center is at capacity, and this lease will allow it to expand its training programs. The agreement is for a ten-year lease and includes an upfront payment of \$1.5 million from federal Housing and Urban Development funds in FY 2027. The remaining annual lease payments, of up to \$50,000, will be paid through the Center's restricted receipts. The Assembly concurred.

Capital. The Office requested \$0.3 million from Rhode Island Capital Plan funds for one capital project, \$0.9 million less than enacted. *The Governor recommended \$0.2 million less than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Special Programs. The request includes the enacted amount of \$0.6 million from general revenues for three initiatives that are passed through the Office's budget but are not part of its core operations. It also includes \$4.8 million from the federal GEAR-UP grant. *The Governor recommended funding as requested. The Assembly concurred.*

Onward We Learn/College Crusade. The Office requested the enacted amount of \$5.3 million to support the operations and scholarship programs offered by Onward We Learn, formerly the College Crusade, including \$4.8 million from the GEAR-UP federal grant and \$0.5 million from general revenues. Onward We Learn is a nonprofit organization founded in 1989 to reduce high school dropout rates and increase educational and career success for low-income urban youth. GEAR-UP provides grants to states and partnerships to support and sustain the commitment to eligible low-income students, including students with disabilities, to help them obtain a secondary school diploma and prepare for and succeed in postsecondary education.

The Governor recommended funding as requested. He also recommended \$0.1 million from general revenues in the Department of Elementary and Secondary Education's budget to continue support of out-of-school time programming as part of his Learn365RI initiative. The Assembly concurred.

Best Buddies. The Office requested the enacted level of \$75,000 from general revenues for the Best Buddies program. The organization aims to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment, and leadership development for people with intellectual and developmental disabilities. *The Governor recommended funding as requested. The Assembly concurred.*

Higher Education Opportunities for Teachers of Color. The Office requested the \$100,000 enacted from general revenues for a grant to the Rhode Island School for Progressive Education to support access to higher education opportunities for teachers of color. Funding is used to defray the cost of attendance, support staff stipends, recruitment, and technology.

The constrained budget includes a 10.0 percent reduction of \$63,000 to all general revenue-funded items. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

New England Higher Education Compact. The Division of Higher Education Assistance represents the state as a member of the New England Higher Education Compact. Established in 1957, this compact provides educational opportunities and services through a coordinated program that spans the six New England states. Participation in the Compact is governed by Section 16-41-1 of the General Laws. The

compact enables Rhode Island residents to pursue degree programs across New England at a lower cost than traditional out-of-state tuition, if the program is not offered at any public institution in Rhode Island. During FY 2022, 1,144 Rhode Island residents benefited from reduced tuition at participating institutions throughout New England. The Office requested \$158,223 from general revenues for the annual fee for the New England Board of Education. This represents a 4.5 percent, or \$6,813, increase from the enacted budget in anticipation of higher annual fees, as the exact cost for FY 2027 was unknown at the time of the budget submission. The Office has since noted that fees have not increased from the enacted amount of \$151,410. The fees last increased in FY 2024. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The request includes \$1.7 million from all sources for all other Office expenses, nearly all of which is from general revenues. Expenses include \$0.8 million for contracted legal and information technology services, \$0.2 million for centralized facilities management charges provided through the Department of Administration, and \$0.7 million for all other expenses, including computers, insurance, staff training, conference participation, and office supplies. The request is \$127,378 more than enacted, including \$126,378 from general revenues and \$1,000 from federal funds. The increase from general revenues includes \$61,069 for contracted training consultants, legal services, management, advisory, and information technology services; \$8,400 for parking, reflecting a contract renewal; \$5,000 for increased insurance rates; \$16,000 for travel; and \$33,362 for increases in internet and phone services.

The constrained budget includes general revenue savings of \$0.3 million. Reductions would be made to travel, legal, and information technology contracted services, and contingency insurance if necessary. The Office did not provide a specific breakdown of funding by item.

The Governor recommended \$29,888 less from general revenues than the unconstrained request. He did not recommend the requested increases for insurance or contracted legal services and included \$5,388 less to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.

University of Rhode Island

University of Rhode Island	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 434,317,152	\$ 436,205,235	\$ 457,199,344	\$ 462,199,344
Contracted Services	32,499,064	28,342,385	103,987,727	28,196,285
Subtotal	\$ 466,816,216	\$ 464,547,620	\$ 561,187,071	\$ 490,395,629
Other State Operating	221,392,148	224,447,984	221,938,383	221,938,383
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	276,160,437	272,572,264	273,402,393	273,427,393
Capital	89,060,434	82,185,144	5,784,301	78,112,088
Capital Debt Service	58,294,064	60,960,543	61,397,658	61,397,658
Operating Transfers	-	-	-	-
Total	\$ 1,111,723,299	\$ 1,104,713,555	\$ 1,123,709,806	\$ 1,125,271,151
Sources of Funds				
General Revenue	\$ 148,637,923	\$ 151,797,766	\$ 154,763,934	\$ 159,788,934
Tuition and Fees	439,784,410	424,717,894	447,659,143	447,659,143
Other Unrestricted	21,138,443	23,844,144	20,316,330	20,316,330
Total Unrestricted	\$ 609,560,776	\$ 600,359,804	\$ 622,739,407	\$ 627,764,407
Restricted	502,162,523	504,353,751	500,970,399	497,506,744
All Sources	\$ 1,111,723,299	\$ 1,104,713,555	\$ 1,123,709,806	\$ 1,125,271,151
FTE Authorizations*	2,292.2	1,867.7	-	2,042.2
<i>Limited to Third-Party Funds</i>	378.8	378.8	-	378.8
<i>Limited to Auxiliary Operations</i>	12.0	424.5	-	450.0
Total	2,683.0	2,671.0	-	2,871.0

**The Governor proposed retroactively exempting the University from any limitations effective July 1, 2025, which removed 2,671.0 full-time equivalent positions from the total.*

Summary. The University requested \$1,148.8 million and 3,213.0 full-time equivalent positions for FY 2027, an increase of \$37.1 million, or 3.3 percent, from the FY 2026 enacted budget, and an increase of \$39.2 million, or 3.5 percent, from the revised allocation. General revenues requested at \$173.6 million are \$25.0 million more than the enacted budget and the revised allocations. Compared to the enacted budget, restricted expenditures are \$15.1 million more. The staffing request includes 542.0 new full-time equivalent positions, 63.0 of which would be funded from third-party sources.

The 2019 Assembly created a 17-member Board of Trustees for the University. The legislation transferred authority for various functions from the Council on Postsecondary Education to the new Board. It removed the University from the Commissioner of Postsecondary Education's authority, effective February 1, 2020. It preserved all of the General Assembly's authority over the University.

The Governor recommended \$1,123.7 million from all sources, which is \$12.0 million more than enacted and \$25.1 million less than requested. This includes \$154.8 million from general revenues, which is \$6.1 million more than enacted and \$18.9 million less than requested. He also proposed retroactively exempting the University of Rhode Island from any limitations on full-time equivalent positions effective July 1, 2025.

The Assembly added \$5.0 million from general revenues for planning and startup costs for a new medical school and \$25,000 from general revenues for the Institute for Labor Studies and Research, and shifted \$3.5 million from Rhode Island Capital Plan funds to later years based on updated spending plans. The Assembly did not concur with the proposed full-time equivalent position exemption and authorized 2,871.0 positions. This is 200.0 more than the enacted authorization and includes 278.8 limited to third-party funding, as enacted. It also included a separate cap of 450.0 for positions that support auxiliary operations, as requested by the University.

Tuition and Enrollment. At its November 2023 meeting, the Board of Trustees shifted final approval of tuition and mandatory fees to February 2024 and each February thereafter. The FY 2027 budget assumes a tuition and fee increase for in-state students of \$508, or 2.9 percent, and for out-of-state students of \$1,146, or 3.0 percent, compared to the enacted budget. It assumes a \$46 increase in mandatory fees for all undergraduate students and a \$390 increase, or 2.6 percent, in room and board costs.

The FY 2026 revised enrollment estimate projects in-state enrollment to increase by 1.5 percent, or 103 full-time equivalent students, and out-of-state enrollment to decrease by 1.2 percent, or 95 students, for a total increase of 8 students. For FY 2027, in-state enrollment is projected to increase by 1.6 percent, or 107 full-time equivalent students, and out-of-state enrollment is projected to decrease by 0.5 percent, or 41 full-time equivalent students, compared to the FY 2026 enacted assumptions, for a total increase of 66 students.

The University's constrained request includes an additional 7.1 percent increase in tuition and fees, which would generate \$31.1 million to offset its general revenue request.

University Undergraduate	Change to			
Tuition and Fees	FY 2026	FY 2027	FY 2026 Enacted	
Resident				
Tuition	\$ 15,148	\$ 15,610	\$ 462	3.0%
Fees	2,328	2,374	46	2.0%
Total	\$ 17,476	\$ 17,984	\$ 508	2.9%
Nonresident				
Tuition	\$ 36,070	\$ 37,170	\$ 1,100	3.0%
Fees	2,328	2,374	46	2.0%
Total	\$ 38,398	\$ 39,544	\$ 1,146	3.0%
Average Room and Board	\$ 15,070	\$ 15,460	\$ 390	2.6%
Undergraduate and Graduate Enrollment				
In-State	6,850	6,957	107	1.6%
Out-of-State	7,773	7,732	(41)	-0.5%
Total	14,623	14,689	66	0.5%

*The Governor's budget assumes tuition and mandatory fee increases consistent with the governing bodies' approved rates, but also includes \$10.1 million more than requested from tuition and fees or other unrestricted sources, suggesting that the University will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources. **The Assembly concurred.***

Staffing. The request for 3,213.0 full-time equivalent positions assumes that 441.8 of the total positions would be limited to funding from third-party sources. It is 542.0 more than the enacted level, 63.0 of which are limited to third-party sources. This includes 10.0 new faculty, 13.0 academic advisors, and 3.0 other staff funded through unrestricted sources.

During FY 2025, the University went above its authorized limit in all pay periods except the first five at the beginning of the fiscal year. In June 2025, the number of filled positions was at its highest, with 52.7 positions above the authorized limit. In May 2025, the University sent a letter acknowledging it had

exceeded its cap and requested an increase of 642.0 positions, 53.0 of which would be funded through third-party sources. The 2025 Assembly increased total authorizations by 100.0, including 25.0 restricted to third-party sources. As of mid-November 2025, the University had 2,577.9 positions filled.

The Governor proposed retroactively exempting the University of Rhode Island from any limitations on full-time equivalent positions effective July 1, 2025.

The Assembly did not concur with the proposed full-time equivalent position exemption and authorized 2,871.0 positions. This is 200.0 more than the enacted authorization and includes 278.8 limited to third-party funding, as enacted. It also included a separate cap of 450.0 for positions that support auxiliary operations, as requested by the University.

Unrestricted Budget. Including the State Crime Lab, the unrestricted budget totals \$631.5 million, an increase of \$22.0 million, or 3.6 percent, over the enacted budget and \$34.4 million, or 5.8 percent, over the revised allocation. Sources of funds for the increase in the revised budget include \$25.0 million from general revenues and \$12.9 million from tuition and fees, including the use of prior-year balances, offset by \$3.5 million less from other unidentified unrestricted sources.

The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the University, this produced a general revenue target of \$143.2 million, including a current service adjustment of \$3.4 million and a 7.5 percent reduction of \$8.9 million, adjusted for certain exclusions. The University's constrained budget is \$10,192 less than the unconstrained request, including \$31.8 million less from general revenues. As in prior years, the University proposed further tuition rate increases to offset the general revenue reduction in the budget target, rather than expenditure reductions. The State Crime Lab proposed fees to offset the general revenue reduction totaling \$0.7 million.

The Governor recommended \$622.7 million in unrestricted expenditures, which is \$13.2 million more than enacted and \$8.8 million less than requested. General revenues are \$6.1 million more than enacted and \$18.9 million less than requested. The Governor recommended \$468.0 million from other unrestricted sources, or \$10.1 million more than requested, which assumes that the University will generate more revenue than its current projection or constrain spending to avoid exceeding available resources.

The Assembly added \$5.0 million from general revenues for planning and startup costs for a new medical school and \$25,000 from general revenues for the Institute for Labor Studies and Research.

University of Rhode Island	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ (12,432,766)	\$ (9,200,972)	\$ (9,200,972)
Faculty (10.0 FTE)	1,514,990	-	-
Academic Advisors (13.0 FTE)	1,391,208	-	-
Other Salaries and Benefits	13,374,153	13,427,670	13,427,670
Expanded Scholarship Support	3,270,094	-	-
Other Student Aid	4,830,727	4,830,727	4,830,727
IT Modernization	4,000,000	-	-
Debt Service	2,127,947	239,458	239,458
Operations	3,260,424	3,248,210	3,248,210
State Crime Lab	632,371	633,538	633,538
Special Programs	-	-	25,000
URI Medical School Planning and Startup	-	-	5,000,000
Total	\$ 21,969,148	\$ 13,178,631	\$ 18,203,631

Current Year Revisions. Historically, the analysis has begun with an adjustment for the current year. State law requires the Board of Trustees to review, develop, and submit the University's budget. The University retains the authority to use additional resources it received above appropriated amounts, such as research grants and additional tuition and fees. The Board reviews and approves each institution's allocation of all current-year resources and describes its requested budget year items in terms of changes to those current-year allocations. To ensure the analysis is conducted in terms of the items specified by the Board, staff analysis begins with the allocations.

The University requested \$12.4 million less from unrestricted sources in its revised request. The enacted budget assumed \$17.3 million more from tuition and fee revenues than the University had estimated. This would have required identifying additional revenue or expenditure reductions, or both. Changes include \$15.1 million or 3.4 percent less than enacted from tuition and fees, and \$2.7 million more from other University sources. The enacted budget assumes enrollment of 14,623, with 6,850 in-state students and 7,773 out-of-state students. The revised request includes enrollment of 14,631, or eight more than enacted. However, there were 95 fewer out-of-state enrollments, resulting in overall lower tuition and fees than anticipated. *The Governor recommended \$3.2 million more than requested from general revenues to reflect an updated debt service schedule.* **The Assembly concurred.**

Faculty (10.0 FTE). The unrestricted budget includes \$1.5 million for salaries and benefits to support 10.0 new faculty positions as part of the University's priority areas identified in its 2022 through 2032 strategic plan. The goal is for these faculty to increase their capacity in teaching, research, and workforce development in fields critical to the state's economy, including the life sciences. A similar proposal has been requested in the last two years but was neither recommended by the Governor nor adopted by the Assembly. The 2025 Assembly did increase the staffing authorization by 100.0, including 25.0 restricted to third-party sources, to allow the University to prioritize overall resource allocation to personnel. *The Governor did not recommend funding.* **The Assembly concurred.**

Academic Advisors (13.0 FTE). The unrestricted budget includes \$1.4 million to support 13.0 new academic advisor positions to increase student success and retention as part of the University's priority areas identified in its 2022 through 2032 strategic plan. It hopes to improve the student-to-advisor ratio to the national recommended benchmark of 270 students per advisor. The University reports that its rate is double this in most areas. A similar proposal was included in the last two years but was neither recommended by the Governor nor adopted by the Assembly. The 2025 Assembly did increase the staffing authorization by 100.0, including 25.0 restricted to third-party sources, to allow the University to prioritize overall resource allocation to personnel. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Salaries and Benefits (3.0 FTE). Excluding the State Crime Laboratory, the unrestricted budget includes \$328.7 million for all other unrestricted faculty and staff expenditures. The request is \$13.4 million more than the revised allocation and includes \$0.5 million for 3.0 new positions to support the University's transition to a new Enterprise Resource Planning system. These positions are currently temporary for the duration of the project; however, the University intends to transition them to permanent positions upon the establishment of a Workday Program Office. The request also updates benefits consistent with Budget Office planning values, step increases, and adjustments consistent with settled contract negotiations. According to the University, all union contracts are settled as of the time of the request. *The Governor's recommendation adds \$0.1 million in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Expanded Scholarship Support. The University's request changes the treatment of certain unrestricted expenses and requests \$3.3 million from general revenues to segregate these from other unrestricted resources in a proposal for new support. This funding is part of the University's priority areas identified in its 2022 through 2032 strategic plan, including increased support for the Talent Development Program,

National Guard waivers, and a Narragansett Tribal Scholarship program established in 2022. This initiative was requested in both of the last two years but was not recommended by the Governor nor adopted by the Assembly. *The Governor did not recommend funding.* **The Assembly concurred.**

Talent Development. The University invests approximately \$14.2 million annually in the Talent Development program, \$12.4 million of which is for student aid, including scholarships and direct financial aid. The FY 2027 request would use general revenues to offset \$1.3 million in operating expenses. *The Governor did not recommend funding.* **The Assembly concurred.**

National Guard. The Military Staff's budget includes \$100,000 from general revenues for its education benefits program. All National Guard service members who are pursuing an associate's, bachelor's, master's, or certification from Rhode Island College, the Community College of Rhode Island, or the University of Rhode Island are entitled to five courses per semester free of cost. Funding included in the Military Staff's budget helps defray costs; however, any expenses exceeding \$100,000 are borne by the institutions. The University waived \$2.9 million in FY 2025 and has \$3.1 million budgeted for FY 2026. The request is for the state to provide \$1.6 million from general revenues specifically to defray half this cost. *The Governor did not recommend funding.* **The Assembly concurred.**

Narragansett Tribal. The Narragansett Tribal Scholarship was created in May 2022 for undergraduate students who are citizens of the Narragansett Nation. The scholarship covers full in-state tuition and fees for up to four years for students with direct membership in the Narragansett Indian Tribal Nation. It also includes an additional \$5,000 annual grant based on full-time enrollment. The request includes \$0.4 million from general revenues to support this program. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Student Aid. The unrestricted budget includes \$159.8 million for other student aid, \$4.8 million or 3.1 percent more than the revised allocation. The funding reflects higher anticipated enrollment than the enacted budget and tuition and fees increases. Student aid can be seen as a discount on tuition, and the expenditure is directly related to tuition and fee revenue. *The Governor recommended funding as requested.* **The Assembly concurred.**

Information Technology Modernization. The request includes \$4.0 million for information technology investments to support the University's strategic plan. The proposal will modernize core administrative systems to align with the state system, address aging network infrastructure, create a uniform, consistent student experience across learning spaces, provide faculty and staff with modern computing equipment, and enhance the state's ability to support research and economic development through computational research. A similar proposal has been requested over the last two years but was neither recommended by the Governor nor approved by the Assembly. *The Governor did not recommend funding.* **The Assembly concurred.**

Debt Service. The unrestricted request includes \$40.7 million for debt service, \$2.1 million or 5.5 percent more than the revised allocation. The unrestricted budget request includes \$31.5 million in debt service payments on general obligation bonds, \$7.8 million for revenue bonds, and \$1.3 million for Certificates of Participation related to the University's energy performance contract upgrades. The Budget Office's current service adjustment adds \$1.3 million for general obligation bond debt service not reflected in the request. *The Governor recommended \$0.2 million more than FY 2026 to reflect an updated debt service schedule.* **The Assembly concurred.**

Operations. Excluding the items noted previously and the State Crime Laboratory, the unrestricted budget includes \$89.5 million for all other operating, contracted services, and capital expenditures. This is \$3.3 million, or 3.5 percent more than enacted, and \$3.3 million, or 3.8 percent more than the revised allocation, reflecting current service adjustments. This includes \$0.1 million for contracted professional services, \$0.4

million for liability insurance, \$0.5 million for program supplies, and \$0.3 million for utilities. *The Governor recommended \$12,214 less than requested.* **The Assembly concurred.**

State Crime Lab. The unrestricted budget includes \$2.4 million and 11.8 full-time equivalent positions for the State Crime Lab, which is \$0.6 million more than the revised allocation and enacted budget. The increase includes \$217,371 for personnel current service adjustments, \$15,000 for an accreditation assessment, \$55,000 for equipment maintenance agreements, \$350,000 for a new Laboratory Information Management System, and \$5,000 for increased travel and conference costs. It appears that the purchase of the new system is a one-time expense.

The constrained budget request reduces general revenues by \$0.7 million and requests that a like amount of funding be provided from an alternative source. The Crime Lab indicated that a possible alternative source of revenue would be to impose a fee on the agencies that use the laboratory services, a practice enacted in 1978 legislation but repealed in 1984. This is the same proposal that has been submitted annually for nearly a decade. *The Governor recommended \$1,167 more than the unconstrained request for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Special Programs. The unrestricted budget includes the enacted amount of \$875,000 from general revenues for three initiatives passed through the University's budget but not part of its core operations. *The Governor recommended funding as requested.* **The Assembly added \$25,000 from general revenues, bringing the total to \$150,000 for the Institute for Labor Studies and Research, and concurred with the remaining recommendation.**

Special Olympics. The unrestricted budget includes the enacted amount of \$50,000 in general revenue support to Special Olympics Rhode Island. The program provides year-round sports training and athletic competition in a variety of Olympic-type sports for individuals with intellectual disabilities, offering opportunities to develop physical fitness, demonstrate courage, experience joy, and share gifts, skills, and friendships with family members, other Special Olympics athletes, and the community. *The Governor recommended funding as requested.* **The Assembly concurred.**

Small Business Development Center. The unrestricted budget includes the enacted \$700,000 in general revenue support for the Rhode Island Small Business Development Center. The central mission is to help improve the state's economic conditions by providing a range of business assistance and training opportunities for both existing and prospective small business owners. The 2021 Assembly doubled state support for the Center from \$350,000 to \$700,000, matched by \$700,000 from federal funds to provide \$1.4 million to support small businesses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Institute for Labor Studies and Research. The unrestricted budget includes the enacted \$125,000 in general revenue support for 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 Governor recommended funding as requested.* **The Assembly added \$25,000 from general revenues, bringing the total to \$150,000.**

URI Medical School. The Special Legislative Commission to make a Comprehensive Study of Rhode Island's Healthcare Workforce related to Educating and Retaining Primary Care Physicians and Establishing a State Medical School at The University of Rhode Island released a report in January 2026. The report recommends establishing a public medical school at the University, with a focus on primary care workforce and retention, as a strategic investment in the state's healthcare workforce and long-term health outcomes.

The University indicated that it would need \$20.0 million in state operating support over three years for the initial phases. This includes \$5.0 million for FY 2027, \$7.0 million for FY 2028, and \$8.0 million for FY 2029. The University also indicated that opening a medical school would cost around \$175 million, including a \$50 million endowment, \$25 million for naming rights, and another \$25 million in fundraising. *The Governor's recommended budget did not contemplate a new medical school.* **The Assembly provided \$5.0 million for FY 2027 to support hiring a founding Dean and begin recruitment and other key planning milestones.**

Restricted Budget. The restricted budget request is \$517.2 million, \$15.1 million, or 3.0 percent, more than enacted and \$4.8 million, or 0.9 percent, more than the revised allocation. The increase to the enacted budget includes \$7.7 million more for capital expenditures funded from Rhode Island Capital Plan funds, \$4.2 million less for student aid, \$0.3 million less for debt service, and \$11.9 million more for all other operations, of which \$8.2 million is from sponsored research funds. *The Governor recommended \$1.2 million less than enacted and \$16.3 million less than requested.*

The Assembly shifted \$3.5 million from Rhode Island Capital Plan funds to later years based on updated spending plans and concurred with the remainder of the recommendation.

Student Aid. The restricted budget includes \$113.6 million for external student aid from restricted sources, including Federal Ford Students and Parent loans, Pell Grants, scholarships, and loans from the University of Rhode Island Foundation and the University of Rhode Island Alumni Association. The request is \$4.2 million, or 3.6 percent less than enacted, and \$4.0 million, or 3.4 percent less than the revised request. The University stated that this decrease is reflected in the Federal Ford Parent Loan program, as there are uncertainties around federal program changes that impose new borrowing limits and remove the Graduate PLUS program for new borrowers. *The Governor recommended funding as requested.* **The Assembly concurred.**

Debt Service. The restricted budget includes \$19.4 million for debt service, which is \$0.3 million less than enacted and reflects changes to the debt service schedule, including a delay for the Memorial Union project, which has been repeatedly delayed. This project has no confirmed start date at the time of the request. *The Governor recommended \$15,932 more than requested.* **The Assembly concurred.**

Capital. The restricted budget includes \$96.7 million for capital improvements funded from Rhode Island Capital Plan funds. It includes \$8.8 million for four new capital projects. The request is \$7.7 million more than enacted and is consistent with the capital request. *The Governor recommended \$16.3 million less than requested.*

The Assembly shifted \$3.5 million from Rhode Island Capital Plan funds for the PFAS Removal Water Treatment Plant project to later years based on updated spending plans and concurred with the remainder of the recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Operations. The restricted budget includes \$287.6 million for all other restricted expenses for auxiliary and enterprise operations. The request is \$11.9 million, or 4.3 percent more than enacted, and \$0.8 million, or 0.3 percent more than the revised allocation. This includes \$11.7 million more for salaries and benefits, \$0.3 million less for contracted services, and \$0.5 million for all other expenses.

Over the past year, the University has had more than \$40 million in federal grants terminated, resulting in research disruptions and, in some cases, the layoff of research-funded personnel, though this does not appear to be reflected in the request. *The Governor recommended \$58,669 more than requested to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rhode Island College

Rhode Island College	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 122,782,303	\$ 121,586,949	\$ 124,953,167	\$ 124,953,167
Contracted Services	4,909,589	7,020,719	19,066,635	6,891,635
Subtotal	\$ 127,691,892	\$ 128,607,668	\$ 144,019,802	\$ 131,844,802
Other State Operating	38,344,718	37,914,618	43,492,264	43,492,264
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	26,212,318	30,308,494	30,930,132	30,930,132
Capital	12,200,333	25,281,555	3,283,669	15,458,669
Capital Debt Service	11,971,849	12,006,213	10,873,038	10,873,038
Operating Transfers	-	-	-	-
Total	\$ 216,421,110	\$ 234,118,548	\$ 232,598,905	\$ 232,598,905
Sources of Funds				
General Revenue	\$ 80,448,058	\$ 81,149,411	\$ 83,682,828	\$ 83,682,828
Tuition and Fees	72,017,654	72,268,191	79,216,669	79,216,669
Other Unrestricted	4,700,856	4,619,302	4,619,302	4,619,302
Total Unrestricted	\$ 157,166,568	\$ 158,036,904	\$ 167,518,799	\$ 167,518,799
Restricted	59,254,542	76,081,644	65,080,106	65,080,106
All Sources	\$ 216,421,110	\$ 234,118,548	\$ 232,598,905	\$ 232,598,905
FTE Authorizations				
	873.2	873.2	873.2	823.2
<i>Limited to Third-Party Funds</i>	76.0	76.0	76.0	76.0
Total	949.2	949.2	949.2	899.2

Summary. Rhode Island College requested \$234.2 million from all sources and 949.2 full-time equivalent positions. This is \$17.8 million, or 8.2 percent more than the enacted budget, and \$1.5 million, or 0.6 percent more than the revised allocation. General revenues, requested at \$85.6 million, are \$5.2 million more than the enacted budget and revised allocation. Compared to the enacted budget, restricted-source expenditures are \$5.8 million higher. The staffing request is for 949.2 full-time equivalent positions, consistent with the current authorization, restricting 76.0 positions to third-party funding.

The Governor recommended \$232.6 million from all sources, which is \$16.2 million more than enacted and \$1.6 million less than requested. This includes \$83.7 million from general revenues, which is \$3.2 million more than enacted and \$1.9 million less than requested.

The Assembly enacted funding as recommended. It also authorized 899.2 full-time equivalent positions. This represents a reduction of 50.0 positions to reflect long-standing unfunded vacancies and will align the limit more closely with historical experience with filled, funded positions while maintaining flexibility for immediate needs.

Tuition and Enrollment. At its October 2025 meeting, the Council approved tuition rates as shown in the following table. This includes a 3.5 percent tuition increase, which amounts to \$354 for in-state students and \$933 for out-of-state students, and a \$60 fee increase for all students. Room and board costs remain the same as enacted.

The FY 2026 revised enrollment estimate projects in-state enrollment to increase by 5.3 percent, or 250 full-time equivalent students, and out-of-state enrollment to increase by 5.8 percent, or 39 students, for a total increase of 289 students. For FY 2027, in-state enrollment is projected to increase by 6.8 percent, or 325 full-time equivalent students, and out-of-state enrollment by 7.3 percent, or 49 full-time equivalent students, compared to the FY 2026 enacted assumptions, for a total increase of 374 students.

The College's enrollment had declined since FY 2014, when it peaked at 7,022 full-time equivalent students. This continued through FY 2023, reaching a low point of 4,809 students. FY 2024 saw a 3.3 percent increase, and FY 2025 represented the largest increase in the last 15 years, with a 9.1 percent increase.

The constrained budget includes an additional 4.0 percent increase in total tuition and fees, representing a 7.5 percent increase over the enacted budget, to generate \$1.0 million more in revenue. This reflects \$2.9 million in new revenue from the tuition increase, offset by a projected 2.5 percent decline in enrollment, resulting in a \$1.8 million loss in tuition revenue.

College Undergraduate	Change to			
Tuition and Fees	FY 2026	FY 2027	FY 2026 Enacted	
Resident				
Tuition	\$ 10,107	\$ 10,461	\$ 354	3.5%
Fees	1,602	1,662	60	3.7%
Total	\$ 11,709	\$ 12,123	\$ 414	3.5%
Nonresident				
Tuition	\$ 26,666	\$ 27,599	\$ 933	3.5%
Fees	1,602	1,662	60	3.7%
Total	\$ 28,268	\$ 29,261	\$ 993	3.5%
Average Room and Board	\$ 14,796	\$ 14,796	\$ -	0.0%
Undergraduate and Graduate Enrollment				
In-State	4,752	5,077	325	6.8%
Out-of-State	670	719	49	7.3%
Total	5,422	5,796	374	6.9%

*The Governor's budget assumes tuition and mandatory fee increases consistent with the governing bodies' approved rates, but also includes \$0.3 million more than requested from tuition and fees or other unrestricted sources, suggesting that the College will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources. **The Assembly concurred.***

Staffing. The College's request for 949.2 full-time equivalent positions is consistent with the enacted level. The request identifies a plan to fill 11.0 new positions to enhance academic support services and career and workforce readiness using vacancies within the existing cap. The request assumes that the enacted level of 76.0 of the total positions would be limited to funding from third-party sources. *The Governor recommended the enacted staffing level.*

The Assembly authorized 899.2 full-time equivalent positions. This represents a reduction of 50.0 positions to reflect long-standing unfunded vacancies and will align the limit more closely with historical experience with filled, funded positions while maintaining flexibility for immediate needs. The College has maintained an average of 185 vacancies over the past six years; during that period, the lowest number of vacancies was 77.

Unrestricted Budget. The unrestricted budget is \$169.2 million, an increase of \$12.0 million, or 7.7 percent, from the revised allocation, which is only \$26,356 below the enacted budget. Sources of funds for

the increase from the revised allocation include \$5.2 million from general revenues and \$6.9 million from tuition and fees.

The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For Rhode Island College, this produced a general revenue target of \$76.9 million, including a current service adjustment of \$1.9 million and a 7.5 percent reduction of \$5.4 million, adjusted for certain exclusions. The College's constrained budget request is \$8.7 million less from general revenues than the unconstrained request. It assumes increases in tuition and fees to generate an additional \$1.0 million in revenue, necessitating a \$7.7 million reduction in expenditures through no new programs and staff reductions.

The Governor recommended \$167.5 million in unrestricted expenditures, which is \$10.4 million more than enacted and \$1.7 million less than requested. General revenues are \$3.2 million more than enacted and \$1.9 million less than requested. The Governor recommended \$83.8 million from other unrestricted sources, which is \$0.3 million more than requested. The recommendation assumes that the College will generate more revenue than its current projection or constrain spending to avoid exceeding available resources. The Assembly concurred.

College	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ (26,356)	\$ 870,336	\$ 870,336
Enhancing Academic Support Services	1,169,908	-	-
Experiential Learning and Internships	665,334	-	-
Other Salaries and Benefits	2,524,043	2,604,250	2,604,250
Vision Services	-	-	-
Hope Scholarship	-	-	-
Foster Care Youth Scholarships	-	-	-
Other Student Aid	1,550,394	1,550,394	1,550,394
Debt Service	1,249,093	452,353	452,353
Other Operations	4,874,898	4,874,898	4,874,898
Total	\$ 12,007,314	\$ 10,352,231	\$ 10,352,231

Current Year Revisions. Historically, the analysis has begun with an adjustment for the current year. State law requires the Board of Education to review, develop, and submit the higher education budget it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they receive above appropriated amounts, such as research grants and additional tuition and fees. The Council reviews and approves each institution's allocation of all current-year resources and describes its requested budget year items in terms of changes to those current-year allocations. To ensure the analysis is conducted in terms of the items specified by the Council, staff analysis begins with the allocations.

The College requested \$26,356 less than enacted from unrestricted sources in its revised request. This includes \$55,198, or 0.1 percent more, from tuition and fees, and \$81,554, or 1.7 percent less, from other unrestricted sources. The enacted budget assumes \$1.3 million more from unrestricted sources than the College had estimated. This would have required identifying additional revenues, expenditure reductions, or both. Additional revenues from increased enrollment, turnover savings, and reduced operating expenses helped reduce the gap between expected revenues and expenditures. The revised request includes \$0.8 million less for debt service. *The Governor recommended \$0.9 million more than requested, including \$0.7 million from general revenues, almost all of which reflects an updated debt service schedule. The Assembly concurred.*

Enhancing Academic Support Services (8.0 FTE). The College requested \$1.2 million to fund 8.0 new full-time equivalent positions within its existing cap to improve academic support and retention initiatives. This would expand current efforts and include \$0.8 million for 3.0 new coordinators and 5.0 new success coach positions, and \$0.4 million for other instructional costs. With the Hope Scholarship, the College wants to ensure it has the systems and support to help students qualify for the scholarship. It proposes to do this through initial academic preparation in core subjects, including math and writing; strengthening the learning community for multilingual learners; enhancing STEM skills and supporting students; and assisting students in speaking and presenting publicly. The College requested a similar initiative for FY 2026, but it was not approved by the Governor or the Assembly.

The College's constrained request excludes all funding for this new initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Experiential Learning and Internships (3.0 FTE). The College requested \$0.7 million to fund 3.0 new full-time equivalent positions within its existing cap to improve experiential learning within the Career and Life Design Center. The request is based on recommendations from the National Association of Colleges and Employers' external review of the Career Development Center in April of 2023. The total includes \$0.5 million for the requested staff and \$0.2 million for supplies. The proposal includes increased internship and experiential learning opportunities for students, as well as more opportunities for engagement with employers. The College anticipates conducting an evaluation of the initiative in May 2027. It requested a similar initiative in FY 2026, but it was neither approved by the Governor nor by the Assembly.

The College's constrained request excludes all funding for this new initiative. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Salaries and Benefits. Unrestricted expenditures for other salaries and benefits total \$108.2 million, \$2.5 million or 2.4 percent more than the revised allocation. The increase reflects current service adjustments and funding for settled contracts. It should be noted that in October, the College announced a voluntary retirement buyout program for long-time faculty and staff. Employees would receive a one-time payment equal to 60 percent of their annual salary and must retire by June 27, 2026.

The constrained request reduces salaries and benefits by \$5.9 million from general revenues through staffing reductions equivalent to 47.0 full-time equivalent positions. *The recommendation is \$0.1 million more than the unconstrained request to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Vision Services. The unrestricted budget includes the enacted level of \$1.8 million to support the Rhode Island Vision Education and Services Program. The program, housed at the Sherlock Center on Disabilities at Rhode Island College, provides teaching and consultation services to children who are blind or visually impaired, their families, and educational staff within the school environment. Various services include early intervention, orientation and mobility, and instruction in specific compensatory skills for children from birth through age 21.

Included in the College's budget are funds from restricted sources for all costs associated with operating the Sherlock Center. The program has ten teachers, a part-time certified orientation and mobility specialist, and a part-time support staff. The program receives support from federal funds through the Department of Elementary and Secondary Education and billings to local education agencies on a fee-for-service basis. The 2023 Assembly created a new standalone appropriation in the College's budget of \$1.8 million from general revenues to support the program.

For FY 2027, the Department of Elementary and Secondary Education requests \$684,600 from general revenues to replace the federal Individuals with Disabilities Act funds it has historically used to support the program.

The Governor recommended funding as requested. He also recommended the requested general revenues in lieu of federal funds in the Department of Elementary and Secondary Education's budget. The Assembly concurred.

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner's budget. The scholarship is awarded to students in their third and fourth years and was originally limited to those graduating in 2024, 2025, and 2026. The 2024 Assembly concurred with the Governor's request to extend the program to include the last cohort entering their junior year in the fall of 2029 to allow for better program evaluation. It also modified the reporting requirements to be like those for the Promise program.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum grade requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate, and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The Office's FY 2027 request is \$6.7 million, \$1.4 million more than enacted. The November 2025 Hope Scholarship report indicates that approximately 770 juniors and seniors will be eligible for the scholarship in FY 2027, with an estimated award of \$7.1 million, which is \$0.2 million more than the requested amount. *The Governor recommended \$7.1 million, consistent with the November report. He also proposed making the program permanent; an evaluation of the pilot is due July 1, 2030. The Assembly extended the program for three years, advanced the evaluation due date to July 1, 2028, and concurred with recommended funding.*

Foster Care Youth Scholarships. The FY 2025 final budget includes \$1.0 million from State Fiscal Recovery funds for a last-dollar scholarship program for foster care youth exiting the Department's care to attend Rhode Island College. Recipients receive tuition, room and board, and/or support services, including during summer months. The College reports 24 youth are receiving support through this program. *The Governor recommended funding as enacted. The Assembly concurred.*

Other Student Aid. The unrestricted budget includes \$10.8 million for other student aid, \$1.6 million or 16.8 percent more than the revised request. The funding level reflects the increasing enrollment estimate and tuition and fee increases. Student aid can be seen as a discount on tuition, and the expenditure is directly related to tuition and fee revenue. In addition, the College anticipates losing the federal work-study and Supplemental Education Opportunity Grant program funding for FY 2027, as the President's proposed budget removes funding for the program and reduces funding for federal work-study programs by nearly \$1 billion; \$1.2 million of the increase in funding is to offset this loss. The intention is to mitigate the impacts on students who rely on these federal grant programs.

Waivers can also be seen as student aid. These are waivers, such as those granted to all Council on Postsecondary Education employees and their dependents under collective bargaining agreements with union employees and under Council policy for non-union employees. Spouses, domestic partners, and dependents have tuition waived at the baccalaureate level, while faculty and staff have unlimited eligibility. Mandatory fees are not generally waived. *The Governor recommended funding as requested. The Assembly concurred.*

Debt Service. The unrestricted budget includes \$10.7 million for debt service costs, \$1.2 million, or 13.3 percent more than the revised allocation. The unrestricted budget funds debt service payments on general obligations bonds, revenue bonds, and Certificates of Participation for the College's energy performance contract upgrades. Debt service of \$9.2 million on general obligation bonds accounts for most of the cost and is consistent with the Budget Office target. *The Governor recommended \$0.5 million more than the revised allocation, consistent with the request.* **The Assembly concurred.**

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$36.9 million for all other operations. Funding includes \$5.2 million for contracted services, \$0.3 million for information technology services, \$1.7 million for bad debt expenses, \$8.4 million for program supplies, including \$3.8 million for inclusive access books, \$2.4 million for liability insurance, \$3.9 million for utilities, and \$0.5 million for motor vehicles. This is \$4.9 million or 15.7 percent more than the revised allocation. Increases over the revised request include \$0.3 million for utilities, \$0.2 million for insurance, and \$4.2 million for program supplies.

The majority of the increase in supplies is attributable to a new Inclusive Access Books program. This new program will allow students to opt into a fee based on the number of credits they are enrolled in and the required course materials, which the College will use to purchase textbooks and digital materials for their courses at a competitive rate. For this reason, the total cost per student will vary. The College estimates expenditures of \$3.8 million for this program in FY 2027. All fees collected for the program will be used to purchase course materials for students. *The Governor recommended funding as requested.* **The Assembly concurred.**

Restricted Budget. The restricted budget request is \$65.0 million, \$5.8 million or 9.8 percent more than enacted, and \$10.6 million less than the FY 2026 revised allocation. The changes to the enacted budget include \$0.6 million more from Rhode Island Capital Plan funds for capital projects, \$0.7 million more for research and sponsored programs, \$1.7 million more for the residence halls, \$0.7 million more for the student center and dining facilities, and \$3.9 million more in student aid. *The Governor recommended \$65.1 million, which is \$5.8 million more than enacted and \$37,534 more than requested.* **The Assembly concurred.**

Student Aid. The restricted budget includes \$20.2 million for external student aid, including Pell Grants, other scholarships, and waivers. The request is \$4.7 million more than enacted and \$1.0 million less than the FY 2026 revised allocation. These changes are based on current tuition and enrollment projections, and on the anticipated loss of funding from the Supplemental Education Opportunity Grant and work-study programs under the President's proposed budget. The President's proposed budget removes funding for the program and reduces federal work-study funding by nearly \$1 billion. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital. The restricted budget includes \$12.2 million for capital improvements funded from Rhode Island Capital Plan funds. It includes \$5.8 million for the Infrastructure Modernization project and \$6.5 million for asset protection projects. This is \$0.6 million more than enacted and consistent with the College's capital budget request. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The restricted budget includes \$32.7 million for all other restricted expenses for the dining hall, student union, and residence halls, including debt service. This includes \$16.6 million for salaries and benefits, \$1.7 million for contracted services, and \$14.4 million for all other expenses. The request is \$0.5 million more than enacted, including \$1.0 million less for salaries and benefits, \$1.6 million less for debt service, and \$3.1 million for all other expenses. The reduction in debt service is a result of the last payment for Penfield Hall occurring in FY 2026.

For the past few years, revenues from dining, residence halls, and the student union have not been sufficient to support operations, and the College has relied on prior-year balances from those enterprises to cover the gap. These facilities are now projected to end FY 2026 and FY 2027 with a positive balance of \$0.1 million.

*The Governor recommended \$37,534 more than requested to reflect statewide adjustments to health and other benefit rates. **The Assembly concurred.***

Community College of Rhode Island

Community College of Rhode Island	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 110,067,808	\$ 110,929,327	\$ 114,528,101	\$ 114,528,101
Contracted Services	4,975,329	4,964,829	7,982,880	4,613,428
Subtotal	\$ 114,929,947	\$ 115,894,156	\$ 122,510,981	\$ 119,141,529
Other State Operating	21,144,191	23,161,436	28,368,815	28,368,815
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	43,124,151	45,265,606	46,759,707	46,759,707
Capital	34,077,452	21,885,730	25,124,993	24,394,012
Capital Debt Service	1,097,898	1,092,138	934,564	934,564
Operating Transfers	-	-	-	-
Total	\$ 214,486,829	\$ 207,299,066	\$ 223,699,060	\$ 219,598,627
Sources of Funds				
General Revenue	\$ 64,838,244	\$ 65,388,099	\$ 66,630,713	\$ 66,630,713
Tuition and Fees	62,827,746	63,863,730	67,060,730	67,060,730
Other Unrestricted	7,853,169	8,642,914	8,603,790	8,603,790
Total Unrestricted	\$ 135,519,159	\$ 137,894,743	\$ 142,295,233	\$ 142,295,233
Restricted	78,967,670	69,404,323	81,403,827	77,303,394
All Sources	\$ 214,486,829	\$ 207,299,066	\$ 223,699,060	\$ 219,598,627
FTE Authorizations				
	760.1	760.1	760.1	720.1
<i>Limited to Third-Party Funds</i>	89.0	89.0	89.0	89.0
Total	849.1	849.1	849.1	809.1

Summary. The Community College requested \$223.4 million from all sources and 849.1 full-time equivalent positions for FY 2027. This is \$8.9 million, or 4.2 percent, more than the enacted budget, and \$5.8 million, or 2.7 percent, more than the revised allocation. General revenues, requested at \$67.0 million, are \$2.2 million, or 3.3 percent, more than the enacted budget and \$1.8 million, or 2.8 percent, more than the revised allocation. Compared to the enacted budget, restricted-source expenditures are \$2.2 million, or 2.8 percent, higher. The staffing request is 849.1, consistent with the current authorization, restricting 89.0 positions to third-party funding.

The Governor recommended \$223.7 million from all sources, which is \$9.2 million more than enacted and \$0.3 million more than requested. The recommendation includes \$66.6 million from general revenues, which is \$1.8 million more than enacted and \$0.4 million less than requested.

The Assembly shifted \$4.1 million from Rhode Island Capital Plan funds to later years based on updated plans and concurred with the remainder of the recommendation. It also authorized 809.1 full-time equivalent positions. This represents a reduction of 40.0 positions to reflect long-standing unfunded vacancies and will align the limit more closely with historical experience with filled, funded positions while maintaining flexibility for immediate needs.

Tuition and Enrollment. The Council approved a tuition and fee increase equal to \$214 for all in-state students, or 3.6 percent, and \$598 for all out-of-state students, or 3.8 percent. For in-state students, this

includes a \$210 increase in tuition and a \$4 increase in mandatory fees. For non-residents, tuition increases by \$594, and mandatory fees increase by \$4. Enrollment is projected to decrease by 109 full-time equivalent students, or 1.4 percent, compared to the enacted budget, and to remain at the FY 2026 revised level of 7,570. The Council of Postsecondary Education approved the tuition rates in the following table at its October 2025 meeting.

The constrained budget includes an additional 2.0 percent increase to tuition, representing a 5.9 percent increase from the enacted budget to generate \$1.7 million more in revenue.

Community College Tuition and Fees	FY 2026	FY 2027	Change to FY 2026 Enacted	
Resident				
Tuition	\$ 5,374	\$ 5,584	\$ 210	3.9%
Fees	494	498	4	0.8%
Total	\$ 5,868	\$ 6,082	\$ 214	3.6%
Nonresident				
Tuition	\$ 15,206	\$ 15,800	\$ 594	3.9%
Fees	494	498	4	0.8%
Total	\$ 15,700	\$ 16,298	\$ 598	3.8%
Enrollment	7,679	7,570	(109)	-1.4%

The Governor's budget assumes tuition and mandatory fee increases consistent with the governing bodies' approved rates but also includes \$0.4 million more than requested from tuition and fees or other unrestricted sources, suggesting that the Community College will generate more revenue than current projections or constrain spending from the request in order not to exceed available resources. The Assembly concurred.

Staffing. The Community College's request for 849.1 full-time equivalent positions is consistent with the enacted level. The request assumes that 89.0 of the total positions would be limited to funding from third-party sources. *The Governor recommended staffing consistent with the enacted budget.*

The Assembly authorized 809.1 full-time equivalent positions. This represents a reduction of 40.0 positions to reflect long-standing unfunded vacancies and will align the limit more closely with historical experience with filled, funded positions while maintaining flexibility for immediate needs. The Community College has maintained an average of 100 vacancies over the past six years; during that period, the lowest number of vacancies was 69.

Unrestricted Budget. The unrestricted budget totals \$142.3 million, \$6.8 million, or 5.0 percent, more than the enacted budget, and \$4.4 million, or 3.2 percent, more than the revised allocation. Sources of funds for the increase to the revised allocations include \$1.8 million more from general revenues, \$2.6 million more from tuition and fees, and \$39,124 less from other unrestricted sources.

The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Community College, this produced a general revenue target of \$60.6 million, including current service adjustments of \$0.5 million and a 7.5 percent reduction of \$4.8 million, adjusted for certain exclusions. The Community College's constrained budget is \$4.9 million below the unconstrained request from general revenues. The Community College proposed a 5.9 percent tuition rate increase to offset the general revenue reduction in the budget target, in addition to increased turnover savings from maintaining vacancies and reducing student aid.

Community College	Changes to Enacted		
	Request	Governor	Assembly
Current Year Revisions	\$ 2,381,344	\$ 2,375,584	\$ 2,375,584
Advantage Program	-	-	-
Salaries and Benefits	3,716,272	3,736,982	3,736,982
Rhode Island Promise	-	-	-
Other Student Aid	86,995	86,995	86,995
Debt Service	(163,334)	(157,574)	(157,574)
Other Operations	734,087	734,087	734,087
Total	\$ 6,755,364	\$ 6,776,074	\$ 6,776,074

The Governor recommended \$142.3 million in unrestricted expenditures, which is \$6.8 million more than enacted and \$20,710 more than requested. General revenues are \$1.8 million more than enacted and \$0.4 million less than requested. The Governor recommended \$75.7 million from other unrestricted sources, which is \$0.4 million more than requested. The recommendation assumes that the Community College will generate more revenue than its current projection or constrain spending to avoid exceeding available resources. The Assembly concurred.

Current Year Revisions. Historically, the analysis has begun with an adjustment for the current year. State law requires the Board of Education to review, develop, and submit the higher education budget it receives from the Council on Postsecondary Education. The institutions retain the authority to use additional resources they received above appropriated amounts, such as research grants and additional tuition and fees. The Council reviews and approves each institution's allocation of all current-year resources and describes its requested budget year items in terms of changes to those current-year allocations. To ensure the analysis is conducted in terms of the items specified by the Council, staff analysis begins with the allocations.

The Community College requested \$2.4 million, or 1.8 percent more than enacted from unrestricted sources. This includes an additional \$0.3 million from general revenues. It also includes \$1.3 million, or 2.0 percent more than enacted, from prior-year tuition and fee balances, and \$0.8 million more from other unrestricted sources. The revised request includes 7,570 full-time equivalent students, 109 fewer than the enacted level.

The revised budget is based on a fall headcount of 11,649, compared with 11,777 in the enacted budget. In the enacted budget, full-time students accounted for 38.8 percent, and part-time students accounted for 61.2 percent. In the revised budget, the shift is to 37.5 percent full-time and 62.5 percent part-time, resulting in lower tuition revenue due to fewer credit hours. To offset a potential deficit, the Community College will use prior year balances from tuition and fee revenues.

The expenditure changes in the revised request include \$0.9 million more for salaries and benefits, \$33,067 less for contracted services, \$1.0 million less for student aid, and \$2.5 million more for other operating expenses. *The Governor recommended \$5,760 less than requested, including \$0.2 million more from general revenues to reflect an updated debt service schedule. The Assembly concurred.*

Advantage Program. As part of its FY 2025 request, the Community College requested \$4.0 million from general revenues for a new Advantage Program in which students in developmental education would no longer be taking credit-bearing courses. This would result in a \$3.6 million reduction in tuition and fees. The College requested an additional state appropriation of \$3.6 million to backfill the revenue loss and \$0.4 million of new money. The 2024 Assembly did not approve this funding.

In FY 2025, the Community College reported receiving an anonymous gift of \$2.0 million to cover the start-up costs of the Advantage Program. The program launched in the fall of 2024 and will have a fourth

cohort start in January 2026. The gift will fund the pilot program for two to three years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Salaries and Benefits. Unrestricted expenditures for salaries and benefits total \$108.7 million, which is \$3.7 million or 3.5 percent more than the revised allocation. The increase reflects settled contracts and other current service adjustments consistent with Budget Office planning values.

The constrained request includes \$2.3 million in savings achieved by implementing a hiring freeze to maintain vacancies. *The recommendation is \$20,710 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid, the program would cover the remaining tuition balance with general revenues. This program does not cover other non-mandatory fees. Created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade, renamed Onward We Learn, scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not reflected in the Community College’s budget request, as it is a scholarship awarded by the Office of Postsecondary Commissioner. The Office requested \$7.6 million from general revenues, \$0.3 million more than the enacted budget. The request is \$0.9 million less than projected in the November 2025 Promise report. For FY 2027, the report indicates that \$8.6 million is needed to support a projected 2,955 students. That same report suggests FY 2026 costs will be \$7.5 million for 2,724 students.

The constrained request excludes the requested increase of \$0.3 million but does not propose a statutory change that would effectuate these savings. *The Governor recommended \$8.1 million, which is \$0.7 million more than enacted but \$0.5 million less than the November report estimate based on the Budget Office’s own estimates.*

The Assembly provided \$0.1 million less based on the May Promise report. It also added \$0.2 million to cover the cost of the program’s expansion. The Assembly extended the timeframe for graduating high school seniors by one semester, provided the student enrolls immediately after graduation in a postsecondary institution and at the Community College in the first spring after high school graduation. It also allowed students to defer enrollment for up to one semester after graduating from high school, upon submitting an approved written request.

Other Student Aid. The unrestricted budget includes \$5.9 million for student aid, \$0.1 million more than the revised request, or 1.5 percent. The additional funding is consistent with the proposed increase in tuition and enrollment. Student aid can be seen as a discount to tuition, and the expenditure is directly related to tuition and fee revenue.

The constrained request includes a \$0.5 million reduction from general revenues. *The recommendation is consistent with the unconstrained request.* **The Assembly concurred.**

Debt Service. The unrestricted budget includes \$0.9 million for debt service expenditures on general obligation bonds, consistent with the Budget Office target. This is \$0.2 million less than FY 2026 based on expected costs. *The Governor recommended \$5,760 more than requested.* **The Assembly concurred.**

Other Operations. Excluding the items noted previously, the unrestricted budget includes \$26.7 million for all other expenses. Funding includes \$4.6 million for contracted services, \$0.5 million for information

technology services, \$2.9 million for utilities, \$2.2 million for liability insurance, \$1.2 million for advertising, \$0.7 million for travel, \$6.1 million for computers and software, and \$3.5 million for program supplies. This is \$0.7 million, or 2.8 percent, more than the revised allocation, mostly to reflect increased costs for computer and software maintenance agreements and information technology modernization, expected to begin in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Restricted Budget. The restricted budget request of \$81.2 million is \$2.2 million, or 2.8 percent, more than enacted and \$1.5 million, or 1.8 percent, more than the revised allocation. The increase to the enacted budget includes \$6.1 million more for restricted student aid, \$4.4 million more for bookstore expenditures, and \$5.7 million less for capital projects funded from Rhode Island Capital Plan funds. *The Governor recommended \$81.4 million, which is \$2.4 million more than enacted and \$0.3 million more than requested. The Assembly shifted \$4.1 million from Rhode Island Capital Plan funds to later years based on updated plans and concurred with the remainder of the recommendation.*

Restricted Student Aid. The restricted budget includes \$40.8 million for external aid from restricted sources, which is \$6.1 million more than enacted and \$1.4 million more than the revised request to reflect the tuition and fee increase. Pell grants account for \$36.1 million of the total funding. *The Governor recommended funding as requested. The Assembly concurred.*

Capital. The restricted budget includes \$28.1 million for capital improvements funded from Rhode Island Capital Plan funds. The request includes \$13.5 million for the Renovation and Modernization – Phase I project, \$2.2 million for the Renovation and Modernization – Phase II project, \$3.6 million for the Flanagan Campus Renewal project, \$5.3 million for the Data, Cabling, and Power Infrastructure project, \$0.1 million for accessibility improvements, and \$3.4 million for asset protection projects. This is \$5.7 million less than the enacted budget and, in error, understates the capital request for the Data, Cabling, and Power Infrastructure project by \$0.2 million. *The Governor recommended \$0.2 million more than requested.*

The Assembly shifted \$4.1 million from Rhode Island Capital Plan funds to later years based on updated plans and concurred with the remainder of the recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Operations. The restricted budget includes \$12.2 million for all other restricted expenses for auxiliary and enterprise operations. This includes \$5.8 million for salaries and benefits. The request is \$1.8 million more than enacted and \$3.7 million more than the revised allocation. It includes about \$4 million for the First Day Complete bookstore program. According to the Community College, this program allows students who register for classes to opt into a flat \$21 per-credit rate to cover all course materials. This allows the Community College to purchase course materials for students at a competitive rate. *The Governor recommended \$2,926 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Rhode Island State Council on the Arts

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,561,665	\$ 1,563,567	\$ 1,606,002	\$ 1,606,002
Contracted Services	340,363	383,974	353,974	353,974
Subtotal	\$ 1,902,028	\$ 1,947,541	\$ 1,959,976	\$ 1,959,976
Other State Operations	208,924	236,430	359,255	359,255
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,593,502	1,486,201	1,610,000	1,610,000
Capital	538,000	540,529	583,910	583,910
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,242,454	\$ 4,210,701	\$ 4,513,141	\$ 4,513,141
Sources of Funds				
General Revenue	\$ 2,414,685	\$ 2,416,128	\$ 2,610,565	\$ 2,610,565
Federal Aid	1,022,711	1,093,573	1,160,576	1,160,576
Restricted Receipts	115,058	-	-	-
Other	690,000	701,000	742,000	742,000
Total	\$ 4,242,454	\$ 4,210,701	\$ 4,513,141	\$ 4,513,141
FTE Authorization	10.0	10.0	10.0	10.0

Summary. The Rhode Island State Council on the Arts requested \$4.4 million from all sources, which is \$154,154 more than enacted, including \$212,033 more from general revenues, \$120,237 more from federal funds, \$230,116 less from restricted receipts, and \$52,000 more from operating transfers from other funds. The Council's request mistakenly included a negative value of \$115,058 from restricted receipts; it intended to request no funding from restricted receipts. Adjusted for this, the request is \$269,212 more than enacted. It requested 11.0 full-time equivalent positions, 1.0 more than enacted. *The Governor recommended the authorized level of 10.0 positions, corrected the restricted receipts error, and included \$16,153 less from general revenues and \$17,628 more in federal funds.* **The Assembly concurred.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Rhode Island State Council on the Arts, this resulted in a general revenue target of \$2.3 million, comprising a current service adjustment of \$29,336 and a 7.5 percent reduction of \$174,361, after accounting for certain exclusions. The constrained budget submitted by the Council is consistent with the Budget Office target. The proposals to achieve those reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$358,533 above the target.* **The Assembly concurred.**

Indirect Cost Recovery. The Council requested the restoration of \$115,058 from general revenues to support agency operations in lieu of indirect cost recovery restricted receipts. The FY 2026 enacted budget included general revenue savings of \$115,058 to be achieved from applying a 15.0 percent indirect cost recovery on federal grants received by the Council. The Council reported that it was informed by the National Endowment for the Arts that the state was prohibited from recovering indirect costs because the

Council already charges operational and administrative expenses in its annual partnership agreement, which exceeds the 15.0 percent indirect cost recovery limit.

The Council intended to remove restricted receipts but mistakenly included a negative value. The Council's FY 2027 constrained budget would maintain the restricted receipts funding; however, it appears that would not be allowed by the National Endowment for the Arts. *The Governor recommended the requested funding and corrected the error in the request. The Assembly concurred.*

Grants. The Council supports a wide range of grants funded by various sources. Its FY 2027 request totals \$1.6 million, including \$1.2 million from general revenues and \$0.4 million from federal funds. The request is \$1,099 less than enacted, including \$50,000 more from general revenues and \$51,099 less from federal funds.

For FY 2025, the Council provided four types of grants totaling \$1.8 million from all sources, including a \$400,000 designated grant for WaterFire Providence identified in Article 1 of 2025-H 5076, Substitute A, as amended. The 2016 Assembly ended the community service grant program and authorized that appropriation in place of the prior funding, as well as \$200,000 for the Council's competitive pool grants. The Council's annual grant support also includes \$0.6 million from general revenues and typically \$0.4 million to \$0.5 million in federal National Endowment for the Arts support, over which it has wide discretion to distribute. The Council's FY 2027 budget request includes a tenth new grant, the Arts and Health Incubator Grant, funded by general revenues. The table below shows grant support to the Council from FY 2023. *The Governor recommended \$23,297 more than requested from National Endowment for the Arts funds. The Assembly concurred.*

Fund Source	Grant Pool	FY 2023	FY 2024	FY 2025	FY 2026 Enacted	FY 2027 Governor	FY 2027 Enacted
General Revenue	Discretionary	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000
	Competitive Pool	200,000	200,000	200,000	200,000	200,000	200,000
	WaterFire Providence	375,000	400,000	400,000	400,000	400,000	400,000
	Arts & Health Incubator Grant	-	-	-	-	50,000	50,000
Subtotal		\$ 1,165,000	\$ 1,190,000	\$ 1,190,000	\$ 1,190,000	\$ 1,240,000	\$ 1,240,000
Federal Funds	National Endowment for the Arts	\$ 936,599	\$ 576,006	\$ 576,006	\$ 403,502	\$ 375,700	\$ 375,700
Restricted Receipts	Expansion Arts	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
	Governor's Portrait	45,000	-	-	-	-	-
Total Grant Funding		\$ 2,151,599	\$ 1,771,006	\$ 1,766,006	\$ 1,593,502	\$ 1,615,700	\$ 1,615,700

Arts and Health Incubator Grant. The Council requested \$50,000 from general revenues for a new Arts and Health Incubator Grant program to support emerging, innovative approaches to improving individual and community health in the state through art-driven strategies. The one-time funding, open to both artists and nonprofit organizations, would complement funding it receives from the National Endowment for the Arts, specifically for arts, health, and wellness initiatives.

The constrained budget excludes this funding. *The Governor recommended the requested funding. The Assembly concurred.*

Other Discretionary Grants. The Council requested the enacted amount of \$590,000 from general revenues for discretionary grants to various education, individual artists, and arts organizational programs. The discretionary grant pool supports nine grant programs as of FY 2026, and in some cases is the sole source of state support. It should be noted that these funds contribute to the federal National Endowment for the Arts grant state cost-sharing requirement. The Council administers several discretionary grant programs, which are awarded through application processes and funded by federal funds, general revenues,

or restricted receipts. Although each grant program has a different timeframe, the application and award processes for each follow a similar pattern. *The Governor recommended the requested funding. The Assembly concurred.*

Other State Grants. Consistent with the enacted budget, the Council requested \$0.2 million from general revenues for its remaining state-supported grant programs, which are awarded through a competitive pool. These grants fund the Council's regular education and access initiatives, including the Big Yellow School Bus Program and Project Grants in Education. The 2016 Assembly ended the community service grant program and provided these appropriations in place of prior funding. *The Governor recommended the requested funding. The Assembly concurred.*

Providence WaterFire. Consistent with the enacted budget, the Council requested \$400,000 from general revenues to support Providence WaterFire. The 2016 Assembly ended the community service grant program and provided these appropriations in place of prior funding. The 2023 Assembly increased annual funding from \$375,000 to \$400,000.

The constrained request includes \$192,000 less. *The Governor recommended the enacted level of funding. The Assembly concurred.*

National Endowment for the Arts Grants. The Council requested \$352,403 from federal National Endowment for the Arts funds, \$51,099 less than enacted, for grants to individuals and organizations to support the arts and encourage artists to continue making the arts visible in the community. Funding is currently used to fund project grants in education and for organizations, often in conjunction with state funding sources. The reduction includes changes consistent with the revised budget request and allocates \$23,297 of grant funds to support a newly requested staff position in lieu of contracted professional services, discussed below.

The constrained budget restores \$23,297 requested for a new arts program specialist to grants. *The Governor recommended the funding allocation in the constrained budget. The Assembly concurred.*

Grants Management (1.0 FTE). The request includes \$220,271 from federal funds for grant management expenses, \$32,908 more than enacted. It includes \$132,672 and authorization for 1.0 new full-time equivalent position for an arts program specialist. This increase is partially offset by eliminating the \$109,375 currently used to pay for two part-time temporary employees. The request would also reduce the Council's grants budget by \$23,297 to fund the remainder of this position. The remaining \$87,599 covers professional service fees for panelists and funds temporary staffing for the Council's arts and health programming.

The Council noted that grant management work is becoming increasingly burdensome, diverting time away from program development, grant evaluations, and community outreach. The new position would be responsible for providing continuity and expertise in grants administration, maintaining the Council's capacity to manage increasing federal resources, and advancing priorities outlined in the Rhode Island 2030 Plan by leveraging arts and health as a community well-being strategy.

The constrained request excludes the position and shifts funding back to contracted services and grants. *The Governor did not recommend the requested funding. The Assembly concurred.*

Film Office. The Council requested \$0.5 million from general revenues to support 3.0 full-time equivalent positions and operations of the Rhode Island Film and Television Office. This includes \$24,475 for operations in addition to staffing costs. The request is \$12,787 more than enacted to reflect current service adjustments. The film office is fully staffed. *The Governor recommended \$1,308 above the request, reflecting statewide adjustments to health and other benefit rates. The Assembly concurred.*

Percent for Art Program. The Council requested \$0.7 million for the Percent for Art program for public art projects at state-owned facilities. The request is \$52,000 more than enacted to reflect planned projects. The revised request includes a smaller adjustment. There are 13 ongoing projects, two of which are new, and six planned future projects. *The Governor recommended the requested funding.* **The Assembly concurred.**

Other Staffing and Operations. The Council requested \$1.3 million from all sources for all other staffing and operations. This is \$172,616 more than enacted, including \$34,188 from general revenues. The request includes \$1.1 million to support the Council's other 7.0 full-time equivalent positions, all of which are filled, and includes \$45,023 of current service adjustments. The request also includes \$0.2 million for other expenses, with \$100,793 allocated to information technology. The increase includes the restoration of \$0.1 million from federal funds for operations from not charging indirect cost recovery, as noted previously.

The Governor recommended \$9,778 above the requested amount, mostly reflecting statewide adjustments to health and other benefit rates and to centralized services, including a new charge for accounts and control expenses and reductions in information technology billings based on updated data. **The Assembly concurred.**

Rhode Island Atomic Energy Commission

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 1,399,109	\$ 1,364,011	\$ 1,395,111	\$ 1,395,111
Contracted Services	-	-	50,000	-
Subtotal	\$ 1,399,109	\$ 1,364,011	\$ 1,445,111	\$ 1,395,111
Other State Operations	237,350	243,264	253,711	253,711
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	7,936	-	-
Capital	78,036	96,002	28,036	78,036
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,714,495	\$ 1,711,213	\$ 1,726,858	\$ 1,726,858
Sources of Funds				
General Revenue	\$ 1,278,282	\$ 1,282,191	\$ 1,316,004	\$ 1,316,004
Federal Aid	-	7,936	-	-
Restricted Receipts	25,036	35,036	25,036	25,036
Other	411,177	386,050	385,818	385,818
Total	\$ 1,714,495	\$ 1,711,213	\$ 1,726,858	\$ 1,726,858
FTE Authorization	8.6	8.6	8.6	8.6

Summary. The Rhode Island Atomic Energy Commission requested \$1.7 million from all sources, including \$1.3 million from general revenues, \$0.3 million from University of Rhode Island sponsored research funds, \$50,000 from Rhode Island Capital Plan funds, and \$25,036 from restricted receipts. This is \$3,413 more than enacted, including \$24,022 more from general revenues and \$20,609 less from University funds. The Commission requested 8.6 full-time equivalent positions, consistent with the current authorized level. *The Governor recommended \$1.7 million, which is \$12,363 more than enacted and \$8,950 more than requested. General revenues are \$37,722 more than enacted and \$13,700 more than requested. The Assembly concurred.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this resulted in a general revenue target of \$1.2 million, including a current service adjustment of \$24,022 and a 7.5 percent target reduction, adjusted for certain exclusions, of \$95,158. The constrained budget submitted by the agency is consistent with the target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$0.1 million more than the target. The Assembly concurred.*

Salaries and Benefits. The Commission requested \$1.4 million to fully fund its 8.6 full-time equivalent positions. This is \$6,076 less than enacted, including \$22,163 more from general revenues and \$28,239 less from University research funds. The use of University funds for staffing is governed by a contract, and the FY 2027 request adjusts for an overstatement of University funds in the enacted budget.

The constrained request includes a proposal to reduce personnel by 1.0 full-time equivalent position, which would provide \$0.1 million in savings. *Compared to the unconstrained request, the Governor added \$2,078, including \$1,828 from general revenues, almost all of which reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Reactor Fees Restricted Receipt Account. Consistent with the enacted budget, the Commission requested \$25,036 from restricted receipts for repairs to nuclear instrumentation. Historically, the Commission has funded instrumentation repairs through grants that do not always cover the full cost. The 2018 Assembly created a restricted receipt account for reactor fee revenues for equipment maintenance expenses. The Commission has not typically spent the full appropriation, which it notes is intentional, as the fund is meant to be available when repair grants do not cover the full cost. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Commission requested \$50,000 from Rhode Island Capital Plan funds for capital asset protection projects, consistent with the enacted amount. *The Governor recommended funding as requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Commission requested \$152,534 from general revenues and \$97,305 from University funds for other operations. This includes \$20,536 for centralized information technology services provided by the Department of Administration. The request is \$9,489 more than enacted, including \$1,859 from general revenues and \$7,630 from University funds. These changes primarily reflect increased costs for program supplies and property, casualty, and liability insurance. *The Governor recommended \$6,872 more than requested, including \$11,872 more from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Historical Preservation and Heritage Commission

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 2,493,072	\$ 2,275,184	\$ 2,532,067	\$ 2,291,072
Contracted Services	6,825	6,825	7,525	7,525
Subtotal	\$ 2,499,897	\$ 2,282,009	\$ 2,539,592	\$ 2,298,597
Other State Operations	345,354	391,124	452,099	452,099
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	593,380	593,380	645,000	645,000
Capital	10,000	60,000	15,000	15,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,448,631	\$ 3,326,513	\$ 3,651,691	\$ 3,410,696
Sources of Funds				
General Revenue	\$ 1,969,751	\$ 1,817,033	\$ 2,097,428	\$ 1,856,433
Federal Aid	822,451	807,253	893,987	893,987
Restricted Receipts	511,827	511,827	511,827	511,827
Other	144,602	190,400	148,449	148,449
Total	\$ 3,448,631	\$ 3,326,513	\$ 3,651,691	\$ 3,410,696
FTE Authorization	15.6	15.6	15.6	14.0

Summary. The Historical Preservation and Heritage Commission requested \$3.6 million, which is \$0.2 million more than enacted from all sources, including \$0.9 million more from general revenues, \$0.7 million less from federal funds, and \$3,678 more from Department of Transportation reimbursements. The request includes the authorized level of 15.6 full-time equivalent positions. *The Governor recommended \$3,746 more than requested, including \$0.8 million less from general revenues and \$0.8 million more from federal funds.* **The enacted budget is \$240,995 less than recommended, reflecting the elimination of 1.6 long vacant positions.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Commission, this produced a general revenue target of \$1.9 million, including a current service adjustment of \$40,483 and a 7.5 percent reduction of \$135,617, adjusted for certain exclusions. The constrained budget submitted by the Commission is \$101,081 higher than the Budget Office target. The proposals to achieve the reductions are noted below, where appropriate. *The Governor's recommendation is \$222,811 above the target.* **The enacted budget is \$18,184 below the target.**

Federal Funds. The FY 2026 enacted budget includes \$0.8 million from federal funds. The Commission receives an annual apportionment of funds from the National Park Service through the Historic Preservation Fund; 10.0 percent is passed through to Rhode Island's Certified Local Governments for preservation planning projects, as required. The request includes the enacted amount of \$7,925 for operating supplies and expenses, mostly for computer and software supplies, as well as \$115,000 in Certified Local Government grant awards, \$23,380 less than enacted. The Commission reported conflicting budget

proposals for federal FY 2026 at the time of its own budget submission, making the status of its federal funds unknown until the federal FY 2026 budget passes. Given the uncertainty about federal funding, the Commission proposed shifting \$0.7 million in staffing costs to general revenues in the FY 2027 budget.

The constrained request would restore federal funds. It includes \$0.9 million from federal funds, \$54,072 more than enacted, and \$0.7 million more than the unconstrained request. *The Governor recommended \$0.8 million more than requested, and \$71,536 more than enacted, including \$23,923 more for salaries and benefits and \$51,620 more for grants. This reflects updated information with the passage of the federal budget in January 2026. The Assembly concurred.*

Department of Transportation Project Review. The Commission requested \$148,280 in reimbursements from the Department of Transportation for personnel and operating expenditures related to project review, which is \$3,678 more than enacted. Reimbursements are used to fund one full-time position and \$1,200 for associated operating costs. The position has been vacant since August 2024, though the Commission expects to fill it before the end of the calendar year. *The Governor recommended \$169 more than requested, reflecting statewide adjustments to health and other benefit rates. The Assembly concurred.*

Other Salaries and Benefits. The Commission requested \$2.5 million entirely from general revenues for all other salaries and benefits. The request is \$0.1 million more than enacted and includes \$0.8 million more from general revenues and \$0.7 million less from federal funds. The Commission reported conflicting budget proposals at the federal level that suggested uncertainty in funds for federal FY 2026. The request includes current service adjustments and restores turnover savings equal to about half of a position. As of mid-November 2025, the Commission had 3.6 vacancies and reported that it was actively hiring to fill all positions.

The Commission's constrained request reverses the shift of staffing costs from federal funds to general revenues. *The Governor recommended \$0.1 million less than requested, including additional turnover savings and \$5,231 in statewide adjustments to health and other benefit rates. The Assembly eliminated 1.6 persistently vacant positions and corresponding expenditures of \$240,995 from general revenues.*

Survey and Planning. The Commission requested \$0.2 million in funding from all sources for certified local grants dedicated to historic preservation activities, such as surveys, preservation plans, National Register nominations, architectural plans, historic structures reports, and engineering studies needed to restore or repair properties listed on the National Register of Historic Places. The request is \$51,620 more than enacted and shifts \$75,000 of expenses currently funded from U.S. National Park Service funds to general revenues, given increased uncertainty about the status of its federal funds until the federal FY 2026 budget passes.

The constrained request does not shift spending from federal funds to general revenues. *The Governor recommended \$0.2 million, consistent with the request, but did not shift spending from federal funds to general revenues. The Assembly concurred.*

Fort Adams Trust. Consistent with the enacted budget, the Commission requested \$30,000 from general revenues to support the restoration efforts of Fort Adams Trust. Fort Adams Trust is a nonprofit that protects historic places and public spaces in Narragansett Bay and Newport, most notably Fort Adams, a former U.S. Army post established in 1799. Article 1 of the FY 2026 enacted budget includes language enumerating this funding. *The Governor recommended funding as requested. The Assembly concurred.*

Slave History Medallion Grant. Consistent with the enacted budget, the Commission requested \$25,000 from general revenues for the Slave History Medallion organization in Newport to raise public awareness for sites connected to the history of slavery. It marks homes and other locations to commemorate the lives of enslaved peoples and encourage community dialogue. Article 1 of the FY 2026 enacted budget includes

language enumerating this funding. *The Governor recommended funding as requested. The Assembly concurred.*

Revolving Historic Preservation Loan Fund. Consistent with the enacted budget, the Commission requested \$411,500 from restricted receipts to issue loans through the Revolving Historic Preservation Loan Fund. Funds to preserve properties listed on the State Register of Historic Places provide low-interest loans of up to \$200,000 to public, nonprofit, and private owners, as well as municipalities. No new loans have been issued since FY 2017. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Commission requested \$0.4 million from all sources for all other expenses, including lease, grants management, and information technology. The request is \$11,350 more than enacted from general revenues, including \$5,000 for one-time office expenses anticipated once the renovations are complete, \$2,500 for software subscriptions, \$2,000 for equipment and property rentals, and an additional \$1,000 for travel expenses.

The Governor recommended \$101,095 more than requested, mostly reflecting statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other charges based on updated data. Some of the updated data reflects increased costs with reoccupying the office. The Assembly concurred.

Office of the Attorney General

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Criminal	\$ 28,647,621	\$ 28,931,915	\$ 29,064,894	\$ 29,064,894
Civil	12,125,944	11,344,005	11,744,237	11,744,237
Bureau of Criminal Identification	3,834,787	4,439,054	3,908,220	3,908,220
General	7,879,455	5,686,333	7,129,584	8,654,584
Total	\$ 52,487,807	\$ 50,401,307	\$ 51,846,935	\$ 53,371,935
Expenditures by Category				
Salaries and Benefits	\$ 39,643,874	\$ 39,397,805	\$ 40,497,348	\$ 40,497,348
Contracted Services	3,499,087	3,618,790	4,569,896	3,419,896
Subtotal	\$ 43,142,961	\$ 43,016,595	\$ 45,067,244	\$ 43,917,244
Other State Operations	5,787,508	5,730,090	6,226,893	6,226,893
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	215,000	215,000	220,000	220,000
Capital	3,342,338	1,439,622	332,798	3,007,798
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 52,487,807	\$ 50,401,307	\$ 51,846,935	\$ 53,371,935
Sources of Funds				
General Revenue	\$ 38,244,427	\$ 38,389,891	\$ 39,369,297	\$ 39,369,297
Federal Aid	3,568,559	3,348,549	3,221,855	3,221,855
Restricted Receipts	8,149,821	8,662,867	8,105,783	8,105,783
Other	2,525,000	-	1,150,000	2,675,000
Total	\$ 52,487,807	\$ 50,401,307	\$ 51,846,935	\$ 53,371,935
FTE Authorization	268.1	268.1	268.1	268.1

Summary. The Office of the Attorney General requested \$53.9 million from all sources, including \$40.0 million from general revenues. This is \$1.4 million more than enacted, including \$1.8 million more from general revenues, \$0.3 million less from federal funds, and \$0.1 million less from restricted receipts. The request maintains the authorized 268.1 full-time equivalent positions. *The Governor recommended \$2.0 million less than requested, including \$0.7 million less from general revenues. The general revenue increase is \$1.1 million more than enacted and represents the current service estimates updated for statewide adjustments. The Assembly provided \$1.5 million more from Rhode Island Capital Plan funds to reflect updated project timelines.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Attorney General, this produced a general revenue target of \$36.2 million, including current service adjustments of \$0.8 million and a 7.5 percent target reduction of \$2.9 million, adjusted for certain exclusions. The Office did not submit a constrained request. *The Governor's recommendation is \$3.2 million above the target. The Assembly concurred.*

Staffing. The FY 2024 enacted budget added 15.0 positions paid for by a restricted receipt account created with \$10.0 million in attorney's fees from an opioid settlement in FY 2023. The Assembly also authorized the account to receive 20.0 percent of future attorney fees collected through non-multistate initiatives. The account received an additional \$3.0 million in FY 2024 and is projected to receive \$3.5 million in FY 2025. The FY 2026 request anticipates an opening balance of \$11.0 million.

The 2025 Assembly authorized 268.1 full-time equivalent positions for FY 2026, which included 4.0 new positions within the Civil Division based on a request from the Attorney General. As of the budget submission, the positions are vacant. Consistent with its revised request, the FY 2027 request has revisions to staffing among divisions compared to the enacted budget assumptions. The request shifts five positions from the Civil Division, with two of those positions allocated to the General Division and three positions allocated to the Criminal Division. The Office appears to be shifting the additional authorizations for new positions to other divisions. *The Governor recommended staffing consistent with the request. The Assembly concurred.*

Program	FY 2026 Enacted	FY 2026 Rev. Req.	Chg. to Enacted	FY 2027 Request	Chg. to Revised
Criminal	160.1	163.1	3.0	163.1	-
Civil	62.0	57.0	(5.0)	57.0	-
BCI	19.0	19.0	-	19.0	-
General	27.0	29.0	2.0	29.0	-
Total	268.1	268.1	-	268.1	-

Healthcare Litigation - Restricted Receipts. The Office requested the enacted amount of \$1.0 million from restricted receipts for potential costs associated with subject matter healthcare experts. The Office must review and approve proposed hospital conversions pursuant to Rhode Island General Laws, Section 23-17.14-5. The Attorney General and Department of Health deemed the Centurion Foundation application to purchase Roger Williams Hospital and Our Lady of Fatima Hospital from Prospect Medical holdings complete on December 14, 2023. The sale was approved with conditions in June 2024 and amended in November 2024. The sale was anticipated to close in January 2025, but it remains open as of November 2025. The restricted receipts are available from an account established to hold a portion of attorney's fees recovered from non-multistate initiatives. *The Governor recommended funding as requested. The Assembly concurred. It also enacted legislation in February 2026 to provide \$18.0 million to support the Foundation's acquisition of the hospitals through a debt service reserve fund. The sale was completed in March 2026.*

Staffing - Criminal Division. The Office requested \$24.9 million from all sources for salaries and benefits to support 163.1 authorized full-time equivalent positions in its Criminal Division. This is \$1.6 million more than enacted, most of which is from general revenues. The Division is responsible for investigating, prosecuting, and trying felony cases and misdemeanor appeals from the district courts. The request includes \$0.6 million for current service adjustments, \$0.5 million for three positions shifted from the Civil Division, and the remainder restores turnover savings equivalent to about three full-time equivalent positions. Through mid-November, the program has averaged 159.7 positions filled. *The Governor recommended \$0.7 million more than enacted but \$0.9 million less than requested, primarily from general revenues. This includes \$48,360 more for statewide adjustments to health and other benefit rates and does not provide funding beyond current services. The Assembly concurred.*

Staffing - Civil Division. The Office requested \$8.9 million from all sources for salaries and benefits to support 62.0 authorized full-time equivalent positions in its Civil Division. This is \$309,169 less than enacted, including \$629,453 less from general revenues, \$27,384 more from federal funds, and \$292,900 more from restricted receipts. The request includes about \$0.6 million less to reflect shifting five full-time equivalent positions from the Division to the Criminal and General Divisions and adds \$0.3 million for

current service adjustments. The Civil Division represents the state in non-criminal legal proceedings and in all state courts. Through the November 15 pay period, the program has averaged 53.3 positions filled, or 8.8 full-time equivalent positions less than authorized. The request assumes turnover savings equivalent to about 3.5 full-time equivalent positions, consistent with enacted assumptions. The 2025 Assembly authorized 4.0 new positions for the Civil Division, supported by non-multistate initiative funds. The Office intends to use these positions for current federal litigation. *The Governor recommended \$18,858 more than requested from all sources, including \$12,813 from general revenues. This primarily reflects statewide adjustments to health and other benefit rates. The Assembly concurred.*

Staffing - Bureau of Criminal Identification. The Office requested \$2.3 million from general revenues for salaries and benefits to support the 19.0 authorized full-time equivalent positions in its Bureau of Criminal Identification. This is \$0.1 million more than enacted for current service adjustments. The Bureau stores information such as criminal history records, fingerprints, and warrants, and processes requests for records from law enforcement agencies. The request assumes turnover savings equivalent to 0.2 full-time equivalent positions, consistent with the enacted budget. *The Governor recommended \$3,888 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Other Salaries and Benefits. The Office requested \$5.2 million from general revenues for all other salaries and benefits for 29.0 full-time equivalent positions. The General program provides administrative support to the other divisions and consists of the Executive, Fiscal, Personnel, Operations, Public Information, Community Engagement, and Policy and Legislation units. The request is \$0.3 million more than the enacted budget and reflects current service adjustments and 2.0 positions shifted from the Civil Division. The enacted budget funded nearly all positions. Through mid-November, the program has averaged 28.7 filled positions. *The Governor recommended \$10,205 more than requested, almost all of which reflects statewide adjustments to health and other benefit rates. The Assembly concurred.*

Complex Litigation. The Office requested \$0.8 million from all sources to support complex litigation cases that often require expert witnesses and additional legal services. This is \$0.2 million more than enacted from general revenues and is essentially consistent with the revised request. The Office reported that it is experiencing an increase in mental capacity defenses in its criminal cases, which require medical experts to assess the validity of the claims. *The Governor recommended funding as requested. The Assembly concurred.*

Technology. The Office requested \$1.2 million from all sources for technology expenses, including \$0.8 million from general revenues and \$0.5 million from restricted receipts. This is \$32,218 more than enacted, including \$12,218 more from general revenues and \$20,000 more from restricted receipts. Spending is for general software upgrades and support services, cybersecurity, and replacing older computers. Restricted receipt increases include \$20,000 more from the Forfeiture of Property Funds for additional unidentified software costs, consistent with the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Fingerprint Checks. The Office requested \$1.7 million from all sources, including \$1.3 million from restricted receipts and \$0.4 million from federal equitable sharing funds to support the automated fingerprint identification system. This is \$15,282 more than enacted and \$0.6 million less than the revised request, reflecting the completion of a project to update the hardware and software of the system. Traditionally, restricted receipts are specifically used to fund the operation of the national background check system. The Office has previously maintained a balance, which it indicated was necessary to plan for maintenance and upgrades to the system. The request maintains \$0.4 million of available federal equitable sharing funds. The Office also requested that the enacted level of fees be paid to the Federal Bureau of Investigation to run the background checks. *The Governor recommended funding as requested. The Assembly concurred.*

Body-Worn Camera Software. The Office requested \$0.3 million in new expenses from general revenues for body-worn camera software. The Office stated that additional general revenues are needed for software to maintain body-worn camera footage. Funding for new body-worn camera software was unsuccessfully requested in the FY 2026 budget request. The Office also included \$0.3 million in its revised request for this. *The Governor recommended funding as requested.* **The Assembly concurred.**

Equitable Sharing - Forfeitures. The Office requested \$0.8 million, or \$0.1 million less than enacted, from its share of federal Equitable Sharing funds for uses other than capital projects and the fingerprint system. The funds are used to support basic office functions, including utilities, maintenance, and some technology purchases. The request primarily includes \$46,000 less for data backup services and \$51,200 less for maintenance costs to reflect historical spending. *The Governor concurred.* **The Assembly concurred.**

Consumer Education. The Office requested \$0.6 million, or \$0.1 million less than enacted, from National Association of Attorneys General consumer education restricted receipts. This is mostly consistent with the revised request. It primarily uses these funds to protect consumers against scams and for specialized consultants for more complicated cases. The balance of the account at the end of FY 2025 was \$2.4 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Automatic Expungement. The 2022 Assembly enacted legislation providing for the automatic expungement of prior marijuana-related possession offenses. Spending began in FY 2024, and the Office expects the project to be completed in FY 2026. The Office requested \$25,225 from restricted receipts, which is \$386,000 less than enacted, for information technology costs for the expungement of marijuana cases associated with the contractors manually reviewing and processing expungements sent from the courts that could not be done automatically. The Office maintains some funding for FY 2027 in case unexpected changes occur. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Office requested \$2.7 million for capital projects, including \$2.5 million from Rhode Island Capital Plan funds for asset protection work and \$0.2 million from federal Equitable Sharing funds for building maintenance projects. This is \$0.2 million less than enacted but is inconsistent with the capital budget request, which includes \$1.4 million more from Rhode Island Capital Plan funds. Department staff stated the capital request should prevail. *The Governor recommended \$1.4 million less than requested from Rhode Island Capital Plan funds, consistent with the Office's capital budget request.* **The Assembly added \$1.5 million from Rhode Island Capital Plan funds to reflect updated timelines. A detailed description of these projects is included in the Capital Budget section of this publication.**

Other Operations. The Office requested \$3.3 million from all sources, including \$2.4 million from general revenues, \$0.4 million from federal funds, and \$0.6 million from restricted receipts for all other expenses. This is \$168,394 less than enacted, including \$81,641 less from general revenues, \$89,253 less from federal funds, and \$2,500 more from restricted receipts.

The request includes \$0.1 million less from general revenues for building repairs based on FY 2025 experience. Other expenses include \$0.6 million for dues and subscriptions, \$0.4 million for building repairs and maintenance, and \$0.3 million for parking costs. From general revenues, the Office requested \$0.2 million for centralized information technology costs and \$0.1 million for records management costs. The Office requested \$32,000 less than enacted from federal Victim Liaison Grant funds and \$64,547 less from federal National Criminal History Improvement Plan funds, reflecting the ending of the grant in FY 2026. It includes \$0.3 million from multi-state initiative restricted receipts for dues and fees for ongoing initiatives that may affect Rhode Islanders and \$0.3 million from Forfeiture of Property restricted receipts, primarily for maintenance and training. *The Governor recommended \$246,188 more than requested from general revenues to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Department of Corrections

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 24,875,748	\$ 25,818,871	\$ 27,233,892	\$ 26,874,592
Parole Board	1,673,257	1,612,102	1,668,186	1,668,186
Custody and Security	211,451,012	193,689,230	195,038,745	208,162,464
Institutional Support	51,556,927	51,600,924	45,660,059	45,660,059
Institutional Based Rehab/Pop	16,713,357	16,829,621	16,776,207	16,776,207
Healthcare Services	37,051,880	40,176,007	40,978,629	40,978,629
Community Corrections	23,029,277	22,760,014	23,320,160	23,291,711
Total	\$ 366,351,458	\$ 352,486,769	\$ 350,675,878	\$ 363,411,848
Expenditures by Category				
Salaries and Benefits	\$ 253,079,582	\$ 254,818,749	\$ 262,366,863	\$ 262,049,220
Contracted Services	18,775,887	19,821,582	31,308,300	19,632,019
Subtotal	\$ 271,855,469	\$ 274,640,331	\$ 293,675,163	\$ 281,681,239
Other State Operations	52,426,856	54,252,797	52,956,396	52,886,290
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,170,525	2,166,031	2,146,373	2,146,373
Capital	39,898,608	21,427,610	1,897,946	26,697,946
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 366,351,458	\$ 352,486,769	\$ 350,675,878	\$ 363,411,848
Sources of Funds				
General Revenue	\$ 324,014,603	\$ 329,496,750	\$ 335,029,054	\$ 334,641,305
Federal Aid	1,758,102	2,575,391	2,717,452	1,517,452
Restricted Receipts	1,303,091	1,495,866	1,253,091	1,253,091
Other	39,275,662	18,918,762	11,676,281	26,000,000
Total	\$ 366,351,458	\$ 352,486,769	\$ 350,675,878	\$ 363,411,848
FTE Authorization	1,461.0	1,461.0	1,461.0	1,411.0
Prison Population	2,536	2,375	2,455	2,455

Summary. The Department of Corrections requested \$367.2 million from all sources, including \$344.2 million from general revenues. This is \$0.9 million more than enacted, including \$20.2 million more from general revenues, \$0.9 million more from federal funds, \$0.1 million less from restricted receipts, and \$20.2 million less from Rhode Island Capital Plan funds. The Department requested staffing of 1,501.0 full-time equivalent positions, 40.0 positions more than enacted. The request is based on a population of 2,455, which is 81 fewer than assumed in the enacted budget and more than the revised request.

The Governor recommended \$350.7 million from all sources, including \$335.0 million from general revenues. This is \$16.5 million less than requested, including \$9.1 million from general revenues and \$7.4 million from Rhode Island Capital Plan funds, and contains the authorized level of 1,461.0 positions.

The Assembly provided \$12.7 million more than recommended, including \$0.4 million less from general revenues, \$1.2 million less from federal funds, and \$14.3 million more from Rhode Island Capital Plan funds. It also provided 1,411.0 positions, 50.0 positions fewer than enacted or recommended, reflecting the removal of long-standing vacancies.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department, this produced a general revenue target of \$308.1 million, including a current service increase of \$6.8 million and a 7.5 percent target reduction of \$22.7 million, adjusted for certain exclusions. The Budget Office subsequently indicated that its current service projection inadvertently excluded \$5.2 million from general revenues for certain contract provisions. The constrained budget submitted by the agency corrects for the inadvertent exclusion and is consistent with the target. The proposals to achieve the reduction are noted below, where appropriate. *The recommendation is \$21.7 million above the target. The enacted budget is \$21.3 million above the target.*

Staffing. The Department requested \$271.8 million from all sources, or \$15.2 million more than enacted, for 1,501.0 full-time equivalent positions, or 40.0 positions more than authorized. The request includes 17.0 new positions within Healthcare Services, 9.0 within Institutional Support, 4.0 within Institutional Based Rehabilitation and Population Management, and 3.0 for the Parole Board. It also shifts authorized vacant positions among programs, including 6.0 more within Healthcare Services, 2.0 more within Community Corrections, 7.0 fewer within Custody and Security, and 1.0 fewer within Institutional Support. The request assumes an average of 1,359.5 positions filled or 141.5 vacancies. Through November, the Department averaged 1,354.8 positions filled, which is 4.7 fewer than assumed in the request.

By fund source, the request includes \$15.3 million more from general revenues, \$0.3 million less from federal funds, and \$0.2 million more from restricted receipts. The enacted budget includes \$1.6 million from efficiency initiatives proposed by the Department in lieu of its facilities consolidation proposal that was recommended by the Governor but subsequently proved infeasible. The request does not include any efficiency savings initiatives.

The Governor recommended \$5.7 million less than requested, which reflects retaining the authorized level of 1,461.0 positions. He included \$0.5 million more for statewide adjustments to health and other benefit rates. The Assembly provided \$0.3 million less to reflect exclusion of accreditation work. It also authorized 1,411.0 positions, 50.0 fewer than enacted, to align closer to recent experience. The Department of Corrections has maintained an average of 94.0 vacancies since FY 2020.

Population. The FY 2027 request is based on a population of 2,455, which is 81 fewer inmates than assumed in the enacted budget and 41 more than assumed in the revised request. The Department contracts with a firm to prepare population estimates. Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase the allowed capacity at facilities from 4,085 to 4,265; the maximum capacity is now 3,886, updated for current facilities.

After declining for years and reaching a low of 2,132 in FY 2022, the population has begun to increase, though it is still projected to remain below pre-pandemic levels. As required by the 2024 Assembly, in February 2025, the Department released a study evaluating recidivism trends and existing program outcomes, along with recommendations to reduce recidivism. The report contains required recidivism data and reveals a moderate correlation between program participation and reduced recidivism rates. It contains five recommendations, all of which are for additional data collection and analysis.

The following table depicts the recent history of budgeted and actual prison population from FY 2019 through FY 2027. *The Governor assumed 39 fewer inmates for FY 2026; as of December 2025, the*

Department has averaged 2,398 inmates, 23 more than the recommendation assumes. **The Assembly concurred.**

History	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Request	2,865	2,762	2,671	2,387	2,357	2,278	2,470	2,536	2,455
Governor	2,865	2,691	2,549	2,354	2,357	2,278	2,470	2,536	2,455
Enacted	2,849	2,671	2,267	2,354	2,357	2,278	2,470	2,536	2,455
Revised Request	2,760	2,671	2,267	2,181	2,357	2,396	2,439	2,414	-
Governor Revised	2,730	2,671	2,267	2,181	2,251	2,396	2,439	2,375	-
Final	2,730	2,633	2,155	2,115	2,297	2,396	2,339	2,375	-
Actual	2,665	2,544	2,144	2,132	2,298	2,346	2,338	-	-

Population: Per Diem Expenditures. The Department requested \$21.0 million from general revenues, or \$0.9 million more than enacted, for population-related expenditures that are calculated on a per diem basis. These expenses include items such as food, inmate clothing and linens, janitorial supplies, inpatient and outpatient care, doctor and dental costs, pharmaceuticals, and medical testing. The Department bases per diem projections on the most recent population information, contract costs, and prior year spending. The request assumes expenses of \$8,534 per inmate or \$629 more than the enacted budget assumption of \$7,905, reflecting a projected increase for pharmaceutical costs, nursing, food, and clothing, partially offset by reduced doctor and dental and other equipment expenses. The request is \$106 less per inmate than FY 2025 spending and is \$13 less per inmate than the revised request assumption of \$8,548. *The Governor recommended \$65,998 less, which reflects reductions to janitorial, laboratory, and equipment expenses identified in the Department's constrained request.* **The Assembly concurred.**

Target - Agencywide Savings. The Department's constrained request includes general revenue savings of \$10.9 million for FY 2027 from three agency-wide initiatives, as shown in the table below. *The Governor's recommendation contains general revenue savings of \$1.6 million from implementing aspects of these initiatives.* **The Assembly concurred.**

Constrained Proposal	Request	Governor	Change to Request	Assembly
Contracted Services Reduction	\$ (7,175,039)	\$ (53,773)	\$ 7,121,266	\$ (53,773)
Operating Costs 15% Reduction	(4,291,226)	(535,741)	3,755,485	(535,741)
Absenteeism Policy Changes	(983,599)	(983,599)	-	(983,599)
Total	\$ (12,449,864)	\$ (1,573,113)	\$ 10,876,751	\$ (1,573,113)

Contracted Services Reduction. The Department's constrained request includes general revenue savings of \$7.2 million from reducing or eliminating almost one-third of its contracted services spending. Proposed reductions are for services that are not federally or constitutionally required; however, many are required under state law, would require statutory revisions, and may result in legal challenges. Reduced or eliminated programs include the Medication Assisted Treatment program, sex offender treatment, victims' services, psychiatric treatment, and facilities and legal services contracts. *The Governor's recommendation includes \$53,773 in savings from contracted services reductions identified by the Department.* **The Assembly concurred.**

Operating Cost Reduction. The Department's constrained request includes general revenue savings of \$4.3 million from a 15.0 percent reduction to nearly all operating costs other than centralized services provided by the Department of Administration. Although some programming and per diem expenses, such as clothing and education supplies, would be reduced, most savings would be generated from deferring repairs and maintenance. These expenses are intended to reduce long-term construction and renovation costs. *The Governor recommended \$0.5 million in savings from operating cost reductions identified by the*

Department in each FY 2026 and FY 2027. This includes \$0.4 million from a correction to insurance expenses. **The Assembly concurred.**

Absenteeism Policy Changes. The Department's constrained request includes general revenue savings of \$1.0 million from changes to its absenteeism policy, anticipated to reduce sick time taken by around 12 percent with a corresponding reduction to overtime expenses. After several delays resulting from legal challenges, this new policy took effect in September 2025. As the policy has already been implemented, it is not clear why savings are only included in the constrained request. *The Governor's recommendation includes savings consistent with the constrained request.* **The Assembly concurred.**

Institutional Corrections

State Criminal Alien Assistance Program. The Department requested \$1.0 million for the State Criminal Alien Assistance Program, including \$0.3 million less from federal funds offset by a like amount from general revenues. These federal funds provide support for costs of incarcerating undocumented criminals, with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. *The Governor concurred.* **The Assembly concurred.**

Nursing Positions (14.0 FTE). The Department requested \$1.8 million from general revenues for 14.0 new full-time equivalent positions for the Nursing Services Unit, including 6.0 certified nursing assistants and 8.0 nurses. The Department indicates that one nurse currently covers all facilities during the night shift and that this delays treatment, particularly if multiple incidents occur at the same time. The requested positions would provide a night nurse at each facility. As of November, the Unit has 4.0 vacancies. The Department appears to have sufficient vacancies to fill these positions within its existing authorization.

The constrained request excludes the new positions and funding. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Nursing Services. The Department requested \$16.6 million from general revenues for nursing services. The request is \$2.1 million more than enacted, including \$1.7 million more for salary and benefit expenses to reflect current service adjustments and \$0.4 million more for contracted nursing pools. The Department utilizes nursing pool contracts to cover necessary shifts when state employees do not volunteer for overtime, and has continued to pay enhanced rates to nursing staff to compete with demand from other organizations. Excluding a one-time reappropriation, the Department's request is \$0.5 million more than its revised request. Nursing pool expenses were \$2.1 million in FY 2025 and \$1.8 million in FY 2024, compared to a low of \$0.3 million in FY 2021. *The Governor concurred and added \$21,559 for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Awaiting Trial Support (4.0 FTE). The Department requested \$0.5 million from general revenues and 4.0 new full-time equivalent positions for the transitional services unit to serve the awaiting trial population. Those who have not yet been convicted of a crime and are not yet serving a sentence represent around one-third of the state's incarcerated population. The Department indicates that this group does not currently receive discharge planning services and is in regular contact with a larger number of state agencies than sentenced inmates. The new positions would coordinate with other state agencies to connect individuals to community services, with the aim of reducing recidivism. As of November, the unit has 3.0 vacancies. The Department appears to have sufficient vacancies to fill these positions within its existing authorization.

The constrained request excludes the new positions and funding. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Discharge Planning. The Department requested \$2.5 million from general revenues, \$21,114 less than enacted, for discharge planning services. The request reflects additional turnover savings partially offset

by current service adjustments and assumes that contracted vendors will fully meet their obligations. Discharge planning services seek to prevent recidivism, including assistance with residence, employment, or qualifying for entitlement programs. Services were provided by a single vendor beginning in FY 2019, which experienced high levels of turnover, resulting in service delivery issues. The 2021 Assembly authorized 7.0 new positions to hire staff to deliver these services in-house in concurrence with a recommendation from the Governor. All positions were filled in FY 2022. While Department staff deliver standard discharge planning services, individuals with specialized needs, such as inmates with gang affiliations or mental health needs, still receive specialized services through a contracted provider. *The Governor concurred and added \$2,472 for statewide adjustments to health and other benefit rates. The Assembly concurred.*

Medication Assisted Treatment. The Department requested \$3.2 million, including \$2.0 million from general revenues and \$1.3 million from Opioid Settlement restricted receipts, for its medication-assisted treatment program for opioid users. The request is \$0.2 million less than enacted, including \$0.1 million less from general revenues and \$50,000 less from restricted receipts, to reflect planned expenses. During FY 2025, the Department spent \$3.4 million, including \$1.8 million from general revenues, and estimates that it provided this assisted treatment to 362 patients per day, effectively consistent with FY 2024. *The Governor recommended funding as requested. The Assembly concurred.*

Mental Health Positions (3.0 FTE). The Department requested \$0.4 million from general revenues for 3.0 new full-time equivalent positions for the mental health unit, including 2.0 mental health clinicians, and 1.0 discharge planner. The Department recently adjusted its staffing policies to conform with best practices produced by two nonprofit groups, the American Correctional Association and National Commission on Correctional Health Care. These changes required additional work and reduced the Department's ability to utilize overtime. The clinicians would help meet this need, and the discharge planner would help connect inmates with community providers prior to their release. As of November, the unit has 3.0 vacancies. The Department appears to have sufficient vacancies to fill these positions within its existing authorization.

The constrained request excludes the new positions and funding. *The Governor's recommendation excludes this initiative. The Assembly concurred.*

Mental Health Services. The Department requested \$2.8 million from general revenues for mental health services for inmates, \$76,913 less than enacted based on updated spending estimates. The population receiving services is among the most difficult to manage of the inmates held by the Department, including those who have severe and persistent mental illness. These services are largely delivered in the correctional facilities by therapists, clinicians, and other mental health professionals employed by contracted vendors, primarily Brown University Health. Department personnel also deliver a share of these services. The program is for up to six months, where offenders learn how to manage triggers and develop healthy coping mechanisms as opposed to turning to harmful substances. The current request is essentially consistent with the Department's revised request. Spending in FY 2024 was \$2.0 million, which the Department attributed to provider staffing issues that led to a lower level of service delivery. Spending in FY 2025 was \$2.3 million. The Department's request assumes that its retention initiatives have been successful and that vendors will fully meet their obligations in FY 2027. *The Governor's recommendation includes \$13,746 less to reflect partial implementation of contracted services reductions identified in the Department's constrained request. The Assembly concurred.*

Behavioral Management Unit. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a cell for 22 hours a day or more. The 2022 Assembly provided \$250,000 for a feasibility study to determine the best facility to house the unit. Beginning in FY 2024, the Assembly provided \$4.5 million and 32.0 new positions to support the unit. The approved capital plan also includes \$10.8 million from Rhode Island Capital Plan funds to construct a new behavioral management unit at the Maximum Security Facility. The pilot Behavioral

Management Unit program began in January 2025 at the Intake Service Center and can support 12 inmates. The Department is updating requirements based on feedback from court monitors and is confident that the courts will deem the pilot program as sufficient. Its current request excludes the capital project and no longer tracks these expenses separately. *The Governor concurred. The Assembly concurred.*

Counseling Unit (9.0 FTE). The Department requested \$1.2 million from general revenues and 9.0 full-time equivalent positions for a new Counseling Unit. The current Classifications Unit has 9.0 authorized positions and primarily performs risk assessments to determine placements; however, placements also have an impact on available programming, and the Department indicates that security and treatment goals can come into conflict. The new unit would allow existing staff to focus solely on security, while new staff would cooperate with other units, advocate for classification based on available programming, assess inmate progress, and provide monitoring and intervention support. The Department appears to have sufficient vacancies to fill these positions within its existing authorization.

The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative. The Assembly concurred.*

Inmate Payroll. Consistent with the revised request, the Department requested \$1.0 million for inmate payroll to reflect FY 2025 expenses. The request is \$37,501 less than enacted from general revenues based on spending trends as of September 2025. Inmates are compensated for services provided to the Department and other state agencies. They typically use the money received to pay for medical co-pays, copies of medical records, court fines, and various commodities provided by the inmate commissary unit, and repayment for damage to state property. *The Governor recommended funding as requested. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$208.6 million from all sources, nearly all of which is from general revenues, for other institutional corrections staffing expenses. The request is \$7.2 million more than enacted for current service adjustments. It includes \$20.7 million in turnover savings and \$45.7 million for overtime expenses, which is \$1.1 million more than enacted. In total, the request funds 1,116.0 of 1,243.0 positions. The revised request funds three correctional officer classes, graduating an estimated 116 recruits who will all begin work in FY 2026. This is consistent with the enacted budget and includes a class that began in FY 2025 and graduated 16. The request assumes two classes in FY 2027, each with 50 recruits, with anticipated costs of \$4.9 million. At the time of the request, the Department had 86.0 vacant correctional officer positions. The request does not include an associated reduction in overtime costs; recruits will fill existing vacancies and replace correctional officers anticipated to retire.

In its constrained request, the Department excluded \$10.5 million in personnel expenses achieved by reducing overtime by hiring an additional 150.0 correctional officers, though it did not identify how this would be accomplished. *The Governor's recommendation is \$0.6 million less than requested, which reflects \$1.0 million in savings from implementation of the Department's absenteeism policy, partially offset by \$0.4 million for statewide adjustments to health and other benefit rates. The Assembly concurred and authorized 50.0 fewer positions than requested, reflecting the removal of long-standing vacancies.*

Inmate Education and Professional Development. The Department requested \$0.9 million, including \$0.7 million from general revenues and \$0.2 million from federal funds, for education and development services for inmates. The request is \$18,101 less than enacted, including \$19,848 less from general revenues, based on anticipated offerings. General revenues support classes provided through Roger Williams University for inmates who demonstrate good behavior. Federal grants are used to provide academic opportunities for inmates to prepare them for reentry into society. This includes special education grants, which are administered by the Department of Elementary and Secondary Education. *The Governor recommended funding as requested. The Assembly concurred.*

Property Maintenance. The Department requested \$6.1 million from general revenues for building and grounds maintenance expenses. The request is \$0.5 million more than enacted and spent for FY 2025 to reflect updated information and expected repairs; spending in FY 2023 was \$4.9 million. The Department indicates that the age of its facilities has necessitated escalating maintenance costs to prevent further deterioration. Any building repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan funding made available through asset protection and are charged to general revenues. Regular asset protection activity is intended to reduce ad hoc repair costs. *The Governor's recommendation includes \$12,209 less to reflect partial implementation of contracted services reductions identified in the Department's constrained request.* **The Assembly concurred.**

Correctional Officer Uniforms. The Department requested \$0.3 million from general revenues for correctional officer uniforms. The request is \$48,865 less than enacted based on anticipated costs, which are determined based on inventory and the number of new correctional officers. The current request is consistent with the Department's revised request. These expenses tend to fluctuate annually; FY 2025 expenses were \$0.4 million, and FY 2024 expenses were \$0.3 million. *The Governor recommended funding as requested.* **The Assembly concurred.**

Body Worn Cameras. The Department requested \$0.9 million from general revenues to implement a body-worn camera initiative for correctional officers. This level of expenses would recur annually as part of a ten-year at-will contract, which includes 671 cameras and necessary equipment, training, setup, software, and data storage. The Department indicates that existing wall-mounted cameras have blind spots and do not capture audio. The body-worn cameras would document interactions between correctional officers and inmates, and the program is intended to track illicit activity, resolve disputes in investigations, ensure conformance with administrative policies, and deter and reduce the severity of use of force incidents.

The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Other Institutional Corrections Operations. The Department requested \$6.6 million, including \$6.3 million from general revenues, for all other institutional corrections expenses. This is \$0.2 million more than enacted, primarily from general revenues, for contracted services based on updated estimates and other adjustments to more closely reflect FY 2025 spending. Expenses include \$0.9 million for insurance, \$0.8 million for state fleet, \$0.3 million for telephone and cellular, \$0.3 million for office equipment, \$0.2 million for rented equipment, \$0.1 million for furniture replacement, and \$3.7 million for all other costs. The Department subsequently indicated that its request overstates insurance costs by \$0.3 million. *The Governor recommended \$0.5 million less than requested from general revenues, which corrects for the overstatement and reflects partial implementation of operating and contracted services reductions identified in the Department's constrained request.* **The Assembly concurred.**

Other Programs

Accreditation. The Department requested \$0.3 million from general revenues for a new initiative to achieve American Correctional Association accreditation. The request shifts 3.0 associated positions from other tasks and assumes turnover savings equivalent to an average of 0.7 vacancies. The Department indicates that accreditation would establish conformance with national best practices, ensure consistency across its facilities, grant access to Association expert witness testimony, and reduce liability and insurance costs. The Department was unable to estimate the value of these benefits or whether they exceed the cost of complying with Association standards. The 2025 Assembly did not concur with this initiative when the Department proposed it last year; however, staff continue to perform this work, and \$0.2 million was spent in FY 2025. *The Governor concurred and added \$383 for statewide adjustments to health and other benefit rates.* **The Assembly did not concur with this initiative and assumed turnover savings equivalent to the redundant positions.**

Inspector Pensions. The Department's request includes proposed language to allow 6.0 inspector positions within the Office of Internal Affairs to receive the same pension benefits given to correctional officers. Of these positions, 2.0 are vacant as of December. Under current law, eligibility for the Correctional Officer pensions, which have higher benefit accruals, is limited almost exclusively to correctional officers and related supervisory positions, including the Chief of Inspection. The Department indicates that relatively lower pension benefits are a barrier to correctional officers interested in applying for these roles. An actuarial study would be necessary to determine the fiscal impact of this change; the Department's request does not assume any additional expenses. *The Governor's recommendation excludes this initiative.* **The Assembly did not pass legislation related to the initiative.**

Parole Officers (7.0 FTE). The Department requested \$0.9 million from general revenues for 7.0 new full-time equivalent positions for the Probation and Parole Unit, including 6.0 parole officers and 1.0 clerk. It indicates that the new positions would reduce each officer's workload, allowing them to spend more time interacting with each case, which may reduce recidivism. In 2013, the unit averaged one position for every 211 parolees and probationers; this ratio has fallen to 169 per position as of 2023. As of November, the unit has 5.4 vacancies. The Department appears to have sufficient vacancies to fill these positions within its existing authorization.

The constrained request excludes the new positions and funding. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Parole Board Support (3.0 FTE). The Department requested \$0.3 million from general revenues for 3.0 new full-time equivalent positions for the Parole Board, including 2.0 field investigators and 1.0 administrative position. The Board indicates that its administrative burdens have increased over the past 12 years as a result of statutory revisions, case law requirements, and evolving best practices. The new positions would help address this burden, ensure compliance with requirements, and ensure more robust investigations. The Parole Board currently has 13.0 positions, 10.0 of which are filled as of November. The Department appears to have sufficient vacancies agency-wide to fill these positions within its existing authorization.

The constrained request excludes the new positions and funding. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Training Unit. The Department requested \$4.6 million from general revenues, \$0.4 million less than enacted, for its correctional officer training unit and 15.0 associated positions. Consistent with the Department's request, the enacted budget includes \$0.2 million for additional radio and television advertisements to increase recruitment. The request contains \$0.2 million less for all advertising, as the Department evaluates if its existing outreach is sufficient. The remaining reduction reflects additional turnover savings, partially offset by current service adjustments for trainee stipends and existing staff. The request assumes turnover savings equivalent to an average of 2.8 vacancies and that two classes will be trained in FY 2027, both having 50 trainees. *The Governor concurred and added \$4,523 for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Cognitive Behavioral Therapy. The Department requested \$0.9 million from general revenues for its cognitive behavioral therapy program and 5.0 associated full-time equivalent positions. The request is \$0.1 million less and 2.0 fewer positions than enacted. The program provides individualized supervision of offenders on probation or parole, allowing greater consideration of factors such as likelihood to re-offend, appropriate level of supervision, and needs such as treatment for substance use disorders. The Department indicates this model is more effective than assessments focused solely on an individual's offenses. Consistent with the Department's request, the enacted budget added 2.0 positions within the existing staffing authorization and included turnover savings equivalent to 0.7 vacancies. The request reflects current service adjustments, reallocating the 2.0 positions elsewhere, and restoring all turnover savings. As

of December, the program has 6.0 filled positions. The current request is \$24,052 more than the revised request. *The Governor concurred and added \$1,846 for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$31.2 million from general revenues for all other staffing expenses. The request is \$1.0 million more than enacted, which reflects current service adjustments and the transfer of 3.0 positions to accreditation work from other tasks. The request would fund approximately 185.0 of the Department's remaining 196.0 authorized positions within central management, community corrections, and the Parole Board. *The Governor concurred and added \$67,331 for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Recidiviz. The Department requested \$0.6 million from general revenues for new Probation and Parole data collection and analysis software. The Department transitioned to a new Probation and Parole system in 2022, but indicates that it is unable process all the data it now collects. It began a pilot program for FY 2026 with a nonprofit contractor, Recidiviz, to analyze this data, provide more efficient documentation, and produce staff efficiency metrics. The intent is to reveal best practices that the Department can implement more broadly to reduce recidivism and its administrative burden. Services are being provided at no cost to the state for FY 2026; the current request would extend the contract for FY 2027.

The constrained request excludes this initiative. *The Governor's recommendation excludes this initiative.* **The Assembly concurred.**

Home Confinement. Consistent with the revised request, the Department requested \$0.2 million from general revenues for its home confinement unit, \$23,593 less than enacted. The Department contracts with two vendors that provide satellite monitoring and remote tracking services, as well as electronic and alcohol monitoring services, the cost for which is determined by the number of parolees and probationers. *The Governor concurred.* **The Assembly concurred.**

Victim Services. The Department requested \$159,550 from general revenues, \$21,358 more than enacted, to support victim services programs. The Office of Victim Services handles questions and provides victims with advocacy, supportive services, and referrals to existing services in numerous community agencies upon request. Historically, these services were primarily funded from a steadily shrinking appropriation of federal formula-driven grants awarded by the Department of Justice and allocated by the Public Safety Grants Administration Office. These services have been entirely general-revenue funded as of FY 2025, as the Department indicates that it no longer anticipates receiving a share of the state's grant allocation. *The Governor recommended \$14,390 less than requested, which reflects partial implementation of operating and contracted services reductions identified in the Department's constrained request.* **The Assembly concurred.**

Rented Property. The Department requested \$0.9 million from general revenues, \$74,030 more than enacted, for costs associated with its rented property. These include rented spaces within the Courts, the Department of Labor and Training, firing ranges, and probation and parole offices. The Department indicates that its request accounts for known lease expenses and cost increases. The current request is essentially consistent with the revised request. *The Governor concurred.* **The Assembly concurred.**

Temporary Staff. The Department requested \$121,519 from general revenues for temporary services to offset vacancies until positions can be filled. Consistent with the revised request, this is \$20,120 less than enacted and assumes that more existing vacancies will be filled than the enacted budget. FY 2025 expenses were \$163,381, down from a high of \$213,542 in FY 2024. *The Governor concurred.* **The Assembly concurred.**

Vehicles. The Department requested \$2.4 million, including \$1.2 million each from general revenues and federal funds, to replace its vehicle fleet. The Department indicates that its vehicles are mostly customized for use as inmate transport vehicles, and that the age of its existing fleet makes it unsuitable for safe transport of inmates. Its fleet currently contains 123 vehicles. Federal funds reflect a grant received in FY 2025 to replace 19 transport vehicles. These funds are duplicated from its FY 2026 revised request in error; however, the Department indicates that it is uncertain what portion of expenses will fall in each year. Requested general revenues would replace 23 vehicles. It should be noted that vehicle replacements are typically purchased and financed over time through the State Fleet Replacement Revolving Loan Fund; payments to which total \$0.8 million for FY 2027, reflected elsewhere in the request.

The constrained request excludes general revenues. *The Governor's recommendation includes only the requested federal funds, retaining the duplication error.* **The Assembly excluded all funding, retaining \$1.2 million from federal funds for FY 2026 only.**

Capital Projects. The Department requested \$19.1 million from Rhode Island Capital Plan funds for its capital projects scheduled for FY 2027. The request is \$20.2 million less than enacted and supports projects such as heating, ventilation, and air conditioning system replacement at Medium Security, and closure of Minimum Security and consolidation of its population into Medium Security. The request is \$24.9 million less than the Department's capital request; it indicated that its operating request should supersede.

The Governor recommended \$11.7 million, \$7.4 million less than requested and consistent with his capital recommendation. His capital recommendation includes \$2.1 million for each FY 2026 and FY 2027 for rental costs of temporary chillers, heaters, and generators for Medium Security after an irreparable steam line rupture in spring 2025. A feasibility study is currently underway. **The Assembly added \$14.3 million shifted from FY 2026 based on updated projected timelines. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department requested the enacted amount of \$26.6 million from general revenues for centralized services provided through the Department of Administration. Spending in FY 2025 would have been \$23.0 million, if not for \$1.2 million of June 2025 expenses that were delayed into FY 2026. *The Governor recommended \$0.2 million less than requested to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Travel. The Department requested \$175,353 from general revenues, \$70,058 more than enacted, for out-of-state travel, primarily by agency leadership. The Department indicates that additional travel could help it obtain federal funding and attend conferences regarding national best practices; its FY 2026 revised request contains an identical increase. The Department unsuccessfully requested a similar increase last year; FY 2025 spending was \$138,068, which is \$35,063 more than the final budget. *The Governor concurred.* **The Assembly provided \$70,106 less than recommended.**

Other Operations. The Department requested \$2.9 million for all other expenses, \$140,334 more than enacted and nearly all from general revenues. Effectively consistent with the revised request, the increase contains adjustments to more closely reflect FY 2025 spending and is primarily associated with contracted legal, accounting, and other professional services. Expenses include \$2.0 million for central management, \$0.8 million for community corrections, and \$0.1 million for the Parole Board. The request also contains the enacted amount of \$3,091 from indirect cost recovery restricted receipts. *The Governor recommended \$14,166 less than requested from general revenues, which reflects partial implementation of operating and contracted services reductions identified in the Department's constrained request.* **The Assembly concurred.**

Judicial Department

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Supreme Court	\$ 44,808,119	\$ 46,535,697	\$ 48,403,359	\$ 48,403,359
Defense of Indigent Persons	7,875,432	7,855,432	7,875,432	7,875,432
Commission on Judicial Tenure & Discipline	188,686	188,775	190,901	190,901
Superior Court	30,541,228	30,608,051	31,393,969	32,028,969
Family Court	34,560,500	34,205,332	35,025,663	35,025,663
District Court	18,454,727	18,153,622	18,529,584	18,529,584
Traffic Tribunal	11,704,985	11,741,517	12,022,509	12,022,509
Workers' Compensation Court	11,090,756	11,083,539	12,073,439	12,073,439
Total	\$ 159,224,433	\$ 160,371,965	\$ 165,514,856	\$ 166,149,856
Expenditures by Category				
Salaries and Benefits	\$ 125,973,201	\$ 123,867,736	\$ 127,645,646	\$ 128,280,646
Contracted Services	2,418,879	5,386,662	7,029,148	5,529,148
Subtotal	\$ 128,392,080	\$ 129,254,398	\$ 134,674,794	\$ 133,809,794
Other State Operations	11,675,896	11,470,801	14,118,326	12,493,326
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	13,619,396	13,901,937	13,899,675	13,899,675
Capital	5,537,061	5,744,829	2,822,061	5,947,061
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 159,224,433	\$ 160,371,965	\$ 165,514,856	\$ 166,149,856
Sources of Funds				
General Revenue	\$ 133,516,539	\$ 135,551,052	\$ 139,466,764	\$ 140,101,764
Federal Aid	6,294,895	5,424,840	5,417,996	5,417,996
Restricted Receipts	15,787,999	15,721,305	16,755,096	16,755,096
Other	3,625,000	3,674,768	3,875,000	3,875,000
Total	\$ 159,224,433	\$ 160,371,965	\$ 165,514,856	\$ 166,149,856
FTE Authorization	749.3	749.3	749.3	752.3

Summary. The Judiciary requested \$174.0 million from all sources, including \$148.3 million from general revenues for FY 2027. This is \$14.8 million more than enacted, including \$14.8 million more from general revenues, \$0.9 million less from federal funds, and \$0.9 million more from restricted receipts. The request includes 751.3 full-time equivalent positions, 2.0 positions more than authorized.

The Governor recommended the authorized level of 749.3 positions and \$6.3 million more than enacted. This is \$8.5 million less than requested, including \$8.8 million less from general revenues, \$6,120 more from federal funds, \$33,886 more from restricted receipts, and \$250,000 more from Rhode Island Capital Plan funds. The recommended budget is \$6.0 million more than enacted from general revenues and

essentially reflects statewide adjustments, offset by turnover savings and additional savings to be identified by the Judiciary in order to bring its budget closer to a current service level. The Assembly concurred and added \$0.6 million from general revenues and 3.0 positions for a new domestic violence calendar.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Judiciary, this produced a general revenue target of \$127.1 million, including a current service increase of \$2.8 million and a 7.5 percent reduction of \$9.1 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$20.9 million more than the Budget Office target and excludes only newly requested positions. *The Governor's recommendation is \$12.3 million above the target. The enacted budget is \$13.0 million above the target.*

Unidentified Savings Restoration. Consistent with the Governor's recommendation, the FY 2026 enacted budget includes \$6.0 million of savings to be identified by the Judiciary in order to bring the budget closer to a current service level after the Judiciary implemented a series of personnel initiatives, including raises and new pay schedules. The unspecified savings are budgeted as operating expenses but would likely take the form of additional turnover savings. The FY 2027 request restores all of these savings. The Judiciary's revised request restores only \$4.1 million. *The Governor recommended restoring \$3.0 million of these savings; the Judiciary would still be required to identify \$3.0 million of savings. The Assembly concurred.*

Staffing. The Judiciary requested \$133.8 million from all sources for salaries and benefits of 751.3 full-time equivalent positions, \$7.8 million and 2.0 positions more than enacted. The enacted budget includes turnover savings of \$3.0 million, equivalent to an average of 17.0 vacancies. The request reflects \$4.8 million for current service adjustments and restores all turnover savings. As of mid-November, the Judiciary has averaged 33.4 vacancies, which is 1.2 fewer positions filled than the prior two years on average. The requested staffing allocation is shown in the following table. *The Governor recommended \$6.1 million less than requested, which reflects turnover savings equivalent to 37.8 positions, partially offset by \$254,142 for statewide adjustments to health and other benefit rates. He did not include new positions. The Assembly provided \$0.6 million and 3.0 positions more than recommended.*

Program	FY 2026 Enacted	FY 2027 Request	Chg. to Enacted	FY 2027 Governor	Chg. to Request	FY 2027 Enacted	Chg. to Governor
Supreme Court	179.4	179.4	-	179.4	-	179.4	-
Superior Court	165.7	165.7	-	165.7	-	168.7	3.0
Family Court	182.6	182.6	-	182.6	-	182.6	-
District Court	101.0	103.0	2.0	101.0	(2.0)	101.0	-
Traffic Tribunal	70.0	70.0	-	70.0	-	70.0	-
Workers' Compensation Court	49.6	49.6	-	49.6	-	49.6	-
Judicial Tenure & Discipline	1.0	1.0	-	1.0	-	1.0	-
Total	749.3	751.3	2.0	749.3	(2.0)	752.3	3.0

Indigent Defense Services. The Judiciary requested the enacted level of \$7.7 million from general revenues for indigent defense services. This program assigns private attorneys to clients for whom the Office of the Public Defender is unable to provide legal representation because of conflicts of interest. This expense fluctuates annually, and the Judiciary cannot determine the number of clients who will be transferred from the Office. Spending on indigent defense has increased significantly in recent years, primarily because the Judiciary increased rates paid to attorneys, which it indicates was required to adjust for inflation and attract law firms to perform the required work. *The Governor recommended funding as requested. The Assembly concurred.*

Pay-Go Judges Pensions. The Judiciary requested \$5.0 million from all sources, including \$4.4 million from general revenues, for retirement costs for judges and magistrates hired before 1990 who are not part of the State Employees' Retirement System. The request is \$0.5 million more than enacted, almost entirely

from general revenues, reflecting current retirements and beneficiaries and future projections, which changed during FY 2025 but were not accounted for in the enacted budget. Pension costs are paid on a pay-as-you-go basis rather than through the retirement trust fund. As of January 2026, there are two active judges whose pensions will be paid this way, both of whom are eligible to retire. The request is \$144,686 more than the revised request, reflecting a full year of payments for two judges who retired in late 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Court Technology. The Judiciary requested \$9.6 million, which is \$0.3 million less from general revenues, for court computer technology expenses, including the authorized level of 26.0 full-time equivalent positions and the case management system. The request reflects reduced information technology expenses, downgrading a Deputy Director position to a software support role, and one position filled at a lower pay step. This unit is responsible for overseeing the development and implementation of technology systems, including intra-agency training and help desk support, maintenance systems, and 24/7 network monitoring. The Judiciary subsequently indicated that its request overstates general revenues for contracted information technology services by \$18,449. *The Governor recommended \$10,765 less, including \$7,684 more for statewide adjustments to health and other benefit rates, offset by \$18,449 less to correct the overstatement. The Assembly concurred.*

Facilities and Operations. The Judiciary requested \$10.4 million from general revenues for the maintenance of judicial complex facilities, including 25.0 full-time equivalent positions. This function is responsible for the execution and coordination of various services relating to the courthouses, infrastructure, and grounds. The request is \$0.8 million more than enacted to account for a higher level of planned work. The Judiciary anticipates that upcoming retirements will allow it to utilize the turnover period to conduct a large number of minor space renovations. Spending in FY 2025 was \$10.0 million, including \$0.2 million less than requested for electricity. The revised request contains a similar increase. *The Governor recommended \$8,973 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Finance, Budget and Employee Relations. The Judiciary requested \$3.9 million from general revenues to support the finance, budget, and employee relations functions, including 18.8 full-time equivalent positions. This is \$70,615 and 0.2 full-time equivalent positions more than enacted to reflect current service adjustments and converting a part-time position to full-time within the Judiciary's existing authorization. *The Governor recommended \$7,613 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Community Outreach and Public Support. The Judiciary requested \$2.3 million from general revenues to support the community outreach and public support function, including interpreters, and 15.0 associated full-time equivalent positions. This is \$0.3 million and 1.0 position more than enacted, which includes current service adjustments. The 2025 Assembly provided 2.0 new positions, including 1.0 special assistant and 1.0 interpreter fluent in Cabo Verdean Creole and Portuguese. Consistent with the revised request, the request replaces the special assistant with another interpreter for Cabo Verdean Creole and adds a seasonal interpreter for Spanish. The Judiciary subsequently indicated that its request inadvertently transfers 1.0 legal position and is overstated by \$140,791. *The Governor recommended \$4,407 more to reflect statewide adjustments to health and other benefit rates, retaining the overstatement. The Assembly corrected the overstatement and concurred with the remainder of the recommendation.*

Planning. The Judiciary requested \$0.8 million from general revenues for its planning function, which primarily supports 5.0 full-time equivalent positions. This is \$31,348 more than enacted for current service adjustments. The planning function develops quarterly statistics reports and performance measures, provides staff support to Supreme Court committees and outside committees, coordinates diversity training programs for court employees and new attorneys, applies for and monitors certain judicial grants, and assists

in special technology projects. *The Governor recommended \$1,321 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Education. The Judiciary requested \$0.4 million from general revenues for the education function and 1.6 associated full-time equivalent positions. The request is \$6,239 less than enacted to reflect one position filled at a lower pay step, partially offset by current service adjustments. This function oversees mandatory continuing legal education for attorneys and the education program for judges and magistrates. *The Governor recommended \$737 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Clerks/Records Center. The Judiciary requested \$5.6 million from general revenues for the clerks and records center functions and 36.6 associated full-time equivalent positions. This is \$0.3 million more than enacted for current service adjustments and an upgrade for the Records Center Director. The Judicial Records Center, a rented property located at 5 Hill Street in Pawtucket, serves as the central repository for the state's court records. Current records necessary for the daily operations of the courts remain stored at the Clerk's Office of the requisite court. Clerks also provide legal research and writing assistance to the judges and magistrates of the Superior, Family, District, and Workers' Compensation Courts and the Traffic Tribunal. *The Governor recommended \$11,931 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Disciplinary Board/Counsel. The Judiciary requested \$1.2 million from restricted receipts to support the Rhode Island Supreme Court Disciplinary Counsel Office and 6.0 full-time equivalent positions. The request is \$18,192 less than enacted to reflect one position expected to be filled at a lower pay step, partially offset by current service adjustments. According to Supreme Court Article IV, Rule 1, active attorneys in the Rhode Island Bar Association must pay a \$200 annual fee to fund the Disciplinary Board and Counsel; proceeds are deposited as restricted receipts. The Board's goals are to process disciplinary complaints filed against Rhode Island attorneys expeditiously and fairly and reduce the number of complaints filed by increasing awareness of, and compliance with, the Rules of Professional Conduct. *The Governor recommended \$2,606 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Law Library. The Judiciary requested \$1.4 million from general revenues to support the law library and its 5.0 full-time equivalent positions. The request is \$0.2 million less than enacted to reflect current service adjustments and positions filled at lower pay steps. The library is a complete, publicly accessible legal reference service with over 110,000 volumes and computer-aided legal research. *The Governor recommended \$1,432 more to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Appellate Screening Unit. The Judiciary requested \$1.0 million from general revenues to support the activities of the Appellate Screening Unit and 5.2 full-time equivalent positions. The Appellate Screening Unit is the central staff attorney's office for the Supreme Court, screens all civil and criminal appeals that come before the Supreme Court, and schedules pre-briefing conferences. The request is \$170,263 less and 1.2 positions fewer than enacted, which reflects an updated staffing allocation, partially offset by current service adjustments. The Judiciary subsequently indicated that its request inadvertently removes 1.0 legal position and is understated by \$140,791. *The Governor recommended \$1,845 more to reflect statewide adjustments to health and other benefit rates, retaining the understatement. The Assembly corrected the understatement and concurred with the remainder of the recommendation.*

Board of Bar Examiners. The Judiciary requested \$0.3 million from general revenues to support the Board of Bar Examiners, which tests the legal knowledge of bar applicants by administering the Rhode Island Bar examination. This is \$111 more than enacted to reflect current service adjustments for the

Board's 1.0 full-time equivalent position. *The Governor recommended \$497 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Security Detail. The Judiciary requested \$0.6 million from general revenues, \$0.4 million more than enacted, for security services at the Licht and Garrahy judicial complexes. The Division of Sheriffs within the Department of Public Safety is responsible for providing security in state courthouses, transporting inmates, executing writs, and summoning witnesses. As of September 2025, the Division has 30 sheriff vacancies, a level that has remained consistent since 2022 and which the Judiciary indicates has delayed and impaired court proceedings. It has paid overtime to Sheriffs and utilized the Providence Police Department to meet the continued need for officers in courtrooms and hallways. The requested increase reflects the cost of four officers working five-hour shifts five days a week. The revised request contains a similar increase; FY 2025 spending was \$0.3 million. *The Governor concurred.* **The Assembly concurred.**

Capital Projects. The Judiciary's capital request includes \$3.9 million from Rhode Island Capital Plan funds for FY 2027 for capital projects. These include heating ventilation, and air conditioning replacements, upgrades to fan coil units, and asset protection. The Judiciary's operating request inadvertently includes only \$3.6 million for capital projects; it intended to request funding consistent with its capital submission. *The Governor recommended \$0.3 million more than requested, consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Supreme Court

Rhode Island Legal Services. The Judiciary requested the enacted amount of \$90,000 from general revenues for Rhode Island Legal Services to provide housing and eviction defense to indigent individuals, as identified in Article 1 of the appropriations act. It should be noted that Rhode Island Legal Services also receives \$5 of each filing fee of action in District Court and \$10 of each filing fee of action in the Superior and Family Courts, totaling about \$0.3 million annually. *The Governor concurred.* **The Assembly concurred.**

Rhode Island Coalition Against Domestic Violence. The Judiciary requested the enacted amount of \$500,000 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. The 2023 Assembly increased the grant from \$230,000 to \$500,000. *The Governor concurred.* **The Assembly concurred.**

Crime Victims Outreach. The Judiciary requested the enacted level of \$150,000 from all sources for Crime Victims Outreach. Rhode Island General Laws, Section 12-25-29, provides 15.0 percent of court fees assessed for the crime victim compensation program, up to \$150,000 to the courts, for its expenses informing the victims of their statutory rights. The Office of the General Treasurer administers the compensation program; outreach is administered by Justice Assistance. The value of the 15.0 percent has declined alongside receipts for some court fees. Since FY 2022, \$80,000 from general revenues has been used to backfill the lost restricted receipts value. *The Governor concurred.* **The Assembly concurred.**

Domestic Violence Training and Monitoring Unit. The Judiciary requested \$399,824 from all sources, including \$359,547 from general revenues, for the Supreme Court's domestic violence unit and 3.0 full-time equivalent positions. The request is \$6,504 more than enacted, including \$78,633 more from general revenues and \$72,129 less from federal funds, to reflect current service adjustments and a lower level of support from federal Violence Against Women Act grant funding. The Judiciary indicates that federal support has been halved in the past year and that this trend is anticipated to continue. *The Governor recommended \$750 more, including \$663 from general revenues, to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$6.8 million from all sources, including \$6.7 million from general revenues, for salaries and benefits to support the Supreme Court's remaining 31.0 full-time equivalent positions. The request is \$1.1 million more than enacted from general revenues to reflect current service adjustments and restoration of \$0.7 million of turnover savings. *The Governor recommended \$1.5 million less than requested, which reflects turnover savings equivalent to 9.6 vacancies, partially offset by \$9,598 more for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$1.4 million, almost entirely from general revenues, for all other expenses of the Supreme Court. The request is \$37,985 less than enacted, essentially consistent with the revised request, which primarily reflects updated estimates for contracted legal services. Expenses include \$0.4 million for centralized information technology services; \$0.1 million each for equipment, security costs, and records services; and \$0.2 million each for offender monitoring services, insurance, lease expenses, and all other spending. *The Governor recommended \$66,774 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Superior Court

Domestic Violence Calendar (3.0 FTE). The Judiciary testified that a separate domestic violence calendar would allow it to centralize, expedite, and reduce its current backlog of over 1,200 felony domestic violence cases, and improve efficiency, victim safety, and enforcement of bail conditions, no-contact orders, and protective orders. Its request did not include this initiative. *The Governor's recommendation does not include this initiative.* **The Assembly adopted separate legislation contained in 2026-H 8547, Substitute A, to establish a domestic violence calendar and provided \$0.6 million from general revenues and 3.0 new full-time equivalent positions, including 1.0 new magistrate.**

Adult Drug Courts. The Judiciary requested \$0.5 million from general revenues for its adult drug court activities and 2.0 associated full-time equivalent positions. This is \$32,219 more than enacted for current service adjustments. Funding primarily supports salaries and benefits, as well as \$25,000 for private provider therapy and treatment services. *The Governor recommended \$1,385 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$29.6 million from general revenues to fully fund the Superior Court's remaining 163.7 full-time equivalent positions. The request is \$2.2 million more than enacted, which reflects restoration of \$0.8 million of turnover savings and current service adjustments. The 2024 Assembly provided 2.0 new full-time court reporter positions to maintain a six-to-five ratio of reporters to judges and magistrates. *The Governor recommended \$1.5 million less than requested, which reflects turnover savings equivalent to 9.6 vacancies, partially offset by \$62,652 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$2.2 million for all other expenses of the Superior Court, including \$1.8 million from general revenues and \$325,000 from restricted receipts for expert witness expenses. General revenue spending is \$90,500 more than enacted, including \$17,000 for juror refreshments and \$73,500 to reflect current parking lot leases. Expenses include \$0.4 million for juror fees, \$0.4 million for related parking and transportation, \$0.2 million for information technology, including centralized services provided by the Department of Administration, \$0.2 million for postal costs, \$0.2 million for insurance, and \$0.5 million for supplies and other operating costs. *The Governor recommended \$62,777 more to correct understated information technology costs and reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

District Court

Pre-Trial Services (2.0 FTE). The Judiciary requested \$0.3 million from general revenues for 2.0 new full-time investigator positions for the Pre-Trial Services Unit, including one each for Providence and Kent counties. The Unit currently has 22.0 positions, including 16.0 investigators. The Judiciary indicated that additional personnel would allow it to maintain more balanced caseloads, improve data collection, and provide additional support for Veterans Treatment Court and Mental Health Treatment Court programming. The Judiciary indicates that declining federal funding for the Veterans Treatment Court contributed to its request for an additional general revenue funded position to support its work.

The constrained request excludes the positions and funding. *The Governor did not recommend the requested positions.* **The Assembly concurred.**

Mental Health Treatment Court. The Judiciary requested \$1.1 million, including \$1.0 million from general revenues, for operations of the mental health calendar authorized by the 2022 Assembly, including 5.0 associated positions. This is \$94,458 less than enacted, including \$20,650 more from general revenues for current service adjustments and \$115,108 less from federal funds, as the Judiciary does not anticipate receiving new competitive grant funding this year. *The Governor recommended \$1,696 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Veterans Treatment Court. The Judiciary requested \$153,803 from federal grant funds for the Veterans Treatment Court and 1.0 associated position. This is \$358,917 less than enacted, as the Judiciary indicated that its application to renew competitive grant funding was not successful. A similar reduction is included in the Judiciary's revised request. The existing grant is intended to allow the Court to serve 115 unduplicated clients annually, with a total of 575 unduplicated clients served over the five-year grant period. The Judiciary separately requested an additional general revenue funded position to support this work. *The Governor recommended \$478 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Staffing and Operations. The Judiciary requested \$18.8 million from all sources for the District Court's remaining 95.0 full-time equivalent positions and all other operations. This is \$1.4 million more than enacted, primarily from general revenues, which reflects current service adjustments, adds \$0.1 million for contracted legal services, and restores \$0.5 million of turnover savings. The Judiciary subsequently indicated that its request overstates restricted receipts for legal services by \$45,000. *The Governor recommended \$0.9 million less than requested, which corrects for the overstatement and reflects turnover savings equivalent to 5.8 vacancies. This is partially offset by statewide adjustments, including \$36,867 for health and other benefit rates as well as \$78,312 for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Family Court

Child Support Enforcement. The Judiciary requested \$5.6 million from all sources, including \$1.3 million from general revenues, for the Child Support Enforcement Unit and 24.0 associated full-time equivalent positions. The request is \$7,880 more than enacted, primarily from federal funds, and reflects current service adjustments for current staffing. *The Governor recommended \$7,509 more to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$28.2 million from all sources, including \$27.7 million from general revenues, for the Family Court's remaining 158.6 full-time equivalent positions. This is \$1.3 million more than enacted, including \$1.7 million more from general revenues and \$0.3 million less from federal funds. The request reflects current service adjustments, restoration of \$0.7 million of turnover savings, and shifting \$0.3 million of expenses from federal funds to general revenues. The revised request

contains a similar shift, which primarily reflects the completion of a federal drug treatment grant. *The Governor recommended \$1.4 million less than requested, which reflects turnover savings equivalent to 9.2 vacancies, partially offset by \$53,995 more for statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$1.5 million from all sources for all other expenses for the Family Court, including \$1.2 million from general revenues. The request is \$81 less than enacted, including \$6,000 more from general revenues for lease expenses and \$6,081 less from federal funds to more closely reflect FY 2025 spending. *The Governor recommended \$62,506 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Traffic Tribunal

Operations. The Judiciary requested \$12.0 million from general revenues for all Traffic Tribunal operations and to fully fund its existing 70.0 full-time equivalent positions. This is \$325,522 more than enacted to reflect current service adjustments and restoration of \$296,905 of turnover savings. The 2025 Assembly approved 1.0 new deputy clerk position, which has since been filled. Operating expenses include \$0.3 million for security services, \$0.2 million for water and sewer, \$0.1 million for information technology, including centralized services provided by the Department of Administration, and \$0.2 million for all other spending. *The Governor recommended \$0.5 million less than requested, which reflects turnover savings equivalent to 3.6 vacancies. This is partially offset by statewide adjustments, including \$24,168 for health and other benefit rates as well as \$39,029 for centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Workers' Compensation Court

Salaries and Benefits. The Judiciary requested \$10.2 million from restricted receipts for salaries and benefits of the Workers' Compensation Court's existing 49.6 full-time equivalent positions. This is \$0.8 million more than enacted for current service adjustments. The 2025 Assembly approved 1.0 new administrative clerk position, which has since been filled. *The Governor recommended \$21,832 more than enacted to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$1.3 million from restricted receipts for all other Workers' Compensation Court operations. This is \$0.1 million more than enacted to more accurately reflect the Court's share of janitorial and information technology expenses. Expenses include \$0.4 million for building maintenance and rentals, \$0.1 million for information technology costs, \$0.2 million each for janitorial services and utilities, and \$0.4 million for various other expenses. The Judiciary subsequently indicated that its request understated information technology costs by \$27,774. *The Governor recommended \$54,448 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Judicial Tenure and Discipline

Judicial Tenure and Discipline. The Judiciary requested \$0.2 million from general revenues, \$26,434 more than enacted, to support the Commission on Judicial Tenure and Discipline and 1.0 associated full-time equivalent position. The change reflects current service adjustments and restoration of \$24,207 of turnover savings. The Commission is responsible for conducting investigations of judges suspected of, or charged with, misconduct. *The Governor recommended \$243 more than enacted to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Military Staff

	FY 2026		FY 2026		FY 2027		FY 2027	
	Enacted		Final		Recommended		Enacted	
Expenditures by Category								
Salaries and Benefits	\$	11,227,034	\$	11,611,566	\$	12,277,237	\$	12,277,237
Contracted Services		3,031,269		2,820,619		12,091,965		2,895,063
Subtotal	\$	14,258,303	\$	14,432,185	\$	24,369,202	\$	15,172,300
Other State Operations		10,541,739		13,853,050		9,974,457		9,974,457
Aid to Local Units of Government		-		-		-		-
Assistance, Grants, and Benefits		312,300		312,300		312,300		312,300
Capital		16,535,389		51,604,645		23,740,073		38,336,975
Capital Debt Service		-		-		-		-
Operating Transfers		-		-		-		-
Total	\$	41,647,731	\$	80,202,180	\$	58,396,032	\$	63,796,032
Sources of Funds								
General Revenue	\$	3,424,058	\$	3,508,092	\$	3,634,593	\$	3,634,593
Federal Aid		28,982,412		67,832,266		45,498,537		48,998,537
Restricted Receipts		66,000		66,000		66,000		66,000
Other		9,175,261		8,795,822		9,196,902		11,096,902
Total	\$	41,647,731	\$	80,202,180	\$	58,396,032	\$	63,796,032
FTE Authorization		93.0		93.0		93.0		93.0

Summary. The Military Staff requested FY 2027 expenditures of \$60.4 million from all sources, including \$3.8 million from general revenues. The request is \$18.8 million more than enacted, including \$0.3 million more from general revenues, \$16.4 million more from federal funds, and \$2.0 million more from Rhode Island Capital Plan funds. The request includes staffing of 93.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommended \$58.4 million from all sources, which is \$2.0 million less than requested, including \$0.1 million less from general revenues, \$2.0 million less from Rhode Island Capital Plan funds, and \$0.1 million more from federal funds.*

He subsequently requested an amendment to increase federal funds by \$3.5 million for FY 2027. The Assembly shifted \$1.9 million from Rhode Island Capital Plan funds from FY 2026 to FY 2027 and concurred with the remainder of the amended recommendation.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Military Staff, this produced a general revenue target of \$3.2 million, including a current service increase of \$39,382 and a 7.5 percent reduction of \$0.2 million, adjusted for certain exclusions. The constrained budget submitted by the Military Staff is \$0.3 million more than the Budget Office target. The proposals to achieve the reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$0.4 million above the target. The Assembly concurred.*

Firefighters. The Military Staff requested \$4.5 million, including \$0.3 million from general revenues and \$4.2 million from federal funds for the firefighter program for 29.0 full-time equivalent positions. This is

\$0.6 million more than enacted, including \$0.2 million from general revenues and \$0.4 million from federal funds. Firefighter costs are paid from federal funds, except for those who have an injured on duty status, in which case the state is responsible for the cost.

The request assumes 29.0 full-time equivalent positions, 1.0 position fewer than enacted, consistent with National Guard Bureau guidance; this position was eliminated as a result of an extended vacancy and has been repurposed within the agency. The request represents sufficient funding for an average of 1.6 full-time equivalent positions on injured on duty status, or 0.6 more positions than assumed in the enacted budget. As of November, one firefighter was on injured on duty status. The request assumes an average of 28.4 full-time equivalent positions are filled, 0.4 positions more than assumed in the enacted budget. As of mid-November 2025, 28.0 positions were filled.

The Military Staff indicated that the increased request for general revenues reflects increased injured on duty estimates as well as \$93,300 for costs associated with the deployment of four firefighters who are also members of the Guard. During this time, general revenues must support the difference between the deployed individual's military and civilian staffing expenses; however, the Military Staff reported that federal funds have not been offset. It indicated that the increased request for federal funds reflects current service adjustments, notably \$0.3 million for overtime payments not included in the enacted budget.

The constrained request includes \$142,685 less from general revenues, which eliminates funding for 1.0 full-time equivalent position on injured on duty status. *The Governor recommended \$81,061 less than requested, including \$89,772 less from general revenues, primarily to reflect updated injured on duty estimates. This also includes about \$9,000 more from all sources to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Military Staff requested \$7.7 million from all sources for its remaining 64.0 full-time equivalent positions. This staffing allocation is 1.0 full-time equivalent position more than the enacted budget to account for the reduction to the Firefighter program, but is consistent with the distribution of staffing costs attributable to federal funds, as agreed with the federal National Guard Bureau. The request is \$0.5 million more than enacted, including \$26,964 more from general revenue and \$0.4 million more from federal funds; this reflects current service adjustments as well as 1.0 full-time equivalent position previously classified as a firefighter. The new Chief Procurement Specialist position is entirely federally funded. The request assumes an average of 62.5 full-time equivalent positions are filled, which is 1.4 more positions than assumed in the enacted budget, and may understate actual salaries. As of mid-November 2025, 58.0 positions were filled.

The constrained request includes \$0.4 million in additional turnover savings, including \$92,238 from general revenues, equivalent to 3.0 full-time equivalent positions. *The Governor recommended \$42,621 more than requested, including \$3,582 more from general revenues, primarily to correct for understated salaries and benefits in the request. This also includes about \$16,000 from all sources to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Cybersecurity and Activations. The Military Staff requested \$148,342 from general revenues for FY 2027 for the Rhode Island National Guard to participate in the Governor's Cybersecurity Commission working groups and for activation for emergency responses during storms and power outages. The funding also supports the activation of National Guard troops to provide support to civil authorities during both emergency and non-emergency events. The request is \$73,365 more than enacted in anticipation of National Guard activation for the gubernatorial inauguration in January 2027. In FY 2023, during the most recent gubernatorial inauguration, spending on activations was \$151,377. *The Governor recommended \$66,000 less than requested to exclude costs associated with the gubernatorial inauguration, which he recommended in the Department of Administration's budget.* **The Assembly concurred.**

Military Funeral Honors. The Military Staff requested \$0.3 million from general revenues for military funeral honors in FY 2027. For activation costs associated with placing two members of the guard on permanent funeral honors duty, the request is \$5,305 more than enacted and \$59,273 more than spent in FY 2025, the first year to include members on permanent funeral duty. Retired military members are currently paid an \$80 stipend for volunteering to perform military honors at funerals, and that is unchanged from the enacted level of \$152,300 but \$21,420 more than spent in FY 2025. The Military Staff indicated that volunteers have been unable to meet a rise in demand; there is an average of 57 military funerals every week. As of October 2012, no federal funds are provided for any branch of service besides the Army, for which the National Guard Bureau will still pay stipends for two individuals. *The Governor recommended funding as requested.* **The Assembly concurred.**

Utilities. The Military Staff requested \$3.9 million from all sources, including \$0.7 million from general revenues, for utilities expenses, which are shared with the federal National Guard Bureau. The request is \$0.2 million more than enacted, including \$51,626 from general revenues. The increase is largely attributable to anticipated usage and rate increases, partially offset by certain utility credits. This is \$130,522 more than the revised request, including \$24,982 more from general revenues. Cost sharing depends on actual usage, which varies from 100 percent federally funded to 75 percent or 50 percent. The request represents a federal cost share of 82.6 percent; the enacted budget assumes 82.9 percent. *The Governor recommended funding as requested.* **The Assembly concurred.**

Security Services. The Military Staff requested \$1.3 million from federal funds for security services at all its locations, which is \$0.2 million less than enacted but essentially consistent with the revised request, based on the National Guard Bureau's decreased appropriation for these services. Federal regulations require levels of security, including protection against active shooters, but the lower federal appropriation is sufficient to meet these regulations. *The Governor recommended funding as requested.* **The Assembly concurred.**

Building Maintenance and Repairs. The Military Staff requested \$2.3 million from all sources for building maintenance and repairs, including \$0.2 million from general revenues. The request is \$0.3 million more than enacted, including \$40,983 less from general revenues. The Military Staff indicated that this reflects updated project timelines, predominantly for federally funded projects that began in FY 2025 but were not included in the final FY 2025 budget, and whose completion dates have been extended to FY 2027. The request is \$0.4 million less than the revised request from all sources. The federal government pays for maintenance and repairs that it deems necessary or required by federal mandate; work deemed ineligible is paid from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Education Benefits. Consistent with the enacted budget, the Military Staff requested \$100,000 from general revenues for its education benefits program. All National Guard service members who are pursuing an associate's, bachelor's, master's, or certification from Rhode Island College, the Community College of Rhode Island, or the University of Rhode Island are entitled to five courses per semester free of cost in accordance with Rhode Island General Law, Section 30-3-40. Funding included in the Military Staff's budget helps defray the cost; however, any expenses above \$100,000 are borne by the institutions. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Capital Projects. The Military Staff requested \$36.1 million from all sources for capital projects, including \$11.2 million from Rhode Island Capital Plan funds. This is \$16.9 million more than enacted, including \$2.0 million from Rhode Island Capital Plan funds, and is consistent with the Military Staff's capital request. *The Governor recommended \$2.0 million less than requested from Rhode Island Capital Plan funds to reflect the omission of asset protection work for which no federal funding is available.*

*He subsequently requested an amendment to increase federal funds by \$0.6 million for FY 2026 and \$3.5 million for FY 2027 to replace water supply infrastructure at the Army National Guard Readiness Center in Coventry and to connect the facility to the Kent County Water Authority municipal water system. **The Assembly concurred with the amended recommendation and shifted \$1.9 million from Rhode Island Capital Plan funds from FY 2026 to FY 2027 to reflect the timing of expenses for one project. A detailed description of the projects is included in the Capital Budget section of this publication.***

Other Operations. The Military Staff requested \$4.1 million from all sources for all other expenses, including \$0.8 million from general revenues. The request is \$0.4 million more than enacted, including \$55,467 from general revenues and \$0.3 million from federal funds. The request includes increases for grant management software expenses that will not be reimbursed by the federal government and quarterly fire and safety inspections, as well as \$14,430 more for insurance fees that were previously mischarged to the Rhode Island State Police. *The Governor recommended \$75,204 more than requested. This includes \$11,604 to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. This also includes \$63,600 to replace lawnmowers, as requested in the FY 2026 revised request. **The Assembly concurred.***

Rhode Island Emergency Management Agency

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,870,352	\$ 5,675,666	\$ 5,831,388	\$ 5,831,388
Contracted Services	1,577,874	568,296	755,182	1,425,182
Subtotal	\$ 7,448,226	\$ 6,243,962	\$ 6,586,570	\$ 7,256,570
Other State Operations	11,564,601	11,890,548	10,826,837	10,826,837
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	23,437,240	37,452,013	42,768,503	42,768,503
Capital	1,207,517	1,460,606	3,394,800	3,724,800
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 43,657,584	\$ 57,047,129	\$ 63,576,710	\$ 64,576,710
Sources of Funds				
General Revenue	\$ 7,457,256	\$ 7,644,182	\$ 8,375,436	\$ 8,375,436
Federal Aid	34,906,616	47,746,964	51,235,300	52,235,300
Restricted Receipts	428,308	641,417	417,066	417,066
Other	865,404	1,014,566	3,548,908	3,548,908
Total	\$ 43,657,584	\$ 57,047,129	\$ 63,576,710	\$ 64,576,710
FTE Authorization	38.0	38.0	38.0	38.0

Summary. The Rhode Island Emergency Management Agency requested \$67.7 million, including \$8.4 million from general revenues, \$58.6 million from federal funds, \$0.4 million from restricted receipts, and \$0.3 million from Rhode Island Capital Plan funds. The request is \$24.1 million more than enacted, including \$1.0 million more from general revenues, \$23.6 million more from federal funds, \$11,428 less from restricted receipts, and \$0.5 million less from Rhode Island Capital Plan funds. It requested 38.0 full-time equivalent positions, consistent with the enacted budget. *The Governor recommended \$63.6 million, including \$8.4 million from general revenues and the enacted staffing level. This is \$19.8 million more than enacted and \$4.1 million less than requested. General revenues are \$918,180 more than enacted and \$32,491 less than requested.*

The Governor subsequently requested an amendment to add \$1.0 million from general revenues to support the Agency reimbursement process in the event of a federal disaster declaration for the February 2026 winter storm. The Assembly concurred with the \$1.0 million increase but budgeted federal funds in anticipation of a declaration, providing \$64.6 million total.

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Emergency Management Agency, this produced a general revenue target of \$7.7 million, including current service adjustments of \$0.5 million and a 7.5 percent reduction of \$0.2 million, adjusted for certain exclusions. The constrained budget submitted by the Agency met the target by proposing to lay off 13.0 full-time equivalent positions. *The Governor's budget is \$0.7 million above the target. The Assembly concurred.*

Salaries and Benefits. The Agency requested \$6.1 million, including \$2.2 million from general revenues, \$3.8 million from federal funds, and \$0.1 million from restricted receipts to fully fund all 38.0 authorized positions. The request is \$0.3 million more than enacted, including \$0.4 million more from general revenues, \$0.1 million less from federal funds, and \$11,428 less from restricted receipts. It reflects current service adjustments, cost shifts from federal funds to general revenues, and restoration of all turnover savings. The Agency has also shifted more staffing costs to general revenues, which it attributes to reductions to its two largest federal grants over the last two years. The revised request includes a similar shift. The Agency had 1.0 vacancy as of October 18, 2025, and has averaged 37.3 filled positions in the first quarter of FY 2026.

The constrained budget eliminates 13.0 full-time equivalent positions to achieve general revenue savings of \$0.7 million. *The Governor recommended \$328,000 less than requested, including \$316,904 less from general revenues. The recommendation assumes additional turnover savings equivalent to about two positions. It also adds \$10,035, including \$3,338 from general revenues in statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

ARPA - Public Health Response Warehouse Support. Excluding salaries and benefits, the Agency's request includes \$1.4 million from general revenues, or \$0.6 million more than enacted, to cover rental costs for the warehouse that stores COVID-19 supplies, including personal protective equipment. This reflects the terms of a new 10-year lease signed in August 2025. Previously, rental costs were covered in whole or in part from State Fiscal Recovery funds included in the Department of Administration's budget. The FY 2027 request relies entirely on funding from general revenues in the Agency's budget to cover rental costs, which includes current service adjustments of \$419,321 for seven months of rental costs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Statewide Communications Network. The Agency requested the enacted level of \$3.6 million from general revenues for operating expenses such as mobile service, utilities, equipment repairs, and lease costs for the Rhode Island Statewide Communications Network. This is the radio system that is used to expedite emergency phone calls, maintain communication with all political subdivisions in the state, and the emergency radio communication system that allows all hospitals, the Department of Health, as well as the Emergency Management Agency to be on a private radio system in order to effectively respond to all types of disasters. *The Governor recommended funding as requested.* **The Assembly concurred. Additional costs related to infrastructure repairs and tower replacements are described in detail in the Capital Budget section of this publication.**

Emergency Operations and Performance Grants. The Agency requested \$4.1 million, which is \$0.2 million less than enacted, from federal emergency operations and performance grants provided by the Federal Emergency Management Agency. This reflects the award of one new grant and adjustments based on the spending of other grants in prior fiscal years. The funding, which is primarily retained by the Agency with the remainder passed through to local emergency management agencies, supports personnel, emergency operations centers, communications, and capability enhancement. *The Governor recommended \$1.7 million less than requested, which adjusts for prior year grants reflecting available funds.* **The Assembly concurred.**

Glocester Emergency Operations Center Grant. Consistent with the enacted budget, the Agency requested \$1.0 million for a federal grant provided through the Emergency Operations Center Grant Program to be passed through to Glocester to build a new center. This program provides funding for constructing or renovating a state or local government's principal emergency operations center. The total amount of the grant is \$1.0 million, all of which will reimburse the town as expenses are incurred. According to the Agency, the Town of Glocester's planned closing date for this grant project is December 2026. The Agency requested the full amount of the grant in its FY 2026 revised and FY 2027 requests, as

it is unsure when expenses will occur on this project. *The Governor recommended funding as requested.* **The Assembly concurred.**

RIEMA Emergency Operations Center Grant. The Agency requested \$0.7 million from the federal Emergency Operations Center Grant Program to renovate its emergency operations center. The request is \$0.1 million more than enacted, reflecting the remaining grant award amount. This program provides funding for constructing or renovating a state or local government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its emergency operations center, detailed in this publication's Capital Budget section, but are not included in the Agency's capital request. The request is identical to the Agency's FY 2026 revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hazard Mitigation Grants. The Agency requested \$20.6 million from Federal Emergency Management Agency funds that support local emergency management agencies for hazard mitigation. The request is \$18.2 million more than enacted and reflects the award of a grant for the Department of Environmental Management and adjustments based on previous year expenditures, several of which are also requested as part of the FY 2026 revised request. Localities must apply through the state to receive these funds. These projects must increase resilience and public safety, reduce injuries and loss of life, and reduce damage and destruction to property, critical services, facilities, and infrastructure from natural hazards and climate change. *The Governor recommended \$0.6 million less than requested, reflecting available funding and planned spending between FY 2026 and FY 2027.* **The Assembly concurred.**

Homeland Security Grants. The Agency requested \$11.5 million from federal funds for homeland security grants that provide the resources required for implementation of the National Preparedness System and working toward the National Preparedness Goal of a secure and resilient nation. The request is \$2.2 million more than enacted, reflecting updated award information and the award of a new grant provided by the Federal Emergency Management Agency. *The Governor recommended \$2.9 million less than requested, reflecting the availability of funding from prior year grants shown in the request.* **The Assembly concurred.**

Natural Disaster Relief. The Agency requested \$17,000 from federal funds, \$1.2 million less than enacted, for reimbursements to entities in the state that have applied for federal disaster relief. The request adjusts for the remaining grant funds and the close-out of the Exeter fire and pre-disaster mitigation projects. There are no active disasters in the state at the time of the request. *The Governor recommended funding as requested.*

The Governor subsequently requested an amendment to add \$1.0 million from general revenues for a contractor to support the Agency in maximizing eligible expenses and reimbursement in the event of a federal disaster declaration for the February 2026 winter storm. The State Budget Officer indicated that funding to support the contractor could also be budgeted under federal sources, as these would be management costs and fully reimbursable by the Federal Emergency Management Agency. **The Assembly concurred with the \$1.0 million increase and budgeted federal funds in anticipation of a declaration.**

Non-Profit Security Grants. The Agency requested \$6.3 million from the Federal Emergency Management Agency and Department of Homeland Security Nonprofit Security Grant Program funds, which provide support for physical security enhancements to nonprofit organizations at high risk of terrorist attacks. This is \$1.3 million more than enacted, mostly as a result of a new grant. The request is nearly the same as the FY 2026 revised request. *The Governor recommended \$0.9 million less than requested, reflecting available funding.* **The Assembly concurred.**

Cybersecurity Grants. The Agency requested \$10.1 million from grants made available through the Infrastructure Investment and Jobs Act from FY 2023 through FY 2028 to combat cyber threats and enhance

cybersecurity grant programs. This is \$3.4 million more than enacted and primarily reflects the award of new grants. Funds are intended to help states, local governments, rural areas, and tribes address cybersecurity risks and cybersecurity threats to information systems. Of the total allocation, 80.0 percent must be passed through to local entities. Proposed initiatives include strengthening multi-factor authentication and cyber training programs. The Cybersecurity Planning Committee runs through the Department of Administration. *The Governor recommended \$1.1 million less than requested, reflecting planned expenditures between years for the 2023 grant.* **The Assembly concurred.**

Hazardous Material Emergency Preparedness Grants. The Agency requested \$0.3 million, \$0.1 million less than enacted, from Hazardous Material Emergency Preparedness grants supported by the Federal Department of Transportation's Interagency Hazardous Materials Public Sector Training and Planning Grant. The request reflects the remaining grant funds and the closure of one grant. This grant program is designed to allow grantees the flexibility to implement training and planning programs that address differing needs for each location based on demographics, emergency response capabilities, commodity flow studies, and hazard analysis. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Agency requested \$0.3 million from Rhode Island Capital Plan funds for FY 2027 for one capital project. This is \$0.5 million less than enacted and is consistent with the capital budget request. *The Governor recommended \$3.2 million more, consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. Consistent with the enacted budget, the Agency requested \$1.6 million for all other operations, including \$1.2 million from general revenues, \$0.2 million from federal funds, and \$0.3 million from restricted receipts. This includes \$0.1 million for operational expenses, \$0.5 million for program supplies, and \$0.2 million for software maintenance. It also includes \$0.3 million from general revenues for centralized services provided through the Department of Administration. It should be noted that the FY 2027 request for centralized services is \$40,575 less than FY 2025 spending. The FY 2026 revised request also makes no changes to centralized services. Historically, the Agency has spent more than requested for these centralized services.

The Governor recommended \$126,117 more than requested, including \$295,509 more from general revenues. The general revenue difference reflects statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The recommendation also includes \$169,392 less from federal funds based on updated information from the Agency. **The Assembly concurred.**

Department of Public Safety

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 21,147,460	\$ 31,279,921	\$ 13,120,138	\$ 13,480,138
E-911	10,730,138	10,974,080	10,527,015	10,527,015
Capitol Police	6,766,608	6,691,043	6,948,046	6,948,046
Sheriffs	26,918,947	24,315,028	27,709,841	27,009,841
Municipal Police Training Academy	766,895	854,688	610,226	610,226
State Police	131,538,133	152,810,182	115,881,765	118,081,765
Total	\$ 197,868,181	\$ 226,924,942	\$ 174,797,031	\$ 176,657,031
Expenditures by Category				
Salaries and Benefits	\$ 132,535,748	\$ 130,079,573	\$ 135,769,181	\$ 137,269,181
Contracted Services	2,077,465	2,787,444	4,334,712	2,319,712
Subtotal	\$ 134,613,213	\$ 132,867,017	\$ 140,103,893	\$ 139,588,893
Other State Operations	24,470,662	36,102,411	24,789,209	24,789,209
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	17,169,387	17,890,877	8,699,099	9,059,099
Capital	21,614,919	40,064,637	4,019,330	3,219,830
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	(2,814,500)	-
Total	\$ 197,868,181	\$ 226,924,942	\$ 174,797,031	\$ 176,657,031
Sources of Funds				
General Revenue	\$ 132,842,119	\$ 141,298,690	\$ 136,717,145	\$ 138,528,183
Federal Aid	27,053,323	30,282,894	16,123,197	16,232,384
Restricted Receipts	14,313,880	14,778,066	14,788,601	14,713,601
Other	23,658,859	40,565,292	7,168,088	7,182,863
Total	\$ 197,868,181	\$ 226,924,942	\$ 174,797,031	\$ 176,657,031
FTE Authorization	634.0	635.0	638.0	638.0

Summary. The Department of Public Safety requested \$181.6 million from all sources, including \$136.0 million from general revenues, \$17.2 million from federal funds, \$14.5 million from restricted receipts, \$8.7 million from Rhode Island Capital Plan funds, and \$5.2 million from other sources. This is \$16.3 million less than enacted, including \$3.1 million more from general revenues, \$9.8 million less from federal funds, \$0.2 million more from restricted receipts, \$11.0 million less from Rhode Island Capital Plan funds, and \$1.2 million less from other funds.

It requested 642.0 full-time equivalent positions, 8.0 more than enacted. This includes 1.0 position transferred from the Department of Administration, and 7.0 new positions in E-911.

The Governor recommended \$174.8 million, including \$136.7 million from general revenues. This is \$6.8 million less than requested, including \$0.7 million more from general revenues. The Governor

*recommended transferring the requested position from the Department of Administration and only 3.0 new positions in E-911. **The Assembly provided \$176.7 million from all sources, including \$138.5 million from general revenues. This is \$1.9 million more than recommended from all sources, including \$1.8 million more from general revenues.***

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Public Safety, this produced a general revenue target of \$128.1 million, including current service adjustments of \$4.0 million and a 7.5 percent reduction of \$8.8 million, adjusted for certain exclusions. The constrained budget submitted by the Department met the target by proposing to lay off 25.0 full-time equivalent positions, increase turnover savings, bill cities and towns for municipal police training academy costs, eliminate tuition reimbursements, and forgo new initiatives. *The Governor's recommendation is \$8.7 million above the target. **The enacted budget is \$10.5 million above the target.***

Staffing. The Department requested \$135.6 million from all sources for salaries and benefits for 642.0 full-time equivalent positions. Funding includes \$116.7 million from general revenues, \$4.7 million from federal funds, \$9.7 million from restricted receipts, and \$4.5 million from all other sources. As of early November, the Department had averaged 572.0 positions filled.

The Department began the current fiscal year with 584.0 filled positions, dropping to 566.0 as of early November. Filling vacant positions in E-911 remains a high priority for the Department. In addition, it expects 20 sheriffs to graduate in May 2026, a Capitol Police graduating class of 3 in January 2026, and a State Police graduating class of 15 in August 2026.

The enacted budget assumes turnover equivalent to about 28 positions. The request decreases the vacancy assumption to about 22 positions. The request also transfers a position from the Department of Administration to the State Police and adds 7.0 new positions to E-911.

The constrained request assumes additional turnover savings and layoffs to achieve \$5.2 million in savings, including \$4.6 million from general revenues and \$0.5 million from restricted receipts. The savings are allocated as follows: \$0.3 million to the Central Management Office, \$0.6 million to E-911, \$3.1 million to the Division of State Police, \$0.2 million to the Division of Capitol Police, and \$1.9 million to the Division of Sheriffs.

*The Governor recommended \$0.2 million more than requested to reflect statewide adjustments to health and other benefit rates. He also recommended transferring the Department of Administration position as requested, and 3.0 of the 7.0 requested positions for E-911. **The Assembly concurred and also added \$1.5 million from all sources, including \$1.4 million more from general revenues. This includes \$2.6 million to fund revisions to State Police pensions. It also includes \$1.1 million of general revenue turnover savings based on FY 2026 experience.***

15-Year Vehicle Plan. The Department requested no funds for its 15-year vehicle replacement plan, consistent with the enacted budget. The request assumes the purchase of 39 vehicles using the State Fleet Replacement Revolving Loan Fund, which would require no payments in FY 2027, but would include annual repayments of approximately \$1 million from FY 2028 through FY 2030.

The FY 2026 revised request would use personnel savings and road construction reimbursements to purchase 38 vehicles outright. *The Governor recommended funding as requested. **The Assembly concurred.***

Statewide Records Management System. The Department requested \$2.2 million from all sources, including \$0.6 million from general revenues and \$1.6 million from restricted receipts for the operations

and maintenance of the Statewide Records Management System pursuant to Rhode Island General Laws, Section 42-28.10. This is \$1.1 million less than enacted, reflecting the exclusion of implementation costs, which were funded from various sources, including federal grants.

The \$1.6 million from restricted receipts is from user fees from municipalities that have signed onto the project. As of mid-December 2025, 31 municipalities, 4 other state agencies, and 1 non-state agency have committed to the project. Six of these agencies have no Memorandums of Agreement yet, and three municipal police departments have pending agreements. Billing will occur on January 2, 2026. Agencies will receive a single bill for the year. The fee for each agency is negotiated with the vendor and documented in its respective Memorandum of Agreement. *The Governor recommended funding as requested. The Assembly concurred.*

Body-Worn Camera Statewide Project. The Department requested \$10,100 from federal funds for the statewide body-worn camera project to award grants to local municipalities, which is \$103,972 less than enacted. The request excludes the remaining \$9.0 million from general revenues in the FY 2026 revised request to purchase cameras for the State Police and municipalities, as any unused funds will be automatically reappropriated. Prior spending from the original \$15.0 million general revenue allocation includes \$1.0 million in FY 2023, \$2.5 million in FY 2024, and \$2.5 million in FY 2025. Federal funds no longer include support for a partial position in Central Management. *The Governor recommended funding as requested. The Assembly concurred.*

Tuition Reimbursement. Consistent with the enacted budget, the Department requested \$0.3 million from general revenues for tuition reimbursements for postsecondary degrees required for incentive pay steps in the State Police, Sheriffs, and Capitol Police. This includes \$300,000 for State Police, \$25,000 for the Division of Sheriffs, and \$8,000 for the Capitol Police.

Tuition reimbursements are authorized for qualifying costs related to attaining an applicable degree, including Associate's, Bachelor's, and Master's in police work. Obtaining postsecondary degrees in police work is required for personnel to receive incentive pay, as outlined in Rhode Island General Law, Section 42-28.1-3.

The constrained budget contains \$0.3 million less and eliminates the tuition reimbursement program. *The Governor recommended funding as enacted. The Assembly concurred.*

Central Management

Salaries and Benefits. The Department requested \$2.5 million from all sources, including \$1.2 million from general revenues, \$0.9 million from federal funds, and \$0.4 million from restricted receipts to fully fund all 15.0 full-time equivalent positions in Central Management. The request is \$0.2 million more than enacted, including \$9,062 from general revenues. It reflects current service adjustments, the restoration of turnover savings, which equate to approximately one position, and a \$9,678 reduction in overtime. The Department averaged about 14 filled positions during the first quarter of FY 2026, and as of October 2025, it was interviewing to fill its final vacant position.

The constrained request proposes \$280,411 in savings, including \$238,349 from general revenues by eliminating the Chief Financial Officer position and shifting those duties to the Budget Office. *The Governor recommended \$4,557 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

ARPA - Support for Survivors of Domestic Violence. The Department requested \$1.2 million from State Fiscal Recovery funds to support survivors of domestic violence. The 2022 Assembly provided a total of \$10.5 million from State Fiscal Recovery funds to make awards to nonprofits to provide housing, clinical,

and mental health services to victims of domestic violence and assault. Funding will supplement the federal Victims of Crime Act, which has declined in recent years. As of the end of FY 2025, \$5.9 million of the total authorization has been spent. The Department has until December 31, 2026, to expend all funds; its revised request includes \$3.0 million. *The Governor included \$4.5 million for FY 2026 and the remaining \$64,786 for FY 2027. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$144,145 of unspent funds to operating support for the Enterprise Resource Planning System.*

GO Team Support. Consistent with the enacted budget, the Department requested \$0.4 million from general revenues for the Family Service of Rhode Island's GO Team. The GO Team includes trauma experts who respond on scene with the Rhode Island State Police. They support children who are victims of violence and other traumas. *The Governor recommended funding as requested. The Assembly added \$360,000, bringing the total to \$760,000, to sustain and grow the model in other communities that would provide matching funds.*

Other Federal Funds. The Department requested \$8.9 million from federal funds, \$8.8 million less than enacted, reflecting adjustments to several grants based on available funds. Changes include \$2.7 million from Crime Victim Assistance, \$3.4 million from the Edward Byrne Memorial Justice grant program, \$1.2 million from the Sexual Assault Services Formula program, \$0.6 million from the Violence Against Women Formula Grants, and \$0.6 million less from the Juvenile Justice and Delinquency Prevention program. The FY 2026 revised request reflects similar reductions, attributable to FY 2025 expenditures and the closing of awards. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$0.4 million for all other Central Management expenses, including \$0.3 million from general revenues and \$0.1 million from restricted receipts. This includes \$362,702 for centralized services provided through the Department of Administration, including human resources and information technology, and \$41,806 for all other expenses. The request is \$200 less from general revenues than enacted, consistent with the FY 2026 revised request. *The Governor recommended \$0.9 million more than requested, including \$0.6 million from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

E-911

E-911 Surcharge. Under current law, the state collects monthly surcharges on each phone line, including \$0.50 for E-911 and \$0.75 for first responder support, which are deposited as general revenues. These surcharges were last amended by the 2019 Assembly to allow for the segregation of E-911 only charges and expenses. The E-911 surcharge can only be used to operate the E-911 uniform emergency telephone system. The first responder surcharge is deposited into the general fund, except for 10.0 percent, which is deposited in the information technology restricted receipts account.

The E-911 monthly surcharge generates approximately \$8.5 million annually and supports the program's operations, including personnel costs. Although a surplus of restricted receipts had previously accumulated in the account, it has been declining, in part from using funds to implement the Statewide Records Management System. The Department proposed increasing E-911's monthly surcharge fee from \$0.50 to \$0.75 and offsetting it with a decrease in the monthly first responder surcharge fee from \$0.75 to \$0.50. The Department estimated that this will increase E-911 restricted revenue by \$4.2 million annually. There would be an identical offsetting decrease to general revenues and technology funds. *The Governor did not recommend the proposed fee increase. The Assembly concurred.*

E-911 Surcharge Account						
	FY 2024	FY 2025	FY 2026 Revised	FY 2027 Current Law	FY 2027 Unconstrained	FY 2027 Constrained
Starting Balance	\$ 5,334,127	\$ 6,412,929	\$ 4,747,962	\$ 2,181,725	\$ 2,181,725	\$ 2,181,725
Revenue*	\$ 8,543,323	\$ 8,449,834	\$ 8,400,000	\$ 8,400,000	\$ 12,600,000	\$ 12,600,000
Expenditures	\$ 7,464,521	\$ 10,114,801	\$ 10,966,237	\$ 10,613,145	\$ 10,613,145	\$ 9,996,762
Carryforward	\$ 6,412,929	\$ 4,747,962	\$ 2,181,725	\$ (31,420)	\$ 4,168,580	\$ 4,784,963

*Revenue for FY 2027 unconstrained and constrained is based on the anticipated increased revenues

Staffing Expansion (7.0 FTE). The Department requested \$0.6 million from restricted receipts to fund 7.0 new full-time equivalent positions. This includes six telecommunicators and a shift supervisor, and \$45,000 for workstations. This staffing expansion is intended to offset longer wait times for callers, which have increased since the start of Emergency Medical Dispatch in FY 2023, resulting in longer call durations. The Department expects that the additional positions will enable a more equitable workload distribution and reduce staff turnover attributed to burnout. Based on the Department's estimated revenues, there are insufficient funds for these positions without changing the surcharge fee, as noted previously, or reducing expenditures in other areas.

The constrained request excludes the expansion. *The Governor recommended \$0.3 million and 3.0 new positions, including two telecommunicators and a shift supervisor, and \$15,000 for workstations. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$7.3 million from restricted receipts to fully fund all 56.0 existing full-time equivalent positions in E-911. The request is \$0.3 million more than the enacted budget. This reflects current service adjustments, reduced turnover savings equivalent to about three positions, and a \$0.1 million decrease in overtime. The Department's first quarter report notes that fully staffing the Division is a priority in the current fiscal year. As of mid-October, the Department had 51.0 positions filled and has averaged 53.3 positions for the fiscal year.

The Governor recommended \$0.3 million more than requested. This includes \$0.1 million in statewide adjustments to health and other benefit rates and \$0.2 million to reduce turnover savings to fund at least two more positions within the current staffing authorization. The Assembly concurred.

Other Operations. The Department requested \$2.7 million from restricted receipts for all other E-911 operations. This includes \$0.1 million for contracted services, \$0.4 million for internet and telephone services, \$1.9 million for software and computer maintenance and supplies, \$0.1 million for human resources centralized services, and \$0.2 million for all other expenses. The request is \$19,255 more than enacted, including \$10,000 for state fleet, \$2,000 for insurance costs, and other adjustments, consistent with the revised request. *The Governor recommended \$5,804 less than requested to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Sheriffs

Salaries and Benefits. The Department requested \$24.7 million from general revenues for staffing within the Division of Sheriffs. The request is \$0.8 million more than enacted and funds 172.0 of the 179.0 authorized full-time equivalent positions, reflecting current service adjustments and restoring turnover savings equivalent to approximately two positions. During the first quarter of FY 2026, the Sheriffs averaged 147.0 filled positions. The Department anticipates a graduating class of 20 in May 2026. The estimated class size for FY 2027 is 20, with anticipated start dates in February 2027 and graduation in April 2027.

The constrained request proposes \$1.9 million in savings by maintaining 29.0 current vacancies. *The Governor recommended \$52,923 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates. The Assembly included \$0.7 million in additional turnover savings based on ongoing vacancies experienced in FY 2026.*

Motor Vehicles. The Department requested the enacted level of \$0.3 million from general revenues for fleet operations within the Division. It also seeks the use of the State Fleet Replacement Revolving Loan Fund to purchase six vehicles in FY 2027, with repayments of \$0.1 million each year for the following three fiscal years. The revised request includes a proposal to use personnel savings to purchase two vehicles outright in the current year, including a \$300,000 bus. According to the 15-year vehicle replacement plan, the Sheriffs currently have 50 vehicles. The plan projects replacing an average of five vehicles per year. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$2.5 million from general revenues for all other expenses for the Division of Sheriffs. This is \$655 more than enacted for insurance costs to align with FY 2025 experience. Other operations include \$0.9 million for occupancy charges for office space located in the Judicial buildings, \$0.3 million for centralized services provided through the Department of Administration, \$0.3 million for recruit class uniforms and equipment, and \$0.1 million for travel. *The Governor recommended \$46,685 less than requested to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Capitol Police

Salaries and Benefits. The Department requested \$6.2 million from general revenues to fully fund all 41.0 full-time equivalent positions. The request is \$0.1 million more than enacted, reflecting current service adjustments and an increase in overtime of \$25,225. The Capitol Police also have 13.0 full-time equivalent positions allocated to internal service funds, for which expenses appear as operating costs in the agencies billed. As of the first quarter of FY 2026, the Department averaged 48.0 filled positions, and, as of mid-October, there were 6.0 vacancies. The Department has a planned class size of three for FY 2026. The Department is planning a class for FY 2027, but the number of recruits will depend on the number of vacancies. The Department anticipates the FY 2027 class to begin in September 2026, with graduation two and a half months later.

The constrained request is \$223,609 less, equivalent to maintaining two vacancies. *The Governor recommended \$12,551 more than the unconstrained request to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Motor Vehicles. Consistent with the enacted budget, the Department requested \$57,425 from general revenues for state fleet maintenance for the Capitol Police. The Department seeks to use the State Fleet Replacement Revolving Loan Fund to purchase one vehicle in FY 2027, with a three-year repayment schedule averaging \$20,368 beginning in FY 2028. The revised request includes a proposal to use personnel savings to purchase three vehicles outright in the current year. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$0.6 million from general revenues for all other operations in the Capitol Police. The request includes \$0.2 million for centralized services provided through the Department of Administration, and approximately \$0.2 million for recruit class uniforms and equipment. The number of recruits in FY 2027 will depend on the number of vacancies. The request is \$1,500 more than enacted, reflecting updated insurance costs based on FY 2025 experience. *The Governor recommended \$40,004 more than requested to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Municipal Police Training Academy

Salaries and Benefits. The Department requested \$0.3 million from general revenues to fully fund the 2.0 full-time equivalent positions at the Municipal Police Training Academy. Both positions are filled. The request is \$24,996 more than enacted, primarily reflecting adjustments for current staff, \$10,000 in additional overtime for continuing education needs, and \$1,001 for seasonal employees. *The Governor recommended \$543 more than requested to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

System Software. The FY 2026 enacted budget includes \$36,000 from general revenues for the Department to create a dedicated training network to support the education of police recruits at the Rhode Island Municipal Police Training Academy. Funding will be used to implement training software for the new computer-aided dispatch and records management system and to install a comprehensive wireless network at the Academy, including access points, firewalls, and associated security software. Additionally, it includes integrating a bandwidth provider to ensure seamless access to cloud-based training applications. As of mid-December, the project remains incomplete. The Department still anticipates completion by the end of FY 2026 and includes no funding for FY 2027 in its request. *The Governor recommended funding as requested. The Assembly concurred.*

RI Post Grant. The Rhode Island Police Officers Commission on Standards and Training (RIPOST) is established by state law and serves as the statewide oversight body for law enforcement professional standards, including establishing minimum training and certification requirements, maintaining official records, and performing regulatory and disciplinary functions. The Law Enforcement Officers' Due Process, Accountability, and Transparency Act, which took effect on January 1, 2025, expanded the Commission's role to include additional responsibilities.

The Governor recommended a new appropriation of \$75,000 to provide additional administrative capacity and modernized information management systems. The intent is to fund these initiatives with general revenues, but the budget includes restricted receipts in error. The Governor requested an amendment on February 10 to correct the error. The Assembly concurred.

Other Operations. The Department requested \$0.3 million from all sources, including \$0.1 million from general revenues and \$0.2 million from federal funds. This includes \$158,742 for contracted services and \$110,594 for all other Academy expenses. The request is \$221,563 less than enacted, including \$3,900 more from general revenues. The \$225,463 decrease in federal funding reflects revisions to funding received from the Department of Transportation's Highway Safety Division for program supplies. *The Governor recommended \$355 more than requested from general revenues to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Target - MPTA Billing to Municipalities. Currently, the Municipal Police Training Academy provides basic training to the state's municipal police and is funded from general revenues. The Department's constrained request includes a proposal to require municipalities to cover the Academy's costs. This request would shift \$1.2 million of general revenue expenditures to these billings. The Academy has the capacity to house 120 recruits in a fiscal year, with 60 in each of the two semesters. The Department would need to charge approximately \$10,000 per recruit to cover all Academy-related costs. *The Governor did not recommend this initiative. The Assembly concurred.*

State Police

Taser and Body-Worn Camera Contract. The Department requested \$0.6 million from general revenues for a new five-year Axon Taser and Body-Worn Camera contract. The current Axon Taser contract expires in April 2026, and the vendor has proposed a new bundled Taser 10 and Body-Worn Camera contract at a

cost of \$7.1 million. Total annual costs would be \$1.4 million, with implementation beginning in FY 2027. This item was also included in the Department's capital budget request. The proposal assumes the two contracts, which currently expire on different dates, would be aligned and extended with a discount for bundling. The camera contract does not expire until FY 2028.

The constrained budget excludes this initiative. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Radio Bureau Microwave Service Agreement. Consistent with Budget Office current service adjustments, the Department requested \$176,007 from general revenues for the new five-year Radio Bureau Microwave Service Agreement, which will be in effect from FY 2027 through FY 2031. The contract is for ongoing maintenance of the microwave towers. The request is \$141,850 more than the enacted budget. These costs will increase by 12.4 percent in FY 2028 to \$197,880, then increase annually by 2.7 percent thereafter. *The Governor recommended funding as requested. The Assembly concurred.*

Data Processing Systems Manager (1.0 FTE). The Department's request reflects the transfer of the data processing systems manager position from the Department of Administration to the State Police. This is shown as a \$0.2 million reduction in operating expenses paid to the Department of Administration to fund this position, offset by a similar increase in salaries and benefits. The result is a \$3,803 increase from general revenues. This position was previously directly budgeted within the State Police and works exclusively on those items. The position is also physically located at the State Police headquarters. *The Governor recommended funding as requested. The Assembly concurred.*

Training Academy. The Department requested \$1.7 million from general revenues for a future class at the State Police Training Academy. The request is \$1.5 million more than enacted, consistent with the Budget Office's current service adjustments. The enacted budget assumed no class for FY 2026. The Department currently expects to graduate 15 troopers in August 2026 and anticipates a class size of 20 for FY 2027. The FY 2027 class is anticipated to begin in March 2027 and graduate in August 2027.

The request includes \$0.5 million for recruit stipends. Recruitment for new classes begins upon graduation of the previous class, with media buys and promotional material, and continues throughout the year at job fairs. Advertising costs are approximately \$0.1 million, consistent with the enacted budget and revised request. The class takes approximately six months to graduate.

The constrained budget is \$1.2 million less and assumes no new class in FY 2027. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$93.3 million from all sources for all other State Police salaries and benefits, including \$83.6 million from general revenues, \$3.7 million from federal funds, \$1.5 million from restricted receipts, and \$4.5 million from other funds. The request is \$0.6 million more than enacted, including \$0.2 million less from general revenues. The revisions are primarily current service adjustments, including reductions in benefit costs.

Other adjustments include a \$1.7 million increase in overtime, including \$1.0 million for road details for the Washington Bridge project, about \$0.3 million for expected security details related to the World Cup, and current service adjustments. As noted previously, the Department anticipates a class of 15 for FY 2026, graduating in August 2026, and a class of 20 for FY 2027. The FY 2027 class is anticipated to begin in March 2027 and graduate in August 2027.

The constrained budget proposes \$2.3 million from general revenue savings from the layoffs of 15.0 employees. *The Governor recommended \$0.2 million more than the unconstrained request, including \$0.1 million from general revenues, mostly to reflect statewide adjustments to health and other benefit rates.*

The Assembly added \$2.6 million, including \$2.5 million from general revenues, to fund the impact of two revisions to State Police pension calculations. The first is a technical change to correct a drafting error in the 2025 legislation, changing the calculation of pension benefits from the highest five consecutive years of compensation to the highest three consecutive years for the State Police, similar to changes made for other employees in 2024. The second change increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027. The maximum benefit of 65.0 percent would not change. This is intended to help recruitment and retention efforts but has a phased approach to avoid staffing disruptions. The Assembly also included \$0.4 million of turnover savings.

Motor Vehicles. The Department requested \$4.0 million from all sources for its state fleet expenses. This includes \$3.3 million from general revenues, \$45,000 from restricted receipts, and \$0.6 million from other funds, of which \$0.5 million is transportation funds from road construction reimbursements. The Department seeks to use the State Fleet Replacement Revolving Loan Fund to purchase 32 vehicles in FY 2027, with repayments totaling \$0.8 million annually over the next three fiscal years. The request is \$0.5 million less than enacted from federal funds, reflecting the Department's 15-year fleet replacement plan.

The enacted budget assumes the use of the State Fleet Replacement Revolving Loan Fund in FY 2026, which would require repayment to begin in FY 2027. However, the revised request proposes using personnel savings and transportation funds from road-construction reimbursements to purchase 33 vehicles outright in the current year. For this reason, the repayment is omitted. *The Governor recommended funding as requested.* **The Assembly concurred.**

Anti-Heroin Task Force Program. The Department requested \$0.6 million from federal funds for the Anti-Heroin Task Force Program. This supports a joint operation with the State Police and representatives of other law enforcement and federal agencies, which began in FY 2025 and continues through FY 2028. The request is \$0.4 million less than enacted, reflecting the anticipated funding remaining after FY 2026. The grant funds more advanced equipment, additional investigative hours, and advanced training for personnel conducting illicit drug investigations. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Federal Funds. The Department requested \$1.8 million from federal funds for all other grant expenses. This includes \$0.3 million for contracted services, \$0.2 million for indirect costs, \$0.7 million for program supplies, \$0.2 million for software maintenance and subscriptions, \$0.1 million for unit equipment, \$36,888 for travel, and \$32,389 for office supplies, furniture, and equipment. The request is \$0.6 million less than enacted, reflecting remaining balances and anticipated FY 2026 expenditures. Notable decreases include \$0.5 million for the National Criminal History Improvement Program, for which remaining funds are anticipated, and \$0.1 million for the Motor Carrier Safety Assistance Program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Southern Public Safety Complex. Consistent with the Budget Office's current service adjustments, the Department requested \$0.3 million from general revenues to cover annual operating costs for the new Southern Public Safety Complex, assuming construction is completed by the beginning of June 2026. This represents a full year of funding based on State Police headquarters expenditures, including heating, ventilation, and air conditioning; a generator; and other expenses. The total also includes an estimated monthly electricity bill of \$24,000. Operational costs may increase as the Department will not have a full estimate until the end of FY 2026. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Capital Projects. The Department requested \$8.7 million from Rhode Island Capital Plan funds for four capital projects, \$5.7 million more than enacted, essentially consistent with its capital request. *The*

Governor recommended \$6.7 million less than requested. The Assembly concurred. A detailed description of the projects is included in the capital budget section of this publication.

Other Operations. The Department requested \$9.0 million from all sources for all other State Police expenses, including \$8.7 million from general revenues, \$0.2 million from restricted receipts, and \$0.1 million from other funds. This includes \$1.9 million for software maintenance, \$1.7 million for computer and software supplies and equipment, \$0.8 million for all uniforms and safety equipment charges, \$0.4 million for building and landscape maintenance, \$0.5 million for furniture and equipment, and \$0.5 million for contracted services. It also includes \$1.0 million for centralized human resources, information technology, and facility services provided by the Department of Administration, as well as \$1.3 million for utilities.

The request is \$34,800 more than enacted from general revenues, including \$4,800 for liability insurance and \$30,000 for software maintenance. Spending on these items over the last three fiscal years has averaged \$8.3 million, which is \$0.7 million less than requested. *The Governor recommended \$35,022 less than requested from general revenues to reflect statewide adjustments to centralized services based on updated data. The Assembly concurred.*

Office of the Public Defender

	FY 2026	FY 2026	FY 2027	FY 2027
	Enacted	Final	Recommended	Enacted
Expenditures by Category				
Salaries and Benefits	\$ 16,509,287	\$ 16,519,797	\$ 17,052,616	\$ 17,052,616
Contracted Services	247,507	251,507	241,007	241,007
Subtotal	\$ 16,756,794	\$ 16,771,304	\$ 17,293,623	\$ 17,293,623
Other State Operations	1,376,920	1,373,505	1,425,301	1,498,671
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	85,000	85,000	85,000	85,000
Capital	45,000	45,000	47,000	47,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 18,263,714	\$ 18,274,809	\$ 18,850,924	\$ 18,924,294
Sources of Funds				
General Revenue	\$ 18,178,679	\$ 18,189,774	\$ 18,765,889	\$ 18,839,259
Federal Aid	85,035	85,035	85,035	85,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 18,263,714	\$ 18,274,809	\$ 18,850,924	\$ 18,924,294
FTE Authorization	104.0	104.0	105.0	105.0

Summary. The Office of the Public Defender requested FY 2027 expenditures of \$20.0 million, primarily from general revenues, which is \$1.7 million above the enacted budget. The request includes 111.0 full-time equivalent positions, 7.0 more than the enacted authorization. *The Governor recommended \$18.9 million, which is \$0.6 million more than enacted and \$1.1 million less than requested. He recommended 105.0 full-time equivalent positions, 1.0 more than enacted. He subsequently requested an amendment to add \$73,370 from general revenues to reflect the updated estimate for the Office's lease extension. The Assembly concurred with the amended recommendation.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Office of the Public Defender, this produced a general revenue target of \$17.3 million. The amount includes current service adjustments of \$399,751 and a 7.5 percent target reduction of \$1.3 million, adjusted for certain exclusions. The constrained budget submitted by the Office is \$1,400 less than the target. The proposals to achieve the reduction are noted below, where appropriate. *The Governor's budget is \$1.5 million above the target. The enacted budget is \$1.6 million above the target.*

Caseload Reduction (7.0 FTE). The Office requested \$1.1 million from general revenues for four new assistant public defenders and three case managers to alleviate caseload burden. The total includes \$49,400 for associated operating costs, including parking spaces, technology, and other office equipment. Staffing was most recently increased in the FY 2024 enacted budget, and the overall authorization for the Office has increased by 11.0 positions since FY 2018. High caseloads were cited in the November 2017 *Rhode Island Project* report. While most of the added positions have been front-line attorneys, the Office indicates that

additional case managers are also needed to adequately support other staff. The constrained request excludes the positions and associated operating costs. *The Governor recommended \$187,176 for 1.0 new assistant public defender, including \$8,508 for associated operating expenses.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$17.1 million from general revenues for all other salaries and benefits expenses, which funds 103.5 of its 104.0 authorized positions, consistent with the enacted assumption. The request is \$0.6 million more than enacted for current service adjustments, including step increases associated with FY 2025 pay upgrades. As of early November, the Office has 3.0 vacancies. *The Governor recommended \$266,006 less than requested. He assumed additional turnover savings equivalent to about 2.0 positions and added \$36,601 to reflect statewide adjustments to health and other benefit rates.* **The Assembly concurred.**

Target - Misdemeanor Representation. The Office's constrained request proposes ceasing misdemeanor representation at the Washington, Kent, and Newport County courthouses to save \$1.5 million from laying off 6.0 attorneys and 5.0 support staff, and \$0.1 million from associated operating costs. Public defenders were assigned 4,548 cases in these district courts in FY 2025. If adopted, more cases would be referred to the Judiciary's indigent defense program for representation by private attorneys. Using FY 2025 data from the Judiciary on the average cost per misdemeanor case, the Office estimates a cost of \$3.5 million, negating the proposed savings. *The Governor did not recommend this constrained proposal.* **The Assembly concurred.**

Student Loan Forgiveness. The Office requested the enacted amount of \$85,035 from federal John R. Justice Incentive Grant funds for the student loan repayment assistance program. Annual funding is contingent upon federal appropriations and repays certain direct federal student loans of public defender and prosecution attorneys. Funds supported loan repayments for 21 staff in FY 2025. The program received no funding in federal FY 2025, and the Office does not anticipate receiving additional funding. The carryforward balance of \$62,292 will be spent in FY 2026, leaving no funding available in FY 2027. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office Space. The Office requested \$0.8 million for office space rent, payments to the Judiciary, and employee parking. This is \$11,680 above the enacted amount, reflecting an increase in payments to the Judiciary for courthouse office space. The FY 2026 enacted budget included an increase of \$41,987, reflecting higher parking costs and a short-term lease extension through the end of FY 2026. A long-term extension will require legislative approval in 2026. *The Governor recommended funding as requested, and his budget also includes legislation extending the lease for the main office at 160 Pine St. for five years. He subsequently requested an amendment to add \$73,370 from general revenues to reflect the updated estimate for the lease extension.* **The Assembly concurred with the amended recommendation.**

Other Operations. The Office requested \$0.9 million from general revenues for all other operations. This is \$20,500 more than the enacted budget and the revised request. This includes \$0.3 million for temporary and contracted staff, including paralegals, stenographers, and translators. The request also includes \$0.1 million for information technology centralized services provided through the Department of Administration, \$0.3 million for technology and office supplies, and \$0.2 million for other expenses.

The requested increases are based on reported FY 2025 spending and anticipated technology utilization. Increases include \$2,000 for non-Spanish interpreter services and \$18,500 primarily for technology costs related to the increased use of digital discovery and the replacement of computers and other office equipment. *The Governor recommended \$3,193 more than requested. This includes \$43,877 more to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. This is partially offset by \$40,684 less, including \$15,000 for temporary support and expert witnesses, to align other expenses with FY 2025 experience.* **The Assembly concurred.**

Department of Environmental Management

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Office of the Director	\$ 15,732,070	\$ 17,084,501	\$ 18,230,007	\$ 18,348,126
Bureau of Natural Resources	106,502,682	100,668,614	103,887,249	105,530,249
Bureau of Environmental Protection	42,189,435	45,321,731	43,751,224	43,751,224
Total	\$ 164,424,187	\$ 163,074,846	\$ 165,868,480	\$ 167,629,599
Expenditures by Category				
Salaries and Benefits	\$ 68,620,658	\$ 72,825,752	\$ 73,158,403	\$ 73,158,403
Contracted Services	16,900,049	43,059,387	41,455,823	17,045,767
Subtotal	\$ 85,520,707	\$ 115,885,139	\$ 114,614,226	\$ 90,204,170
Other State Operations	22,317,725	21,757,728	20,920,252	20,538,371
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	10,826,333	11,414,535	8,093,510	8,143,510
Capital	45,759,422	14,017,444	22,240,492	48,743,548
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 164,424,187	\$ 163,074,846	\$ 165,868,480	\$ 167,629,599
Sources of Funds				
General Revenue	\$ 58,380,368	\$ 60,091,920	\$ 60,615,642	\$ 60,783,761
Federal Aid	44,708,519	48,187,396	51,204,137	51,204,137
Restricted Receipts	24,775,624	26,710,589	27,287,646	27,287,646
Other	36,559,676	28,084,941	26,761,055	28,354,055
Total	\$ 164,424,187	\$ 163,074,846	\$ 165,868,480	\$ 167,629,599
FTE Authorization	439.0	439.0	440.0	440.0

Summary. The Department of Environmental Management requested \$175.1 million from all sources, which is \$10.7 million more than enacted and includes \$3.0 million more from general revenues. The Department requested 439.0 full-time equivalent positions, consistent with the authorized level. *The Governor recommended \$165.9 million from all sources, including \$60.6 million from general revenues and 440.0 positions. This is \$9.3 million less than the Department's request, including \$0.7 million from general revenues and one additional position transferred from the Department of Administration. He subsequently requested two amendments, adding \$0.7 million from all sources, including \$0.1 million from general revenues, to reflect the transfer of the Big River Management Area capital project and updated lease costs for the Foundry Building. The Assembly added \$1.0 million from Rhode Island Capital Plan funds for the Natural Resource Offices and Visitor's Center project, from FY 2026, based on an updated schedule. It also added \$50,000 from general revenues to replace forestry hoses and concurred with the remainder of the amended recommendation.*

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Department of Environmental Management, this produced a general revenue target of \$55.6 million, including a current service increase of \$1.1 million and

a 7.5 percent reduction of \$3.9 million, adjusted for certain exclusions. The constrained budget submitted by the agency is \$1.2 million more than the Budget Office target. The proposals to achieve those reductions are noted among the items described below, where appropriate. *The recommendation is \$5.0 million above the target.* **The enacted budget is \$5.2 million above the target.**

Staffing. The Department requested \$73.3 million from all sources, including \$44.7 million from general revenues for its 439.0 authorized full-time equivalent positions. This is \$4.7 million more from all sources than enacted, including \$2.9 million more from general revenues, and includes \$0.3 million less for seasonal staff. From general revenues, \$1.8 million is for current service adjustments. Consistent with the revised request, the FY 2027 request appears to shift funding for one Bureau of Natural Resources position to the Bureau of Environmental Protection. The request funds approximately 435 positions, which assumes 4 vacancies. As of the beginning of November, there were 435.0 filled positions.

The constrained request contains several proposals to shift staffing costs to other sources, resulting in general revenue savings of \$2.2 million.

The Governor recommended \$4.5 million more than enacted from all sources, including \$1.5 million more from general revenues. This is \$0.2 million less than requested from all sources. The Governor's recommendation includes one additional full-time equivalent position. He also recommended \$142,462 in statewide adjustments to health and other benefit rates. **The Assembly concurred.**

Centralized Services. The Department requested \$4.3 million from all sources for centralized services provided through the Department of Administration, including \$3.2 million for information technology services, \$50,000 for facilities management, and \$1.1 million for human resources. This is \$0.1 million less than enacted from Oil Spill Prevention, Administration and Response Fund restricted receipts for facilities management, consistent with the revised request. The Department noted that the \$135,000 included in the FY 2026 enacted budget was neither needed nor intended. *The Governor recommended \$0.7 million more than requested from all sources, primarily from general revenues, to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other changes based on updated data.* **The Assembly concurred.**

Office of the Director

The Office of the Director develops and implements the agency's wide range of programs to protect Rhode Island's environment, protect the state's citizens from public health threats resulting from pollution, and provide facilities that support a diversity of outdoor recreational activities.

Staffing. The Department requested \$8.5 million from all sources for salaries and benefits for 43.0 positions within the Office and the cost allocation of around 9 positions in other programs. This is \$0.9 million more than enacted, including \$7,880 more from general revenues and \$0.8 million more from indirect cost recovery restricted receipts reflecting current service adjustments and the restoration of turnover savings equal to approximately half of a position. At the time of its budget submission, the Department reported one vacancy in the Office of the Director.

The Governor recommended \$0.5 million more than requested from all sources. Consistent with the revised recommendation, he shifted \$0.5 million of general revenue expenses to available Bays, Rivers, and Watersheds Fund restricted receipts. The recommendation also includes \$14,684 in statewide adjustments to health and other benefit rates. **The Assembly concurred.**

Online Licensing Applications Portal. The Department requested \$752,000 from general revenues for maintenance and operating costs associated with the launch of its construction permitting and business licensing online application portals. Requested funds support the operations of a Salesforce permitting

platform, including the Department's Freshwater and Groundwater Protection Programs, along with 30 other Division of Agriculture and Forest Environment application and licensing programs.

Maintenance and operations fees are currently supported by information technology funds, which the Department of Administration has budgeted at \$0.6 million for FY 2026. Beginning in FY 2027, these funds will no longer support vendor system management and software licensing fees. The Department had anticipated costs to shift in FY 2028, but the Department of Administration anticipates that the shift to the maintenance and operating phase will occur by FY 2027, a year earlier.

The constrained request excludes this expense. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Litter Removal Initiative. The Department's request maintains the \$100,000 from general revenues included in the enacted budget for the Litter-Free Rhody initiative. In April 2022, Governor McKee announced a new initiative to encourage citizens, state agencies, and businesses to remove trash and litter from state parks, beaches, and management areas. Funds are primarily being used to provide grants to municipalities and organizations to conduct litter clean-ups. *The Governor recommended funding as requested.* **The Assembly concurred.**

Environmental Justice. The Department requested \$0.3 million from a federal Environmental Protection Agency grant for environmental justice work. The funding will go to The Nature Conservancy to work on climate change issues, reconnect marine and coastal systems, advance science, and build partnerships. The request is \$21,370 more than enacted based on available funds. *The Governor recommended funding as requested. An update from the Department in late March indicated that the Environmental Protection Agency has terminated this grant.* **The Assembly concurred.**

Conservation Districts. Consistent with the enacted budget, the Department requested \$180,000 for land and water conservation efforts. Rhode Island General Law, Section 2-4-3 establishes the State Conservation Committee, which helps the Eastern, Northern, and Southern Rhode Island Conservation Districts 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. The 2024 Assembly increased support by \$80,000. *The Governor recommended funding as requested.* **The Assembly concurred.**

Wildlife Clinic of Rhode Island. Consistent with the enacted budget, the Department requested \$100,000 from general revenues for the Wildlife Rehabilitators Association of Rhode Island for a veterinarian at the Wildlife Clinic of Rhode Island. The clinic is dedicated to veterinary care and treating all wild animals native to Rhode Island. It serves more than 6,000 wild animals annually. *The Governor recommended funding as requested.* **The Assembly concurred.**

Abandoned Vessel Removal. Consistent with the enacted budget, the Department requested \$10,000 from restricted receipts for abandoned vessel removal in FY 2027. Funding comes from a derelict and abandoned vessel and obstruction removal fee assessed biennially with vessel registration fees. Fees range from \$2 to \$20 based on the vessel length. *The Governor recommended funding as requested.* **The Assembly concurred.**

Bays, Rivers, and Watersheds Fund. Consistent with the enacted budget and the revised request, the Department requested \$0.5 million from the Bays, Rivers, and Watershed restricted receipts for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change. The fund is derived from fees collected from a \$1 per hundred-gallon charge on septage disposal in the state. The fund

began FY 2026 with a balance of \$864,658 and is projected to end FY 2027 with a balance of \$781,473. *The Governor recommended funding as requested. The Assembly concurred.*

Regional Greenhouse Gas Initiative. Consistent with the enacted budget, the Department requested \$0.6 million from restricted receipts to administer the Regional Greenhouse Gas Initiative. Pursuant to Rhode Island General Law, the receipts from the Regional Greenhouse Gas Initiative auctions are used for the benefit of energy consumers through investment in the most cost-effective available projects that can reduce long-term consumer energy demands and costs. Any funds not spent remain in the account and are available to be used as needed in subsequent years. *The Governor concurred. The Assembly concurred.*

Water Safety Program. The Department requested the enacted level of \$85,000 from general revenues for its water safety program. The program is intended to prevent future drownings by providing access to free water safety programs and by funding grants to municipalities and organizations to cover the cost of swim and paddlecraft safety lessons for students from low-income households.

As part of its constrained request, the Department proposed to eliminate the program and \$85,000 in funds. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

Foundry Building. Consistent with the enacted budget, the Department requested \$2.9 million for costs associated with its occupancy of the Foundry Building, where it has been renting space since 1996. This includes lease costs, electricity, and other utilities. The Foundry Building is located on Promenade Street in Providence and serves as the Department's central administrative office, housing the Office of the Director, the Office of Legal Services, and the Office of Boating Registration and Licenses, among other functions.

The Foundry lease expires at the end of FY 2026. As of late December 2025, the Department is working with the Department of Administration's Division of Capital Asset Management and Maintenance on lease renewal negotiations. It anticipates presenting a new lease to the General Assembly for approval in the 2026 session. *The Governor recommended funding consistent with the request. His budget includes the lease approval in Article 9 of 2026-H 7127. He subsequently requested an amendment updating the anticipated terms of the lease, including maximum pricing and square footage. It also added \$0.1 million to reflect updated cost estimates. The Assembly concurred with the amended recommendation.*

Other Operations. The Department requested \$0.4 million for all sources for other expenses within the Office of the Director. The request is \$24,850 less than the enacted amount, mostly from general revenues. The request also includes \$0.1 million from the Boat Registration Fees and Penalties restricted receipt account, and \$0.1 million from indirect cost recovery restricted receipts, primarily for information technology expenses and consultants. The decrease reflects \$20,000 less for computer equipment and \$5,000 less for stenographer staffing, consistent with the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Bureau of Natural Resources

The Bureau of Natural Resources protects, manages, and restores the state's vast array of historic parks, beaches, recreational facilities, and green spaces. The bureau includes nine divisions: Agriculture, Coastal Resources, Law Enforcement, Forestry, Fish and Wildlife, Parks and Recreation, Planning and Development, Marine Resources, and the Narragansett Bay Estuarine Research Reserve. It also includes the Department's Warehouse and Service Center.

Parks and Recreation. The Department requested \$18.0 million, including \$16.1 million from general revenues, to support the Division of Parks and Recreation and its 68.0 full-time equivalent positions. The

Division manages 8,200 acres of land, including parks, beaches, campgrounds, bike paths, dams, museums, and fishing areas. The request includes \$3.6 million for seasonal staff, \$8.3 million for other salaries and benefits, \$0.9 million for contracted groundskeeping and janitorial services, \$0.7 million for state fleet, and \$0.4 million for building maintenance and repairs.

The request is \$0.2 million more than enacted from general revenues. This reflects \$0.1 million more for seasonal staff, \$0.1 million in current service adjustments, \$0.3 million more to restore turnover savings equivalent to approximately two positions, offset by \$0.1 million less for overtime. The request also transfers \$0.2 million from general revenues for water safety and other contracted services to the Director of Natural Resources' office, consistent with the revised request. It also requested \$60,000 more from federal funds for the Fort Wetherill Trail Improvements project, also consistent with the revised request. *The Governor recommended \$0.2 million less than requested from general revenues, almost entirely from an increase in the turnover assumption. His recommendation also includes \$1,276 more from general revenues to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.*

Burlingame Campground Reservation Fees. The Department requested \$1.7 million from Burlingame Campground Reservation Fees restricted receipts for maintenance and upkeep of the campground. The request is \$0.4 million more than enacted, consistent with the Department's revised request. The Department reimburses expenses incurred by the company managing the campground. The \$1.7 million requested is based on expected FY 2026 reimbursement amounts, derived from anticipated receipts and expenditures. *The Governor recommended funding as requested. The Assembly concurred.*

Enforcement. The Department requested \$8.0 million, including \$5.1 million from general revenues, to support the Division of Law Enforcement operations and its 34.0 full-time equivalent positions, 1.0 more than enacted. The Division provides 24-hour patrols on the state's waters and enforces state laws and regulations governing marine safety, recreational fishing, and hunting, including hunter safety. Environmental Police Officers respond to emergency situations involving rabid animals and those suspected to be rabid and other nuisance animal complaints. The request is \$0.4 million less than enacted, including \$0.4 million more from general revenues, \$1.0 million less from federal funds, and \$0.2 million more from restricted receipts. Nearly all of the increase from general revenues and restricted receipts is for salaries and benefits, including the restoration of \$0.1 million of enacted turnover savings, which would fully fund the Division. The reduction from federal funds primarily concerns lower expenditures related to the Recreational Boating Safety Grant, consistent with the FY 2026 revised request.

The constrained request proposes general revenue savings of \$0.8 million by shifting expenses for staff and fleet operations to the Oil Spill Prevention, Administration and Response Fund. *The Governor recommended shifting \$0.4 million of staffing costs from general revenues to available Oil Spill Prevention, Administration and Response Fund restricted receipts. He also recommended \$11,611 more from all sources in statewide adjustments to reflect health and other benefit rates. The Assembly concurred.*

Big River Management Area (1.0 FTE). The Big River Management Area is a 8,319 acre-large nature preserve located in West Greenwich. The area is composed primarily of forest land, wetlands and agricultural lands and is the largest publicly-owned land parcel in the state. The area is operated as Open Space under the Department of Administration's Water Resources Board, which established guidelines in 1996 to monitor the water supply, ensuring its continued sustainability for local wildlife, environmental education, and passive recreation.

The Governor recommended transferring ownership of the Big River Management Area from the Water Resources Board to the Department. This includes the transfer of 1.0 full-time equivalent position and associated operating costs, totaling \$148,523 from general revenues. He subsequently requested an amendment to transfer \$593,000 from Rhode Island Capital Plan funds from the Department of Administration. The Assembly concurred with the amended recommendation.

Other Staffing. The Department requested \$17.2 million from all sources for salaries and benefits of the remaining staff in the Bureau of Natural Resources. The request is \$1.1 million more than enacted, including \$0.4 million more from general revenues. The request includes a current service adjustment of \$0.2 million, increases overtime by \$0.2 million, and adds \$0.6 million to restore turnover savings equivalent to 4.5 positions, which funds previously vacant positions primarily in the Department's Forest Environment and Wildlife programs, as well as the Office of Planning and Development.

The constrained request includes general revenue savings of \$271,892 by shifting expenses for 1.3 full-time equivalent positions from general revenues to Oil Spill Prevention, Administration and Response Fund restricted receipts. *The Governor recommended \$31,890 less than requested from all sources. This includes \$35,935 more from all sources for statewide adjustments to health and other benefit rates, offset by turnover savings equivalent to about half of a position.* **The Assembly concurred.**

Host Beach Communities. The Department requested \$0.6 million from general revenues for anticipated payments to host beach communities. This is \$7,000 more than the enacted budget and consistent with the revised request, reflecting anticipated reimbursements. The Department collects fees for daily and seasonal parking at seven facilities across the state. It reimburses the four host communities of Charlestown, Westerly, Narragansett, and South Kingstown 27 percent of all daily parking fees collected from Memorial Day to Labor Day. The 2021 Assembly authorized the Department to increase beach, park, and recreational fees at state facilities located in Westerly. *Consistent with the revised recommendation, the Governor recommended \$5,820 more than requested.* **The Assembly concurred.**

Local Agriculture and Seafood Grants. Consistent with the enacted budget, the Department requested \$0.5 million from general revenues for the Local Agriculture and Seafood Act grant program. The program provides grants to local agriculture and food businesses to support the growth, development, and marketing of local food and seafood in the state. Established in 2012, it has been funded from general revenues and private contributions from the van Beuren Charitable Foundation, the Henry P. Kendall Foundation, and the Rhode Island Foundation.

The constrained request reduces funding by \$350,000. *The Governor recommended funding consistent with the unconstrained request.* **The Assembly concurred.**

Rhode Island Seafood Marketing Collaboration. Consistent with the enacted budget, the Department requested \$100,000 from general revenues for a local seafood marketing initiative. First appropriated in FY 2025, funding supports a contracted seafood marketing specialist who oversees statewide promotion and marketing to increase consumer awareness of and demand for local seafood products with an emphasis on undervalued species. *The Governor recommended funding as requested.* **The Assembly concurred.**

Marine Mammal Emergency Response. Consistent with the enacted budget, the Department requested \$150,000 from general revenues to support the rescue and rehabilitation of marine mammals that become stranded in Rhode Island waters. Funds serve as a state match for marine mammal response, data collection and analysis, participation in regional whale injury reduction team activities, outreach improvements, partnerships to enhance monitoring, and supplies and equipment to transport live or deceased animals. *The Governor recommended funding as requested.* **The Assembly concurred.**

Chafee Vessel Repairs. Consistent with the enacted budget and the Department's FY 2026 revised request, the Department requested general revenue expenditures of \$150,000 to repair the John H. Chafee research boat. This vessel conducts seasonal and monthly surveys to provide data on finfish and crustaceans in Rhode Island state waters. The boat was built in 2002, and the Department reports that it needs around \$300,000 in repair work.

The repairs were initially authorized by the Assembly in the Department's FY 2025 revised budget; however, no funds were spent on vessel repairs in FY 2025. According to the Department, it is difficult to hire someone with the specialized knowledge necessary to repair the vessel. As of November 2025, the Department reports that it is in discussion with several vendors; however, there is a limited timeframe to repair the boat, which must be out of water, and this limitation restricts the Department's options for completing the necessary repairs in a timely manner. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. The Department requested \$14.7 million from its other federal grants in the Bureau of Natural Resources. Expenditures include \$4.1 million for professional services, mostly environmental, management, and advisory services, and \$2.0 million to distribute as grants. Other expenses include \$1.4 million for Colt Park restroom construction. Funding comes from over 100 distinct grants that support outdoor recreation, fish and wildlife, wildlife and habitat restoration, marine fishing and monitoring, and animal health and behavior. The request is \$5.9 million less than enacted and includes \$1.2 million from federal land and water conservation funds, \$1.0 million for statewide land acquisition, and \$0.5 million for resilient food systems infrastructure. The request also excludes most or all funding included in the FY 2026 enacted budget for urban forestry, amphibian and reptile conservation, and outdoor recreation projects. The Department does not anticipate spending on these grants in FY 2026 or FY 2027 based on current priorities. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department requested \$48.4 million, including \$34.7 million from Rhode Island Capital Plan funds and \$13.7 million from federal funds for nine capital projects. The request is \$12.2 million more than enacted. Compared to its capital request, the operating budget excludes \$5.3 million for several projects. The intended request is \$29.4 million from Rhode Island Capital Plan funds, consistent with the capital budget request. The Department appears to have budgeted all remaining funds from a Federal Emergency Management Agency grant for work on the Wickford Dock; the capital request budgets only \$3.8 million. All remaining federal funds are consistent with the Department's capital request. *The Governor recommended \$9.8 million less than requested from Rhode Island Capital Plan funds. The Assembly added \$1.0 million from Rhode Island Capital Plan funds for the Natural Resource Offices and Visitor's Center based on a revised schedule. A detailed description of the projects is included in the Capital Budget section of this publication.*

Department of Transportation Projects. Consistent with the enacted budget, the Department requested \$1.8 million from Department of Transportation funds for passthrough projects for the Rhode Island Department of Transportation, including the Blackstone Bike Path project and other recreational projects. The Blackstone Bikeway has been built in several phases since 1998 and connects Woonsocket to the Massachusetts Border. According to the Department of Transportation, one bike path segment is open, one is under construction, and two are under design. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$3.7 million from all sources, including \$1.4 million from general revenues, for all other Bureau of Natural Resources expenses. These expenses support marine fisheries, agriculture, coastal resources, fish and wildlife, forests, and planning and development. General revenue reductions of \$0.2 million are primarily from decreases in building maintenance and other utilities costs for the Division of Coastal Resources. The request is \$0.1 million less than the enacted amount and, consistent with the revised request, excludes building maintenance expenses originally included in the FY 2026 request but no longer needed. *The Governor recommended funding as requested. The Assembly added \$50,000 from general revenues to purchase new forestry hoses for the Division of Agriculture and Forest Environment.*

Target - State Park Daily Usage Fee Increase. The Department's constrained budget request includes a proposal to increase fees for specific site rentals in Rhode Island state parks, including open fields, picnic

table sites, and shelters and pavilions. Increases range from \$5 to \$50. The proposal would also assume the current non-resident rates for both daily and seasonal fees. The proposal would also increase fees associated with testing and licensing within the Division of Forest Environment. Fee increases are projected to raise \$160,435 in revenue in FY 2027. The Department has the authority to establish and modify user and permitting fees. *The Governor did not recommend this proposal.* **The Assembly concurred.**

Target - Land Surplus Revenue. The Department's constrained budget includes a proposal to sell surplus properties that are either currently unused by the Department or will be in the near future. It suggests three properties, namely a house located on Hartford Avenue, a property located near Rocky Point, and a property located on Hill Farm Road referred to as the St. Germain Property. The Department estimates that all three properties will sell for a total of \$900,000 and assumes general revenue savings equal to that amount.

It should be noted that under current law, proceeds from land sales must be deposited into the information technology fund per Rhode Island General Law, Section 37-7-15. *The Governor included this proposal and \$0.9 million to be deposited into the information technology restricted receipts account in the Department of Administration's budget.* **The Assembly concurred.**

Bureau of Environmental Protection

The Bureau of Environmental Protection is responsible for preventing and minimizing pollution, and monitoring the quality and overseeing the restoration of water, air, and land. The Bureau includes six regulatory offices:

- The Offices of Water Resources, Air Resources, and Waste Management evaluate applications, issue permits that meet state and federal requirements, and oversee permit compliance.
- The Office of Compliance and Inspection investigates citizen complaints that are within the Bureau's responsibility and is the centralized administrative office for enforcement.
- The Office of Customer and Technical Assistance coordinates the review of projects requiring multiple applications and permits and is the centralized administrative office to receive applications.
- The Office of Emergency Response responds to spills of oil and chemicals.

Staffing. The Department requested \$29.0 million from all sources for salaries and benefits for 180.0 full-time equivalent positions within the Bureau of Environmental Protection. This is \$1.8 million more than enacted and reflects current service adjustments, higher salaries than assumed in the enacted budget, one new full-time equivalent position transferred from the Bureau of Environmental Protection, and the restoration of turnover savings equivalent to approximately seven positions.

The Department explained that other salary increases are the result of changes in the pay of environmental scientists and environmental engineers. Pay scale updates were initially approved in April 2023. The new pay scales were included in the Department's FY 2024 and FY 2025 requests. However, as a result of a 2025 Personnel Appeal Board decision affecting Department of Administration policy changes based on complaints filed by the union representing classified employees, the steps for these positions increased. Impacted employees had pay scale adjustments completed on January 31, 2025, and received retroactive payments between then and June 30, 2025. This was reflected in the Department's FY 2025 overspend for salaries and benefits. Adjustments were not included in previous requests because a decision came after the Department's budget submission.

The request includes \$1.6 million more from general revenues, \$0.1 million more from federal funds, \$0.1 million more from restricted receipts, and \$34,198 less from Department of Transportation funds and would fund 178.0 full-time equivalent positions. Absent additional funds, the Department would need to maintain more vacancies. As of the time of the budget submission, the bureau has one vacancy.

The constrained request shifts \$1.2 million from general revenues to the Oil Spill Prevention, Administration and Response Fund. As the bureau houses the account, other staff allocations described previously are funded in the bureau, resulting in the constrained request exceeding the unconstrained request by \$1.1 million for staffing costs associated with the Bureau of Environmental Protection.

The Governor recommended \$0.2 million less than requested from all sources, including \$0.9 million less from general revenues. This includes shifting \$0.7 million of general revenue staffing costs to other sources, including \$0.3 million to Water and Air Protection restricted receipts and \$0.4 million to Oil Spill Prevention, Administration and Response Fund restricted receipts. He also increased turnover savings by \$154,276 and included \$39,750 more from all sources to reflect statewide adjustments to health and other benefit rates. The Assembly concurred.

Rose Hill Landfill. The Department requested \$150,000 from general revenues for maintenance and monitoring activities at the state's superfund site located at the former Rose Hill Landfill in South Kingstown. The request is \$50,000 less than enacted, but is consistent with the Department's revised request and is more in line with FY 2025 expenditures, which were \$134,642. The unpredictable nature of landfill gases makes it difficult to estimate annual maintenance costs. Expenses were \$213,355 in FY 2023, \$190,386 in FY 2024, and \$134,642 in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Fleet. The Department requested \$0.1 million from general revenues for fleet expenses related to the Office of Water Resources. The request is \$0.1 million less than enacted and excludes funds provided for purchases in FY 2026. The Department maintains \$0.1 million for vehicle maintenance and upkeep of its existing fleet, which is based on FY 2025 experience. *The Governor recommended funding as requested. The Assembly concurred.*

Oil Spill Prevention, Administration and Response Fund. The Department requested \$0.7 million from restricted receipts from the Oil Spill Prevention, Administration and Response Fund for non-staffing expenses. It provides funding for the prompt response, containment, and remediation of oil spills, emergency response readiness via trainings and equipment acquisition, emergency loans for affected workers in the case of significant releases, and damage compensation of legitimate claims that cannot otherwise be compensated by responsible parties or the federal government. The request is \$0.3 million less than enacted to align expenditures more closely with the FY 2025 experience and based on available receipts. The fund began FY 2026 with a balance of \$2.8 million and is projected to end FY 2027 with a balance of \$2.3 million.

As part of its constrained request, the Department proposed increasing the Oil Spill Response and Prevention Fee from five cents per barrel of petroleum products received at marine terminals in Rhode Island to 12 cents per barrel. The five-cent fee was set in 1996 when the original Oil Spill Prevention, Administration and Response Fund was established. This is projected to increase revenues by \$2.3 million, which the Department proposed using in lieu of general revenues for staffing costs in both the Bureaus of Natural Resources and Environmental Protection. A similar proposal was presented last year, but it was neither recommended nor approved by the Assembly. *The Governor recommended funding consistent with the unconstrained request. The Assembly concurred.*

<i>Oil Spill Prevention, Administration and Response</i>	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	Final Chg. to Enacted	FY 2027 Enacted
Carryforward	\$ 3,075,354	\$ 2,864,630	\$ 2,628,509	\$ (292,150)	\$ 2,056,335
New Receipts	1,670,683	1,963,003	1,661,212	(301,791)	1,661,212
Total Available	\$ 4,746,037	\$ 4,827,633	\$ 4,289,721	\$ (593,941)	\$ 3,717,547
Expenditures					
Salaries & Benefits	\$ 1,494,220	\$ 1,150,919	\$ 1,589,952	\$ 105,052	\$ 1,640,414
Contracted Services	369,358	365,400	365,400	-	365,400
Operating Supplies & Expenses	133,423	351,849	125,534	(226,315)	125,534
Assistance & Grants	120,527	252,500	152,500	(100,000)	152,500
Capital	-	152,000	-	(92,000)	60,000
Total Expenditures	\$ 2,117,528	\$ 2,272,668	\$ 2,233,386	\$ (313,263)	\$ 2,343,848
Balance	\$ 2,628,509	\$ 2,554,965	\$ 2,056,335	\$ (280,678)	\$ 1,373,699

Underground Storage Tank. Consistent with the enacted budget, the Department requested \$2.0 million from restricted receipts assessed to environmental protection regulatory fees collected on every cent per gallon of motor fuel sold to underground storage tank owners. Pursuant to Rhode Island General Law, Section 46-12.9-5, “the fund shall provide reimbursement to responsible parties for the eligible costs incurred by them as a result of releases of certain petroleum from underground storage tanks or underground storage tank systems.” This funding is being used to clean up 24 contaminated sites, which is also funded through Environmental Response Fund restricted receipts. This clean-up began in FY 2024 and will extend over multiple years. *The Governor recommended funding as requested. The Assembly concurred.*

Environmental Response Fund. Consistent with its revised request and the enacted budget, the Department requested \$4.1 million from Environmental Response Fund restricted receipts. The fund is generally supported by hazardous waste transport violation fees and any settlements or penalties allowed under the Rhode Island General Laws. The state recently settled lawsuits against Coastal Corporation and British Petroleum over soil and groundwater contamination from the gasoline additive methyl tertiary-butyl ether, banned in 2007. *The Governor recommended funding as requested. The Assembly concurred.*

Federal Grants. The Department requested \$6.5 million from federal funds for the Bureau of Environmental Protection, \$0.4 million more than enacted to reflect current awards. Federal grants support prevention and abatement programs for water and air pollution, managing superfund sites as determined by the Comprehensive Resource Conservation and Liability Act, brownfield remediation, and waste management. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$0.5 million from all sources for all other expenses, including \$0.1 million for contracted environmental services and other expenses primarily related to the Department’s Offices of Compliance and Inspection, Air Resources, and Waste Management. The request is \$32,000 less than enacted for printing expenses within the Offices of Air Resources and Waste Management, entirely from general revenues to align spending more closely with its FY 2025 experience, and is consistent with the revised request. *The Governor recommended \$35,000 less than the request from general revenues for operating expenses for the Office of Compliance and Inspection to align expenditures more closely with the FY 2025 experience, consistent with his FY 2026 revised recommendation. The Assembly concurred.*

Coastal Resources Management Council

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 5,098,362	\$ 5,107,407	\$ 5,241,447	\$ 5,241,447
Contracted Services	382,770	246,959	246,959	296,959
Subtotal	\$ 5,481,132	\$ 5,354,366	\$ 5,488,406	\$ 5,538,406
Other State Operations	583,884	521,510	580,885	580,885
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,727,730	1,674,605	1,674,605	1,674,605
Capital	7,068,000	7,118,000	11,448,000	11,448,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 14,860,746	\$ 14,668,481	\$ 19,191,896	\$ 19,241,896
Sources of Funds				
General Revenue	\$ 3,904,812	\$ 4,174,013	\$ 4,324,771	\$ 4,374,771
Federal Aid	3,331,166	3,108,657	3,151,314	3,151,314
Restricted Receipts	624,768	335,811	335,811	335,811
Other	7,000,000	7,050,000	11,380,000	11,380,000
Total	\$ 14,860,746	\$ 14,668,481	\$ 19,191,896	\$ 19,241,896
FTE Authorization	32.0	32.0	32.0	32.0

Summary. The Coastal Resources Management Council requested \$15.5 million from all sources, including \$4.8 million from general revenues. This is \$0.7 million more than enacted, including \$0.9 million more from general revenues and \$0.3 million less from federal funds. The Council requested 37.0 full-time equivalent positions, or 5.0 more than authorized. *The Governor recommended \$19.2 million from all sources, including \$4.3 million from general revenues, and the authorized level of 32.0 full-time equivalent positions. This is \$4.3 million more than enacted, including \$0.4 million from general revenues. He subsequently requested an amendment to restore \$50,000 from general revenues as a placeholder for a new permit and enforcement database.* **The Assembly concurred with the amended recommendation.**

Constrained Budget. The Budget Office requested that agencies also submit options for constrained spending to close a projected budget gap. For the Council, this produced a general revenue target of \$3.7 million, including a current service adjustment of \$0.1 million and a 7.5 percent reduction of \$0.3 million adjusted for certain exclusions. The constrained budget submitted by the agency is \$0.4 million more than the Budget Office target. The proposals to achieve those reductions are noted among the items described below, where appropriate. *The Governor's recommendation is \$0.6 million above the target.* **The enacted budget is \$0.7 million above the target.**

Implementation Aide (1.0 FTE). The Council requested \$108,702 from general revenues for 1.0 new position dedicated to supporting and enhancing the Council's regulatory, enforcement, and policy programs. The new position would assist the Council by initiating, preparing, and distributing correspondence, official forms, and documents while overseeing Council files and records to ensure their accuracy and currency. The request assumes a July 2026 start date.

The constrained budget excludes the position. *The Governor did not recommend funding.* **The Assembly concurred.**

Environmental Engineer (1.0 FTE). The Council requested \$170,486 from general revenues and authorization for 1.0 new full-time environmental engineer position, which would be responsible for conducting engineering reviews of proposed projects and assisting the Ocean Engineering team in reviewing offshore wind farms and development and maintenance applications. The Council indicates that the new wind energy projects require substantial staff time, limiting its availability for day-to-day duties. The position would help ensure that existing work is not relegated as a result of other new projects. The request assumes a July 2026 start date. The Council unsuccessfully requested funding for this position last year.

The constrained budget excludes the position. *The Governor did not recommend funding.* **The Assembly concurred.**

Environmental Policy Analyst (1.0 FTE). The Council requested \$178,435 from general revenues for 1.0 new full-time environmental policy analyst position, responsible for coordinating consistency between federal and state Coastal Zone Management Act requirements. The new position would also address Council responsibilities regarding the state's Climate Action Plan. The request assumes a July 2026 start date. The Council unsuccessfully requested funding for 2.0 full-time environmental policy analysts last year.

The constrained budget excludes the position. *The Governor did not recommend funding.* **The Assembly concurred.**

Environmental Scientist (1.0 FTE). The Council requested \$150,514 from general revenues for 1.0 new full-time environmental scientist position who would aid in the enforcement of the Council's management program and issue notices of violation, as well as cease and desist orders for the enforcement section. The request assumes a July 2026 start date. The Council unsuccessfully requested funding for this position last year.

The constrained budget excludes the position. *The Governor did not recommend funding.* **The Assembly concurred.**

Paralegal Aide (1.0 FTE). The Council requested \$92,482 from general revenues for 1.0 new full-time paralegal position to support the Council's internal hearing officer legal program. The Council reports that its hearing officer requires staff to perform legal research and analysis of legal sources, and to gather, assemble, summarize, and compile information on various legal issues. The new position would assist with those duties, alleviating burdens on other staff. The request assumes a July 2026 start date.

The constrained budget excludes this position. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Salaries and Benefits. The Council requested \$5.2 million from all sources, including \$3.8 million from general revenues and \$1.4 million from federal funds for its authorized 32.0 full-time equivalent positions. This is \$0.1 million more than enacted, including \$0.2 million more from general revenues. The request includes current service adjustments and restores turnover savings equivalent to around half a position. The enacted budget funds 30.5 full-time equivalent positions.

Consistent with the revised request and FY 2025 final expenditures, the request shifts one position from federal funds to general revenues, based on current staffing. In FY 2025, a position budgeted from federal

funds became vacant and has not been filled. Other positions were filled, resulting in unbudgeted general revenue expenses.

The Governor recommended \$0.1 million more than enacted from all sources, mostly from general revenues. This includes restoration of turnover equivalent to approximately half of a position and \$11,409 from all sources in statewide adjustments to health and other benefit rates. He did not include the requested shift from federal funds to general revenues. The Assembly concurred.

Centralized Services. The Council's request includes the enacted \$0.2 million from all sources for centralized services provided through the Department of Administration. *The Governor recommended \$38,046 more than requested from all sources to reflect statewide adjustments to centralized services, including a new charge for accounts and control expenses, and other charges based on updated data. The Assembly concurred.*

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed under the particular federal grant. In fall 2024, the federal rate was increased from 10.0 percent to 15.0 percent. The enacted budget included general revenue savings of \$374,768 from applying a 15.0 percent indirect cost recovery on federal grants that the Council receives. The revised request retains these savings. *The Governor recommended general revenues to restore \$0.3 million of the savings. He also included \$0.1 million from indirect cost recovery approved in the Council's annual federal agreement with the National Oceanic and Atmospheric Administration. The Assembly concurred.*

Offshore Wind Pilot. Consistent with the enacted budget, the Council requested \$30,000 from a federal grant from the Bureau of Safety and Environmental Enforcement related to wind farms. The Council notes that the project was completed in October 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Storm Tools. The 2025 Assembly added \$200,000 from general revenues for FY 2026 to support multiple technology applications used to help Rhode Island prepare for, respond to, and recover from coastal hazards. This includes STORMTOOLS, an interactive mapping tool used to assess current and future flooding. It also includes MYCoast Rhode Island, a public-facing platform that collects and shares geo-tagged photos of coastal flooding, storm damage, and erosion, as well as RI-CHAMP, which enables real-time forecasting and was developed for emergency response. Since 2018, the Council has supported STORMTOOLS operations and maintenance costs through an annual cooperative agreement with the University of Rhode Island. The FY 2027 request maintains the \$200,000 for all three applications. *The Governor recommended funding as requested. The Assembly concurred.*

National Oceanic and Atmospheric Administration Grant. Consistent with the enacted budget, the Council requested \$49,840 from federal funds from the National Oceanic and Atmospheric Administration for habitat restoration and conservation projects. Funding partially supports two positions at the Narragansett Bay National Estuarine Research Reserve, a project specialist and a project coordinator, to help identify potential projects and develop proposals for initiatives within the Narragansett Bay watershed. The Council states that this project is done in conjunction with the Department of Environmental Management, which has been working with the federal government to refine the project scope. *The Governor recommended funding as requested. The Assembly concurred.*

Coastal and Estuary Habitat Restoration Trust Fund. Consistent with the enacted budget, the Council requested \$250,000 from the Oil Spill Prevention, Administration and Response Fund for the Coastal and Estuary Habitat Restoration Program and Trust Fund. The 2004 Assembly mandated the annual amount of \$250,000 from the Oil Spill Prevention, Administration and Response Fund to the program and trust fund.

The fund awards applicants who meet specific criteria to complete projects that preserve or restore coastal wetlands, fish runs, eelgrass beds, and other coastal ecology. The project is on schedule with its annual call for proposals. *The Governor recommended funding as requested. The Assembly concurred.*

Permit and Enforcement Database Annual Licensing Fee. The Council requested \$20,000 from general revenues for a new expense to cover licensing fees associated with implementing a new permit database requested in the revised budget. The Council's FY 2026 revised request includes \$2.0 million from general revenues for the implementation of a new permit database. The enacted budget provides a \$50,000 placeholder pending further information on costs. The Council noted that the request is based on discussions with the Department of Administration and the Department of Environmental Management, whose own permitting database has been operational since October 2024 and has a module for the Council. The National Oceanic and Atmospheric Administration extended the implementation deadline for a new permit database from March 31, 2024, to September 30, 2026. The Council's prior requests for database implementation support have not been approved. The annual licensing fee for the database is \$20,000.

The constrained request excludes the licensing fee. *The Governor's recommendation inadvertently removed the \$50,000 placeholder included in the enacted budget. He subsequently requested an amendment to retain it. The Assembly concurred with the amended recommendation.*

Shoreline Access Project. The FY 2026 enacted budget includes a \$0.1 million federal grant from the National Oceanic and Atmospheric Administration to create a Public Shoreline Access Management Plan. Funding is through a non-competitive Inflation Reduction Act grant available to all state coastal programs. The Council's plan was originally to create and hire a municipal liaison to foster coordination between the Council and the state's 21 coastal municipalities to facilitate improvements to the rights-of-way program and provide support to municipal-led shoreline public access improvements.

On May 5, 2025, the National Oceanic and Atmospheric Administration informed the Council that the awarded project activities were no longer aligned with the Administration's objectives; the grant was thus terminated. The Council's request removes all funding, consistent with the revised request. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Grants. Consistent with the enacted budget, the Council requested \$1.6 million from its other federal funds. This includes \$0.1 million for Aquatic Invasive Species management and mitigation, \$0.8 million for the South Fork Wind Farm project, and \$0.2 million for the Winnapaug Pond project. The request also includes \$0.5 million for a general-purpose grant issued by the National Oceanic and Atmospheric Administration. These grants were also requested in the Council's FY 2026 revised budget. *The Governor's recommendation is \$85,811 less than requested to more closely align expenditures with FY 2025. The Assembly concurred.*

Capital - Projects. Consistent with the enacted budget, the Council requested \$7.0 million from Rhode Island Capital Plan funds for the South Coast Restoration Project. The request does not include two projects included in the capital submission, namely, the Pawcatuck Resiliency Elevation project and the Confined Aquatic Dredged Material Disposal Cells project. The Council indicated that its capital request should prevail. *The Governor recommended \$4.4 million more than enacted from Rhode Island Capital Plan funds. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. Consistent with the enacted budget and revised request, the Council requested \$0.2 million from general revenues for all other expenses. This includes costs for legal counsel, office supplies, and other operating expenses for the Council office at the Stedman Government Center. *The Governor recommended funding as requested. The Assembly concurred.*

Department of Transportation

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Expenditures by Program				
Central Management	\$ 22,782,190	\$ 21,594,062	\$ 22,483,127	\$ 22,483,127
Management and Budget	3,839,065	367,542,936	5,768,852	5,768,852
Infrastructure Program	856,174,336	810,841,104	1,106,502,368	1,118,114,253
Total	\$ 882,795,591	\$ 1,199,978,102	\$ 1,134,754,347	\$ 1,146,366,232
Expenditures by Category				
Salaries and Benefits	\$ 118,331,441	\$ 111,295,988	\$ 118,934,359	\$ 118,934,359
Contracted Services	71,547,071	69,534,435	74,775,541	69,225,541
Subtotal	\$ 189,878,512	\$ 180,830,423	\$ 193,709,900	\$ 188,159,900
Other State Operations	63,403,181	66,253,273	57,997,980	54,654,757
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	22,142,759	50,385,181	45,405,259	45,405,259
Capital	436,556,933	735,275,277	665,006,313	680,356,272
Capital Debt Service	330,050	330,050	330,050	330,050
Operating Transfers	170,484,156	166,903,898	172,304,845	177,459,994
Total	\$ 882,795,591	\$ 1,199,978,102	\$ 1,134,754,347	\$ 1,146,366,232
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	474,582,143	610,092,483	779,180,935	779,050,185
Restricted Receipts	6,066,037	1,899,965	4,459,559	4,459,559
Other	402,147,411	587,985,654	351,113,853	362,856,488
Total	\$ 882,795,591	\$ 1,199,978,102	\$ 1,134,754,347	\$ 1,146,366,232
FTE Authorization	755.0	755.0	757.0	722.0

Summary. The Department of Transportation requested FY 2027 expenses of \$1,367.6 million from all sources, including \$787.6 million from federal funds, or 57.6 percent, and the authorized level of 755.0 full-time equivalent positions. The request is \$484.8 million more than enacted, including increases of \$313.0 million from federal funds and \$173.5 million from other funds, and \$1.6 million less from restricted receipts. The request assumes use of \$164.0 million from Rhode Island Capital Plan funds, including \$144.6 million as state match for highway projects. This is \$29.0 million more than enacted and \$100.4 million more than the approved plan. The Department subsequently indicated it had intended to request \$44.2 million.

The Governor recommended legislation to reduce the gas tax by two cents, reflecting the recent retirement of motor fuel revenue bonds. He also proposed legislation amending the Highway Maintenance Account to annually provide the Rhode Island Public Transit Authority with an additional \$9.3 million of the funds; the Department's share of the funds is reduced by a like amount. His recommendation of \$1,134.8 million from all sources includes \$779.2 million from federal funds. This is \$232.9 million less than requested, including \$98.4 million less from Rhode Island Capital Plan funds to correct overstated expenses. He included 757.0 full-time equivalent positions, 2.0 more than requested.

The Assembly provided \$1,146.4 million from all sources, which is \$11.6 million more than recommended, including \$8.8 million to maintain the gasoline tax at the current law amount. The Assembly revised the Highway Maintenance Account to allocate 25.0 percent of available funds annually to the Rhode Island Public Transit Authority, replacing the current combination of 10.0 percent and a fixed-amount. It authorized 722.0 full-time equivalent positions, 35.0 fewer than recommended, reflecting the removal of long-standing vacancies.

The Assembly also adopted legislation in Article 3 of 2026-H 7127, Substitute A, as amended, requiring the Office of Internal Audit and Program Integrity within the Department of Administration to conduct an efficiency and performance audit of the Department.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2026 and FY 2027 budgets. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
<i>Gas Tax Yield per Cent (in millions)</i>	\$ 4.359	\$ 4.390	\$ 4.309	\$ 4.379
<i>RIDOT Cents</i>	24.25	24.25	22.25	24.25
<i>RIPTA Cents</i>	11.75	11.75	11.75	11.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 20,912,294	\$ 206,488,268	\$ 15,032,569	\$ 19,975,135
Gas Tax	172,188,914	173,386,198	161,603,475	172,960,625
Motor Fuel Bond Excess Reserve	-	7,109,952	3,500,000	3,500,000
Motor Vehicles Fees, Surcharges & Transfer	117,700,929	121,886,703	128,239,518	129,125,003
Toll Revenue	10,000,000	-	20,000,000	20,000,000
Surplus Property & Outdoor Advertising	226,000	226,000	226,000	226,000
Restricted Receipts	2,555,734	2,773,381	2,641,946	2,641,946
Land Sales	3,400,000	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	128,973,497	127,978,099	59,993,553	59,493,553
Total Revenues	\$ 455,957,368	\$ 643,248,601	\$ 394,637,061	\$ 411,322,262
Transportation Expenses				
Winter Maintenance	\$ 16,534,528	\$ 21,921,525	\$ 17,827,757	\$ 17,827,757
Vehicles & Maintenance	15,591,150	19,517,768	11,347,207	11,347,207
General Maintenance	52,915,690	57,927,580	57,356,830	64,357,840
Pay-go/Capital & Other	205,734,717	380,101,218	151,734,200	151,734,200
GARVEE Bond Match Debt Service	8,718,426	3,731,967	-	-
G.O. Debt Service*	31,908,962	31,587,082	26,488,715	26,488,715
State Match - Gas Tax	398,207	64,681	64,681	64,681
Internal Service Funds Transparency*	1,686,170	1,800,765	1,847,829	1,847,829
Restricted Receipts	6,066,037	1,899,965	4,459,559	4,459,559
Land Sales	6,239,422	6,793,338	6,838,124	6,838,124
Equipment Replacement	1,800,000	3,658,569	1,800,000	1,800,000
Facilities	11,555,683	10,749,530	8,443,553	8,443,553
Bus Purchases	-	-	3,500,000	-
Bus Shelter Renovation and Replacement	-	-	-	3,000,000
RIPTA - Gas Tax	51,220,753	51,576,907	50,635,756	51,450,313
RIPTA - Highway Maintenance Account	16,181,589	16,579,237	26,482,754	30,667,188
Turnpike and Bridge Authority	15,257,246	15,363,334	15,082,991	15,325,625
Total Expenditures	\$ 441,808,580	\$ 623,273,466	\$ 383,909,956	\$ 395,652,591
Surplus/Deficit	\$ 14,148,788	\$ 19,975,135	\$ 10,727,105	\$ 15,669,671

*Shown in the Department of Administration's budget

The request assumes a per penny yield of \$4.270 million, which was projected in May 2025 by the Office of Revenue Analysis, and is \$88,976 less than enacted. It was updated to \$4.309 million in December 2025.

*The Governor's recommendation uses the December estimate of \$4.309 million. **The Assembly used the May 2026 per penny yield of \$4.379 million, which is \$69,324 more than the November estimate.***

Constrained Budget. The Department does not receive general revenue funding and historically, it was not required to submit options to meet a target reduction. The Department does rely on dedicated revenue from state sources, and the Budget Office bases its target on current service calculations. Revenues include \$111.3 million from transportation-related fees and surcharges collected by the Division of Motor Vehicles, and \$103.6 million from gas tax proceeds. This reflects the defeasance of debt service that was supported by two cents of the gas tax. It also assumes the annual amount of \$40.0 million from toll revenues, consistent with the approved capital plan.

The current service estimate includes \$26.9 million for general obligation debt service, or \$5.0 million less than enacted. This assumes \$0.4 million for debt service payments for the remaining issuance of \$4.7 million from the \$71.7 million that the 2021 voters approved. It also includes \$1.9 million for allocated staff time; these expenses are included in the Department of Administration's budget. It also includes statewide salary and benefit adjustments of \$1.7 million. The Department's request uses the Budget Office's estimates from gasoline tax proceeds and highway maintenance funds but only assumes \$20.0 million from toll revenues or half. The toll revenue reduction is partially offset by additional expenses of \$129.3 million, primarily reflecting use of FY 2025 unspent funds from the Highway Maintenance Account.

*The recommendation assumes savings to current services. **The enacted budget is \$3.5 million above the target, reflecting available resources from highway maintenance funds and the increased gas tax yield.***

Student Internship Program. Consistent with the revised request, the request inadvertently excludes the enacted amount of \$1.5 million for the student internship program. Traditionally, the Department welcomes approximately 100 students to its internship program each summer, and students generally work from May through the end of August. Interns must work between 35 and 40 hours per week, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. FY 2025 expenses were \$0.6 million. *The Governor's recommendation also excludes the expense. **The Assembly concurred.***

Salaries and Benefits. The Department requested \$118.3 million from all sources for salary and benefit expenses and the authorized level of 755.0 full-time equivalent positions. This is \$1.4 million more than enacted, including \$1.5 million less from federal funds and \$2.9 million more from other funds, reflecting staffing costs and allocations. It includes \$7.4 million for overtime, which is \$0.5 million more than enacted and \$1.0 million less than the revised request; it is \$2.5 million less than FY 2025 reported expenses. The request includes benefit rates consistent with FY 2027 planning values, and appears to fund approximately 736 positions, which is 2 more than enacted and 33 more than the revised request. As of late October, it had 703.0 full-time equivalent positions filled or 52 vacancies.

The Governor recommended \$658,626 more from all sources than requested, including \$267,983 in statewide adjustments to health and other benefit rates, and \$34,151 to correct understated salaries and benefits. The recommendation also includes \$356,492 from federal funds to support 2.0 new chief civil engineer positions for bridge inspection oversight.

The Assembly concurred with the new positions and funding. It did reduce full-time equivalent positions by 35.0, reflecting the removal of long-standing vacancies.

GARVEE Debt Service. The Department's request includes \$67.8 million from federal funds for debt issued through the Grant Anticipation Revenue Vehicle (GARVEE) Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. This is \$0.1 million more than enacted, which the Department indicates was in error. The request includes \$6.2 million for debt associated with the issuance of \$140.0 million of a maximum total of \$334.6 million that the 2024 Assembly authorized for the replacement of the Washington Bridge. The Department's capital budget assumes issuance of an additional \$51.9 million, reflecting the contract awarded. This includes use of \$21.8 million in FY 2027, \$14.1 million in FY 2028, and \$16.0 million in FY 2029.

The request also includes the enacted amount of \$8.7 million, equivalent to two cents of the gas tax to support debt issued through Motor Fuel Revenue bonds, which was used as state match for GARVEE projects the 2003 Assembly authorized. These bonds would have been paid off in FY 2021; however, the 2016 Assembly adopted legislation in 2016-H 7409, Substitute A, as amended, allowing the Department to refinance them. The bonds are anticipated to be defeased in November 2026. There is sufficient funding in reserve with the trustee for the FY 2027 payment of \$1.7 million. The Budget Office's target assumes that the previously dedicated funds are available to the Department for state match needs.

The motor fuel bonds have since been retired; the Department received \$10.6 million from residual proceeds. The recommended budgets use these funds in both FY 2026 and FY 2027.

*The Governor also recommended reducing the gas tax by two cents, reflecting the defeasance. The recommended budget includes \$8.6 million less from gas tax receipts and retains the overstated federal funds expense. **The Assembly maintained the gas tax at the current law amount and reduced federal funds by \$0.1 million to correct overstated expenses.***

Toll Revenue. In December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Department has been engaged in a process of obtaining a condition assessment of the gantry equipment, which will determine which equipment needs to be fixed and or replaced, before toll collections resume. The approved capital plan assumed revenues of \$10.0 million for FY 2026 and \$40.0 million annually thereafter. A contract for the assessment was signed on April 30, 2025, and as of late October 2025, it is not yet complete. The Department noted that it is difficult to project toll revenues without the assessment, and the rate structure has not been determined. The request assumes \$20.0 million in revenues for FY 2027, which is equivalent to half a year of prior collection estimates. This is \$10.0 million more than enacted and \$20.0 million less than the approved capital plan. The Department's capital budget request assumes no toll revenues. *The Governor concurred. **The Assembly concurred.***

Capital - Highway Improvement Projects. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. A new Transportation Improvement Program covering federal FY 2026 through FY 2035 was adopted by the State Planning Council on September 11, 2025. The request includes \$921.3 million from all sources, \$466.9 million more than enacted, including \$312.3 million from federal funds for highway improvement projects included in the Department's ten-year plan for FY 2027. Consistent with the revised request, it appears to include approximately \$100 million to reflect base formula funds authorized in the Infrastructure Investment and Jobs Act; \$97.0 million for the Washington Bridge project, and \$34.7 million for the I-95 Missing Move and Quonset Connector Ramps. The request also reflects updated expenses for several projects, including Route 146 Reconstruction, Route 37 Corridor, and Henderson Bridge.

The request includes \$144.6 million from Rhode Island Capital Plan funds, which is used as state match. This is \$29.0 million more than enacted and \$100.4 million more than the approved plan, which the Department subsequently indicated was in error. This is also inconsistent with the capital budget request;

it had intended to request \$44.2 million. Expenses from the Highway Maintenance Account are \$127.3 million more, primarily reflecting use of carryforward funds from FY 2025. The Department assumed the Highway Maintenance Account had a carryforward balance of \$202.5 million at the end of FY 2025; its requests assume use of \$24.3 million for FY 2026, \$118.4 million in FY 2027, and \$59.8 million in FY 2028. Based on more updated information, it appears that the account balance was \$172.5 million, which is \$30.1 million less than the requests assumed.

*The Governor recommended \$226.2 million less than requested, including \$98.4 million less from Rhode Island Capital Plan funds, to correct for the error, and \$127.9 million less from highway maintenance funds; his revised budget assumes use of all FY 2025 upsent funds in FY 2026. **The Assembly concurred.***

RI Public Transit Authority. Currently, the Rhode Island Public Transit Authority receives 11.75 cents of the 41-cent gas tax; this includes the additional 2 cents that the 2025 Assembly allocated to the Authority. The funds are transferred to the Authority but reflected in the Department of Transportation's budget to account for the gas tax in the state's accounting structure, since the Authority is a quasi-public corporation. The Authority also receives its share of funding from the Highway Maintenance Account, which is based on 10.0 percent of all fines and fees collected into the account, and an additional \$5.0 million. The Department's request includes \$69.1 million to the Authority, including the enacted amount of \$51.2 million from gas tax proceeds. The request uses May 2025 estimates. It also includes \$17.9 million from highway maintenance funds based on Budget Office estimates, \$1.7 million more than enacted. Official estimates from the Office of Revenue Analysis provided in the fall include \$16.9 million from the Highway Maintenance Account, \$1.0 million more than enacted. The gas tax proceeds estimate was also revised, bringing the Authority's share to \$50.6 million, or \$0.6 million less than enacted.

The 2024 Assembly required the Authority to review operations, including ridership and administration, to identify efficiencies. The study was completed in July 2025, and the Authority is in the process of implementing some of the recommendations.

The Authority submitted its operating budget in December 2025, projecting a \$13.8 million deficit for FY 2027, increasing to \$30.9 million in FY 2031. It should be noted that the Authority's capital budget request assumes an additional \$41.2 million from Department of Transportation sources for matching funds in lieu of its sources, including \$35.3 million for bus purchases. Its FY 2027 budget assumes revenues of \$145.1 million from all sources, which is \$8.1 million less than projected for FY 2026. This includes \$9.1 million less from federal funds, primarily reflecting the exclusion of one-time funding, partially offset by \$1.2 million more from passenger revenues; the Authority is conducting a fare study, which it anticipates being completed between July and September 2026. The total budget of \$158.9 million includes \$115.7 million, or 72.8 percent, for salaries and benefits for 845.0 full-time equivalent positions, 51.0 fewer positions than approved and 25.0 more than filled as of December 2025. These expenses are \$6.8 million more than FY 2026 revised, and FY 2025 spending. It should be noted that two union contracts expired at the end of June 2025, and one is set to expire in June 2026. These contracts cover all but 61 positions.

The Governor recommended \$77.1 million, including \$50.6 million from gas tax proceeds, \$0.6 million less than enacted, reflecting the projected estimate. He included \$26.5 million from the highway maintenance funds, which is \$10.3 million more than enacted and \$9.3 million more than current law. This reflects his proposal to amend the allocation of the Highway Maintenance Account to annually provide the Authority with that amount from the Department's share of the funds, effective FY 2027. He also proposed \$1.0 million in increased cruise ship fees collected by the City of Newport be dedicated to the Authority.

The Assembly provided \$82.1 million to the Authority, \$5.0 million more than recommended. It revised the Highway Maintenance Account to allocate 25.0 percent of available funds annually to the Authority, replacing the current combination of 10.0 percent and a fixed amount. Based on updated estimates, the Authority's share of the funds is \$30.7 million, or \$4.2 million more than the

Governor's recommendation. It also included an additional \$0.8 million, reflecting an upward revision to the gas tax yield. It did not concur with the cruise ship proposal.

Capital - RI Public Transit Authority - Bus Match. The FY 2025 final budget included \$4.6 million from the Department's share of the Highway Maintenance Account for the Authority's match to purchase buses. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle. The Authority had forgone the purchases, and its FY 2027 through FY 2031 capital budget request assumes use of \$47.8 million, or \$35.3 million more than approved from Department sources, including \$6.7 million for FY 2027. The approved plan does not assume Department sources beyond the FY 2025 amount. The Authority noted that it will not be able to replace its fleet without another state funding source as match.

The Governor recommended \$3.5 million annually from Rhode Island Capital Plan funds and \$3.7 million from the Authority's operating funds for the FY 2027 match. Rhode Island Capital Plan funds were previously allowed to be used for debt service in the early 1990s. The voters approved a constitutional amendment in 2006 to allow the funds to be used solely for capital projects beginning in FY 2008.

The Assembly maintained the use of Rhode Island Capital Plan funds for direct, specific capital project costs. It adopted legislation in Article 2 of 2026-H 7127, Substitute A, as amended, authorizing the Office of Energy Resources to annually consult with the Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of the agreed-upon amount, 50.0 percent shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds.

Capital - RI Public Transit Authority Projects. The request includes the enacted amount of \$8.5 million from Rhode Island Capital Plan funds for three Rhode Island Public Transit Authority projects, including \$6.9 million for the Lands and Buildings Enhancements. The 2022 Assembly provided these funds to match increased federal funds authorized in the Infrastructure Investment and Jobs Act. The request is \$0.9 million more than the approved plan and \$0.3 million more than the Authority's capital budget request. *The Governor recommended \$2.5 million, consistent with the capital budget. This is \$6.0 million less than enacted and \$5.7 million less than the approved plan.*

The Assembly concurred and provided \$3.0 million annually from Rhode Island Capital Plan funds, for a total of \$15.0 million in the five-year period for a new Bus Shelter Renovation and Replacement project. A detailed description of the projects is included in the Capital Budget section of this publication.

RI Turnpike and Bridge Authority. The request includes the enacted amount of \$15.3 million from gasoline tax revenue to be transferred to the Rhode Island Turnpike and Bridge Authority for operations related to the four bridges under its purview: Newport Pell, Sakonnet River, Mount Hope, and Jamestown. Funding was provided by the 2014 Assembly in lieu of placing a toll on the newly constructed Sakonnet River Bridge. The funding is generated from 3.5 cents of the gasoline tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. The request uses estimates projected in May 2025, which were updated in December 2025. *The Governor recommended \$15.1 million, reflecting the December estimate; this is \$0.2 million less than enacted. The Assembly provided \$15.3 million, \$0.2 million more than recommended, reflecting an upward revision to the gas tax yield.*

Municipal Roads Grant Program/RhodeRestore. Consistent with the enacted budget, the request includes \$6.5 million from gasoline tax proceeds, which provides municipalities funding for the construction and maintenance of roads, sidewalks and bridges. A municipal match of 67.0 percent is required. The 2025 Assembly concurred with the Governor's recommendation to make this grant program

permanent, and it also maintained the current match requirement and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. *The Governor recommended \$10.0 million from gas tax proceeds, which reflects a one-time increase of \$3.5 million, made available from recent motor fuel bonds being defeased. The Assembly concurred.*

Vehicles/Equipment and Maintenance. The request includes \$12.8 million from all sources to purchase heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing fleet, and maintenance expenses. This includes the enacted amount of \$1.8 million from Rhode Island Capital Plan funds and \$11.0 million from gasoline tax proceeds. The request is \$2.5 million less than enacted and \$10.4 million less than the revised request. As part of RhodeWorks, the Department proposed a more aggressive replacement plan; however, since the pandemic, the lead time to obtain certain vehicles and equipment increased to more than two years.

The request also includes \$3.2 million or \$2.0 million less than enacted for fleet expenses. Consistent with the revised request, the reduction is meant to align expenses more closely with FY 2025 spending; however, it appears that \$2.4 million of these expenses were erroneously charged to the winter operations account in FY 2025. Adjusting for this, FY 2025 expenses would be \$6.1 million or \$2.9 million more than requested. *The Governor concurred. The Assembly concurred.*

Winter Maintenance Operations. Excluding salaries and benefits, the Department requested \$14.8 million from gasoline tax proceeds for operating expenses related to the winter maintenance program for FY 2027. Funding is used to pay for vendor contracts, as well as to purchase salt, sand, and liquid de-icers. The request is \$1.0 million more than enacted, including \$0.6 million for materials and \$0.3 million for fleet expenses. Excluding \$2.4 million of expenses inadvertently charged to this account, the request is \$4.8 million less than FY 2025 and \$3.0 million less than the revised request. However, it is \$0.2 million more than the average annual cost for winter maintenance operations from FY 2021 through FY 2025. *The Governor concurred, with the exception of recommending \$0.2 million less than requested for vendor contracts. The Assembly concurred.*

Transit Projects and Operating Expenses. Excluding salaries and benefits, the request includes \$31.8 million from all sources for transit-related projects and operating expenses. This is \$2.9 million more than enacted, including \$2.9 million from federal funds for fixed guideway infrastructure, including layover facilities, stations, and tracks. Expenses of \$1.1 million from gas tax proceeds are essentially consistent with the enacted budget. Consistent with the revised request, the request includes the enacted amount of \$8.9 million from a \$12.5 million federal State of Good Repair Discretionary Grant the Department received to make improvements to the Providence Train Station. Through FY 2025, \$6.0 million had been spent, leaving a balance of \$6.5 million; requested expenses are \$11.2 million above the grant amount. The total project cost is \$30.0 million and is scheduled for completion in 2026. The Department is working with the Budget Office to align expenses with available resources.

The recommendation excludes the overstated federal funds expense for the Providence Train Station, and concurs with the remainder of the request. The Assembly concurred.

Capital - Train Stations Asset Protection. The Department's request includes \$6.4 million from Rhode Island Capital Plan funds, \$5.9 million more than the annual amount of \$0.5 million, for repairs at five train stations: Woonsocket, Kingston, Wickford Junction, Westerly, and Pawtucket/Central Falls, which became operational in January 2023. Four of the stations are currently active, while the Woonsocket station serves as a bus depot. The Woonsocket, Kingston and the Westerly stations are all listed on the National Register of Historic Places, and the Department notes that as such, they require specialized preservation contractors to conduct any restoration or renovation projects required to maintain the buildings. The project includes new expenses for roof and window replacements; heating, ventilation and air conditioning upgrades; and

exterior painting and gutter repairs. The total request is consistent with the capital budget, which assumed \$2.6 million from the Office of Energy Resources for energy efficiency projects. *The Governor concurred with the exception of including the expenses supported by the Office, to avoid double counting them. The Assembly concurred.*

Capital - Facilities and Other Projects. The Department requested \$16.1 million from all sources, including \$2.6 million from Rhode Island Capital Plan funds for three approved projects. It also includes \$13.5 million from gas tax proceeds and highway maintenance funds for projects that do not qualify for federal match, such as emergency bridge repairs and highway drainage improvements. The Department is required to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways. The request is \$2.4 million more than enacted, including \$0.2 million from Rhode Island Capital Plan funds for the Maintenance Facility Improvements project. Consistent with the revised request, it adds \$4.5 million from highway maintenance funds for drainage projects, partially offset by \$2.3 million from gasoline tax proceeds.

The Governor recommended \$0.6 million less for the Maintenance Facility Improvements project, and concurs with the remainder of the request. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.

Capital - Other Maintenance Division. The request includes \$14.5 million from gas tax proceeds for all remaining expenses in the Division of Maintenance. This includes activities such as building maintenance, trash and debris removal, landscaping, sand removal, and graffiti removal. The request is \$0.3 million less than enacted for electricity, reflecting FY 2025 spending. It should be noted that the revised request maintains the enacted amount of \$3.3 million for this expense. Excluding this, the request is \$1.9 million less than FY 2025 expenses. *The Governor recommended \$4.8 million more than requested from gas tax proceeds for maintenance and paving expenses, reflecting available resources.*

Based on updated gas tax yield and other revisions to funding, the Assembly included an additional \$7.0 million.

The Assembly also adopted legislation in Article 3 of 2026-H 7127, Substitute A, as amended, requiring the Office of Internal Audit and Program Integrity to conduct an efficiency and performance audit of the Department of Transportation, which must assess maintenance and operations efficiency, and asset management, including pavement, bridges, culverts, backlog replacement needs, and overtime patterns. The audit must be completed by March 15, 2027, and be submitted to the Governor, the General Assembly, the chairpersons of the House and Senate Finance Committees, and be made available on the Department of Administration's website.

Other Expenses. The request includes \$6.8 million from all sources for all remaining expenses in the Department. This includes \$2.5 million from gas tax proceeds, or \$0.5 million more than enacted, including \$0.3 million for contracted accounting services and \$0.1 million for legal services. This appears to be based on FY 2025 spending that occurred in these specific categories. It also includes expenses of \$4.5 million from restricted receipts, which is \$1.6 million less than enacted based on projected receipts. The Department receives funds when it performs work for municipalities and other entities, which are used to fund personnel costs for employees who work on those projects and other expenses. *The Governor concurred. The Assembly concurred.*

Section IV

Capital Budget

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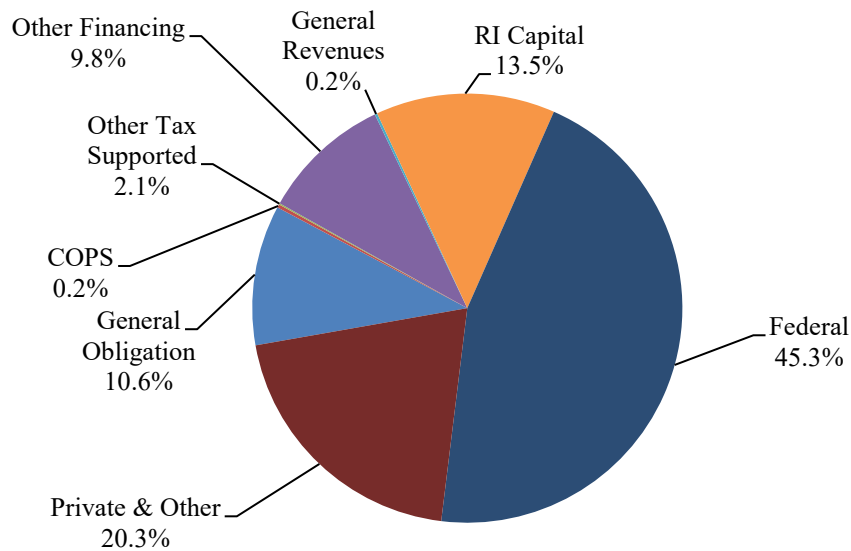
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Summary

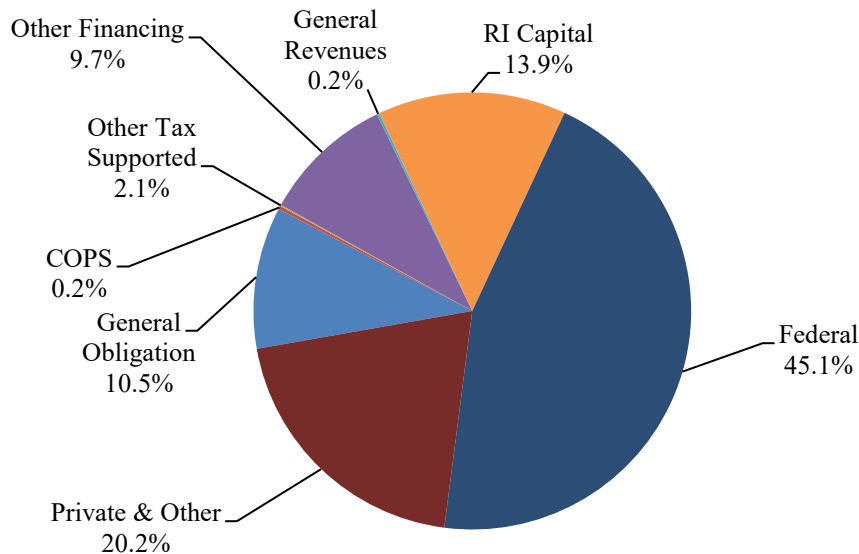
The Governor's five-year capital recommendations for FY 2027 through FY 2031 call for total outlays of \$9,342.7 million. Financing the plan requires \$1,934.2 million of debt issuances and \$7,408.5 million from current revenue streams.

**Governor FY 2027 - FY 2031
Capital Projects Funding**



The Assembly's five-year adopted plan includes capital outlays of \$9,390.2 million for the period. Financing the plan requires \$1,934.2 million of debt issuances and \$7,456.0 million from current revenue streams.

**Assembly FY 2027 - FY 2031
Capital Projects Funding**



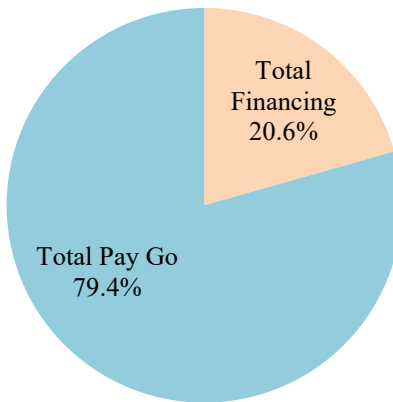
- **Outlays and Funding.** The FY 2027 through FY 2031 plan includes \$9,390.2 million of outlays on \$20,624.0 million of project estimates. Average outlays would be \$1,878.0 million per year for the five-year period, with \$675.6 million required at the end of the period to complete the projects.
- **General Obligation Bonds Referenda.** Financing the five-year plan is based on \$986.3 million of general obligation bond debt issuances. This includes \$600.0 million from new general obligation bonds to be put before voters in November 2026. It includes \$275.0 million for higher education, \$120.0 million for housing and home ownership, \$100.0 million for economic development, \$45.0 million for a new state history center, and \$60.0 million for environment and other projects. The average bond referendum over the past five elections was \$347.7 million, including \$345.5 million approved by voters in November 2024. The proposed 2026 bond is approximately 75 percent more than 2024.
- **Other Debt Approvals.** The plan includes \$55.0 million approved by the 2026 Assembly under the Public Corporation Debt Management Act. This includes \$20.6 million for Rhode Island College residential life renovations, \$20.0 million for University of Rhode Island repaving and hardscape improvements, and \$14.4 million for the University’s automotive and administrative services project.
- **Financing.** Paying for the five-year outlays includes \$1,934.2 million from debt financing and \$7,456.0 million from current or pay-go sources. Pay-go accounts for 79.4 percent, with debt funding accounting for 20.6 percent.
- **Debt Levels.** Total net tax-supported debt increases during the period through FY 2031 by \$341.4 million from \$2,041.7 million to \$2,383.1 million. Past practice indicates that debt levels will likely change as more projects are added within the five-year period of this capital budget.
- **Debt Ratios.** Net tax-supported debt would decrease from 2.3 percent of personal income reported for FY 2025 to 2.1 percent in FY 2028, assuming that the capital budget is not increased. However, as with debt levels, past practice indicates it is likely to change with new projects and revised economic data.
- **Rhode Island Capital Plan Fund.** The plan relies heavily on Rhode Island Capital Plan funds, an important source of pay-go funds designed to reduce the need for borrowing. Total outlays for the five-year period are \$1,307.0 million.

Outlays and Funding

To support the maintenance, repair, and construction of infrastructure throughout Rhode Island, the state has used both funding and financing. Funding can be considered as “pay-go”, which means that annual budgets include sufficient appropriations for projects to continue on schedule, without incurring long-term debt. For Rhode Island, this is accomplished primarily through the Rhode Island Capital Plan Fund, which is described in greater detail elsewhere in this report.

The advantage of this approach is that it does not limit future resources by incurring long-term debt service payments; however, it does limit the extent of what can be accomplished to currently available sources. Because of this, short-term projects for relatively small amounts of money, such as asset protection projects, are better suited to pay-go funding, while long-term, large-scale infrastructure projects, such as the relocation of Interstate 195, are better suited to financing.

FY 2027 - FY 2031 Outlays



Financing capital projects includes borrowing, usually in the form of long-term debt such as general obligation or revenue bonds. General obligation bonds are backed by the full faith and credit of the state and have annual debt service appropriated from general revenues. This type of borrowing is more closely tied to state agencies, and the authorizations for this debt appear on election-year ballots as referenda.

Revenue bonds are not backed by the full faith and credit of the state, and debt service is paid from a defined revenue stream, such as a user fee. This type of debt has historically been used by quasi-state agencies to fund long-term infrastructure projects. For example, the Turnpike and Bridge Authority uses toll revenue to fund maintenance of the four major bridges under its jurisdiction, including the Mount Hope, Newport Pell, Sakonnet, and Jamestown Bridges. Compared to pay-go funding, financing does not require large up-front investments to complete large projects; however, by the time the financing is complete, issuance and interest costs can significantly add to a project's total cost and may also require payments long after a facility has been constructed.

The total five-year outlays of \$9,390.2 million are supported by a mix of pay-as-you-go funding and financing. Over two-thirds, 79.4 percent, of outlays are supported by current revenues, or pay-go, with the remaining 20.6 percent from financing.

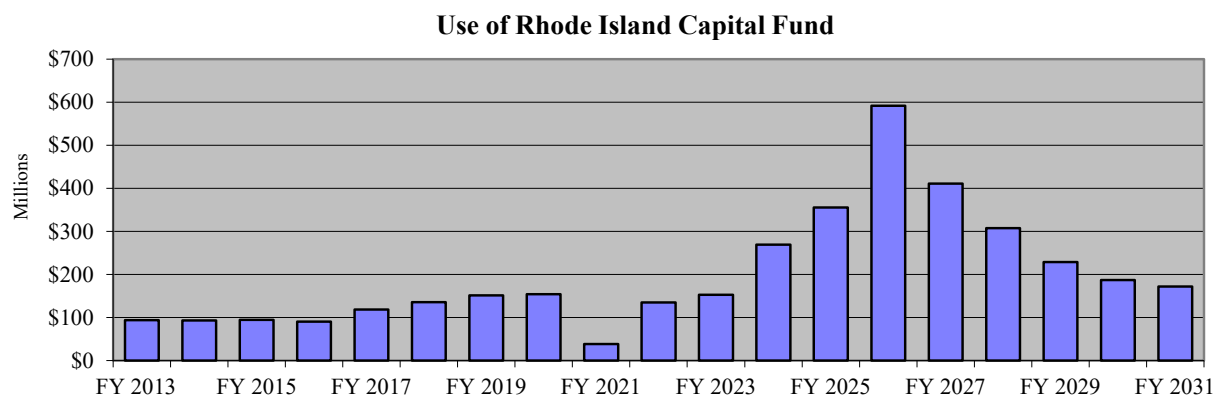
Pay-Go. The pay-go sources include \$4,235.9 million from federal sources, \$1,307.0 million from Rhode Island Capital Plan funds, and \$1,913.0 million from private and other sources. Federal sources are the largest source of capital funding, providing 45.1 percent of all funding and 56.8 percent of pay-go funding.

A primary source of state pay-go funding is the Rhode Island Capital Plan Fund. These revenues are derived from the amounts exceeding 5.0 percent of revenues in the state's Budget Stabilization and Cash Reserve Account, or "rainy day fund." The rainy day fund receives 3.0 percent of all revenues and opening surpluses capped at 5.0 percent. Resources above the cap are transferred to the Rhode Island Capital Plan Fund. Use of the rainy day fund to balance the FY 2020 budget interrupted the normal flow of resources into the Rhode Island Capital Plan Fund, creating a temporary resource shortfall pending payback of the \$120 million, which occurred in FY 2021.

The fund was used nearly exclusively for debt service in the early 1990s. Governor Almond began moving debt service back to general revenues as the economy improved in the latter half of that decade, reserving the capital fund for pay-go capital projects so as not to use any for debt service by FY 2002. However, the economic slowdown caused that to reverse beginning in FY 2002, with significant amounts again used for debt service. The 2006 Assembly noted this trend and submitted a constitutional amendment to limit the

fund's use to capital projects beginning in FY 2008, which voters approved, along with an increase from 3.0 percent to 5.0 percent.

Upon implementation of the constitutional change, resources in the Rhode Island Capital Plan Fund grew and began fulfilling the purpose of reducing borrowing needs. An example of this is the significant annual amount that has been used in lieu of borrowing to match federal transportation funds. In addition to the transportation uses, another primary use of the fund is for asset protection and other projects at the state's public higher education institutions. These account for about one-third of the fund's use. The remaining half is used for asset protection and improvements for state buildings, including courts, prisons, hospitals, and other state facilities such as dams, piers, parks, and office buildings. Many of these ongoing investments are designed to extend the life of the facilities and prevent costly replacements.



More recently, the state made major deposits to the fund from non-recurring surpluses, some of which are serving as state match for significant new federal infrastructure funds. The Assembly transferred \$820.4 million from one-time general revenues to the Rhode Island Capital Plan Fund in FY 2022 and FY 2023. This is shown in the table below. That funding explains some of the unusually high spending levels in the above graph.

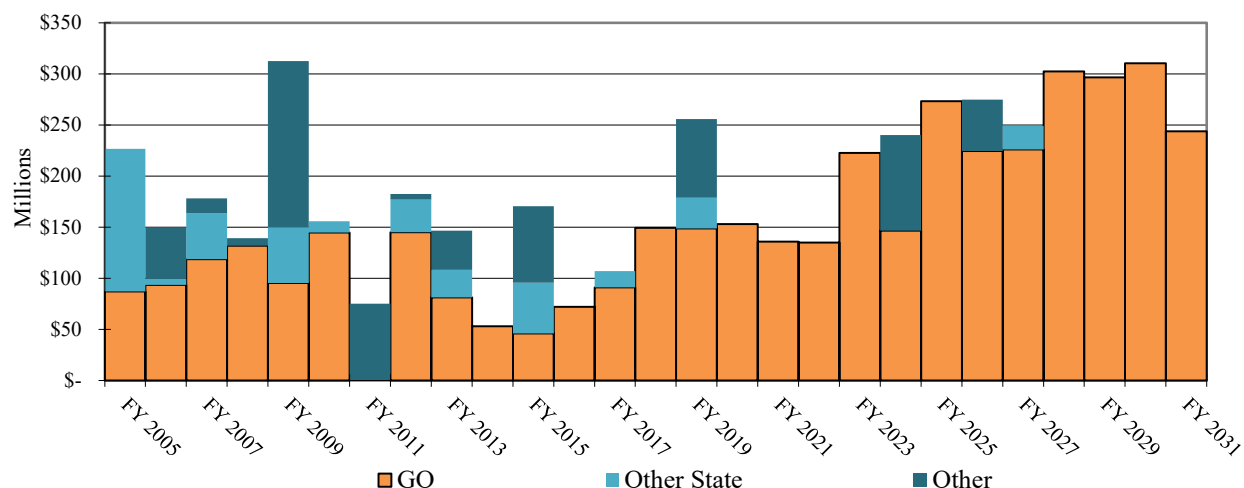
Transfers to RICF	FY 2022	FY 2023	Total
2022 Assembly	\$ 563.0	\$ 15.0	\$ 578.0
2023 Assembly	-	242.4	242.4
Total	\$ 563.0	\$ 257.4	\$ 820.4

\$ in millions

Debt Financing. Proceeds from financing, \$1,934.2 million, constitute 20.6 percent of the funds available for outlays during the period. Tax-supported financing comprises \$1,018.7 million, including \$986.3 million from general obligation bonds and \$23.3 million through Certificates of Participation. Outlays from tax-supported financing are 52.7 percent of the financed outlays and 10.8 percent of all outlays. Other non-tax-supported financing supports \$915.5 million in outlays, or 9.7 percent.

The term net tax-supported debt refers to all debt for which an appropriation is or may be required. That includes not only general obligation bonds and direct state issuance, but also debt issued by other entities for which the state is pledged to an annual lease payment or to make an appropriation in the event of a default. Debt that is an obligation of the state for which a non-state entity makes the debt service payments is not generally considered as net tax-supported debt. An example is the bonds issued for the Narragansett Bay Commission, for which the Commission pays the debt service from user charges.

Debt Issues



Debt issued by the Colleges and University through the Rhode Island Health and Educational Building Corporation is also not included. The five-year budget includes expenditures of \$366.1 million from these bonds. It should be noted that the total charges to students are used in tuition and fee comparisons with other institutions. Any tuition and fees used for debt service are not available for general operating expenses. This provides the context for general revenue requests from higher education institutions. Further, in the event of insufficient University and College revenues, it is likely that the state would intervene with appropriations rather than allow bondholders to take over assets financed.

Unrestricted Debt Service				
	URI	RIC	CCRI	Total
FY 2018	\$ 27,655,388	7,661,625	2,887,674	\$ 38,204,687
FY 2019	\$ 34,790,206	7,908,810	2,707,744	\$ 45,406,760
FY 2020	\$ 41,047,284	7,847,645	2,703,067	\$ 51,597,996
FY 2021	\$ 39,593,709	7,231,339	2,605,366	\$ 49,430,414
FY 2022	\$ 36,648,450	10,007,040	1,439,411	\$ 48,094,901
FY 2023	\$ 35,808,035	8,259,682	1,757,446	\$ 45,825,163
FY 2024	\$ 39,299,914	10,226,737	1,269,169	\$ 50,795,820
FY 2025	\$ 39,030,721	9,714,403	1,054,710	\$ 49,799,834
FY 2026 Final	\$ 41,788,249	10,208,660	1,092,138	\$ 53,089,047
FY 2027 Enacted	\$ 42,027,707	10,661,013	934,564	\$ 53,623,284

The table above shows debt service for Higher Education, funded from general revenues and tuition and fees from FY 2018 through the FY 2027 enacted budget. General obligation debt is funded solely from general revenues. For debt issued for projects funded through the Rhode Island Health and Educational Building Corporation, debt service is paid from both general revenues and tuition and fees.

As the table shows, debt service costs would increase by over 40 percent between FY 2018 and FY 2027. Most of this reflects increases for the University for both general obligation bond debt service and debt service on revenue bonds supported by both general revenues and tuition and fees for utility infrastructure upgrades, repaving, hardscape, and landscape. The table does not show restricted debt issued for projects for auxiliary or enterprise activities, such as dorms or dining halls; student fees paid for those specific activities support the debt service on those projects.

New Debt Authorizations

The Budget includes \$655.0 million of new debt authority that requires approval by the General Assembly. Of this amount, \$600.0 million is from general obligation bonds that would be placed on the November 2026 ballot for voter approval, and \$55.0 million requires approval by the Assembly under the Public Debt Management Act.

The table below shows the \$655.0 million of new debt authority requiring action by the 2026 General Assembly. It is followed by descriptions of the projects that would be funded by the new debt. A detailed description of the projects is included in the Capital Budget section of this publication.

New Debt Authority	Amount	Legislation
November 2026 Bond Referenda		
Question 1	\$ 275,000,000	
URI Integrated Health Building	165,000,000	Article 5
RIC Adams Library	50,000,000	Article 5
CCRI Workforce Innovation Center	60,000,000	Article 5
Question 2		
Housing and Homeownership	\$ 120,000,000	Article 5
Question 3	\$ 100,000,000	
Site Development	55,000,000	Article 5
Growth Industry Infrastructure	45,000,000	Article 5
Question 4	\$ 50,000,000	
State History Center	45,000,000	Article 5
State Preservation Grants Program	5,000,000	Article 5
Question 5	\$ 55,000,000	
Brownfields Remediation & Economic Development	3,000,000	Article 5
Facility Improvements	12,000,000	Article 5
Local Recreation Projects	1,000,000	Article 5
Marine Infrastructure Development	1,000,000	Article 5
Resilient Rhody Infrastructure Fund	25,000,000	Article 5
Narragansett Bay Watershed Restoration	7,000,000	Article 5
Agriculture Land Preservation Commission	3,000,000	Article 5
Open Space	3,000,000	Article 5
Total New Referenda	\$ 600,000,000	
Other Debt Instruments		
Revenue Bonds		
<i>Rhode Island College</i>		
Residential Life Renovations	\$ 20,600,000	Article 4
<i>University of Rhode Island</i>		
Repaving and Hardscape Improvements	20,000,000	Article 4
Automotive and Administrative Services	14,400,000	Article 4
Total Other Debt	\$ 55,000,000	
Total New Debt Authorization	\$ 655,000,000	

The Public Debt Management Act requires that all new debt authorizations be approved by the Assembly unless the Governor certifies that federal funds will be available to make all of the payments which the state is or could be obligated to make under the financing lease or guarantee; or the General Assembly has adjourned for the year with the expectation that it will not meet again until the following year and the Governor certifies that action is necessary, because of events occurring after adjournment, to protect the physical integrity of an essential public facility, to ensure the continued delivery of essential public services,

or to maintain the credit worthiness of the state in the financial markets. Select quasi-public agencies are exempt. The 2009 Assembly rescinded the exception previously granted to the Rhode Island Resource Recovery Corporation.

General Obligation Bond Referenda. The Capital Budget includes \$600.0 million in new referenda to be presented to the voters in November 2026. Section 35-3-7.1 of the Rhode Island General Laws provides that bond referenda only be presented during election years, absent special circumstances. Debt service on these bonds is paid from state general revenues. Assuming a 5.0 percent interest rate and a 20-year amortization, annual debt service is estimated at \$49.6 million. The individual projects are described in greater detail below, with additional information in the individual agency Capital Budget analyses.

URI Integrated Health Building. Question 1 includes \$165.0 million to build a facility to advance health education, clinical training, and workforce development on the Kingston Campus. This project will expand White Hall, the College of Nursing's current building, into an integrated health building. The current College of Nursing building's infrastructure is at or near its limits, thereby constraining the University's ability to meet increasing workforce demands. The building expansion will include advanced simulation and skills labs, collaborative learning environments, faculty offices, and expanded classroom space.

RIC Adams Library. Question 1 includes \$50.0 million to build a student success and career readiness center in Adams Library. The goal of the project is to enhance services and programming for advising, tutoring, career services, studying, and student engagement to improve student outcomes, increase retention, and provide employment assistance.

CCRI Workforce Innovation Center. Question 1 includes \$60.0 million to build a workforce innovation center on the Warwick Campus. The new Workforce Innovation Center will be built on an unused land island located on the campus's main parking lot and serve as a regional hub for career and technical education, designed to address critical workforce shortages, support local industry, and provide high-quality, hands-on training in high-demand sectors, such as healthcare, advanced manufacturing, information technology, construction trades, and renewable energy.

Housing and Homeownership. Question 2 includes \$120.0 million to increase housing availability through development, infrastructure, redevelopment, property acquisition, and homeownership programs. Of these funds, at least \$25.0 million must support the production of homeownership units, and up to \$10.0 million may be used to support a program for public housing development.

Site Development. Question 3 includes \$55.0 million to support large-scale industrial development, such as within the Quonset Development Corporation, and land acquisition and project investments, such as within the I-195 District. These funds are intended to supplement an existing allocation of \$40.0 million from general obligation bonds approved by voters in March 2021, which have capitalized initiatives such as RI Ready to support offshore wind and industrial site development, reshoring jobs, and economic revitalization.

Growth Industry Infrastructure. Question 3 includes \$45.0 million to finance infrastructure, facilities, projects, and investments within Rhode Island's ocean, defense, life sciences, data analytics, and related industries. This funding may support projects such as water-based test ranges, onshore ocean or defense-related facilities, or facilities and investments to advance business and job growth in the life sciences.

State History Center. Question 4 includes \$45.0 million to develop a new State History Center facility on Capitol Hill in Providence to permanently display the state's founding documents and to provide space for rotating exhibits and for events, functions, and programming. The capital budget also includes \$4.5 million from Rhode Island Capital Plan funds programmed for FY 2028, bringing the total project cost to \$49.5 million over the five-year period.

State Preservation Grants Program. Question 4 includes \$5.0 million to be administered by the Rhode Island Historical Preservation and Heritage Commission as matching grants to municipalities and nonprofits for the preservation and renovation of historic sites open to the public. Grants are used for projects that enhance public safety, remedy building code deficiencies, and address the continued viability of critical historical structures open to the public. The remaining \$0.3 million from the 2020 bond will be expended during FY 2026. Funding is programmed for FY 2027 through FY 2029, with \$1.7 million annually.

Brownfields Remediation and Economic Development. Question 5 includes \$3.0 million to provide up to 80.0 percent matching grants to public, private, and non-profit entities for brownfield remediation projects. The capital budget also includes \$23.0 million from general obligation bonds approved in five previous referenda for a total project cost of \$26.0 million.

Facility Improvements. Question 5 includes \$12.0 million for renovating and repairing existing facilities and recreational venues, as well as for developing and constructing new facilities and parks. The capital budget also includes \$9.0 million from federal funds, \$33.0 million from general obligation bonds approved on the 2020 ballot, and \$50.8 million from Rhode Island Capital Plan funds for a total project cost of \$104.7 million.

Local Recreation Projects. Question 5 includes \$1.0 million to provide up to 80.0 percent matching grants to municipalities for the acquisition, development, or rehabilitation of local public recreational facilities in Rhode Island. The capital budget also includes \$21.0 million from general obligation bonds approved in five previous referenda for a total project cost of \$22.0 million.

Marine Infrastructure Development. Question 5 includes \$1.0 million to provide asset protection and emergency repair needs for most facilities, including recreational facilities, office space, and marine infrastructure. The capital budget also includes \$0.8 million from federal funds and a new allocation of \$2.0 million from Rhode Island Capital Plan funds from FY 2027 through FY 2030.

Resilient Rhody Infrastructure Fund. Question 5 includes \$25.0 million to capitalize the Resilient Rhody Infrastructure Fund, established by the 2025 Assembly to provide municipalities with technical, administrative, and financial assistance for resiliency and stormwater abatement projects. These funds may be used to assist local government units in improving infrastructure resiliency and vulnerable coastal habitats, as well as restoring river and stream floodplains.

Narragansett Bay Watershed Restoration. Question 5 includes \$7.0 million to restore and protect the water quality and enhance the economic viability and environmental sustainability of Narragansett Bay and the state's watersheds. Eligible activities include nonpoint source pollution abatement, such as stormwater management; nutrient loading abatement; commercial, industrial, and agricultural pollution abatement; and riparian buffer and watershed ecosystem restoration. The capital budget also includes the remaining \$1.2 million from general obligation bonds approved in three previous referenda.

Agriculture Land Preservation Commission. Question 5 includes \$3.0 million for farmland acquisition and protection through the Agricultural Land Preservation Commission. The capital budget also includes \$14.5 million from general obligation bonds approved in four previous referenda.

Open Space. Question 5 includes \$3.0 million from new general obligation bonds for the state to acquire open space, watershed, and recreational lands. The capital budget also includes \$35.0 million from general obligation bonds approved in four previous referenda.

Public Corporation Debt Management Act Debt Issues. The adopted plan includes \$55.0 million in new debt authorization that does not require voter approval but does require Assembly approval pursuant to the Public Corporation Debt Management Act. The projects are described below.

RIC Residential Life Renovations. The Budget includes authorization of a \$20.6 million revenue bond to renovate five residence halls. The project will address infrastructure and improve student safety and comfort. Current residential halls were built between 18 and 66 years ago. Although some renovations may occur during the academic year, the College does not plan to lower occupancy or close buildings. Debt service will be paid through student housing fees.

URI Repaving and Hardscape Improvements. The Budget includes authorization of a \$20.0 million revenue bond for the fifth phase of the University’s efforts to repave and reconstruct major parking facilities, internal roadways, and walkways on the Kingston, Narragansett, and Alton Jones campuses. The University has completed a full evaluation of all paved surfaces on the three campuses, and work will mostly occur in the summers of 2027 through 2029. Debt service will be supported by the University’s unrestricted budget and parking fees.

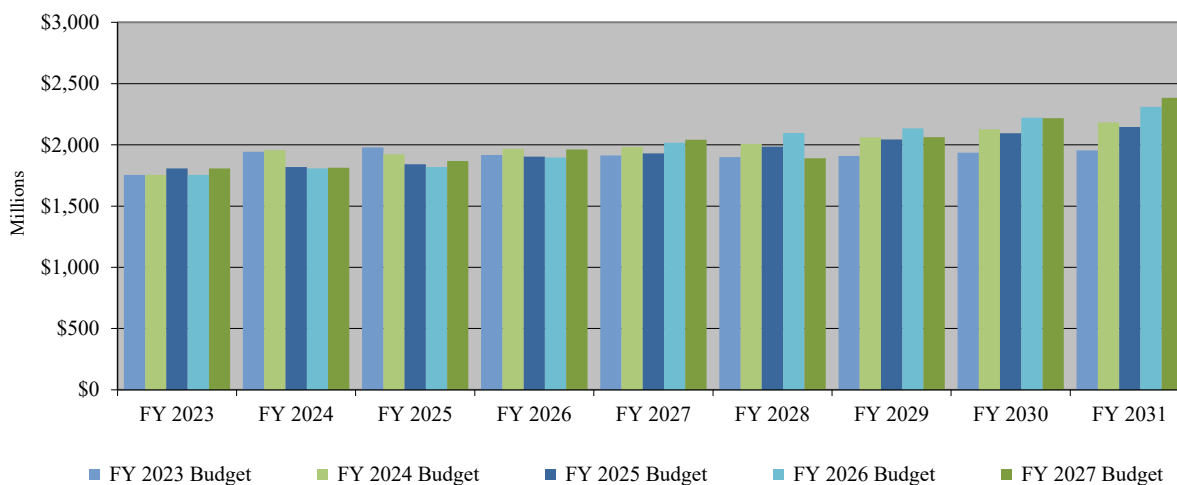
URI Automotive and Administrative Services. The Budget includes authorization of a \$14.4 million revenue bond to build an addition to the central warehouse for mail and printing services and to replace the automotive repair building, currently housed in a former barn. In 2023, the University engaged a planning team that targeted the existing mail and printing services building as the best site for the new automotive building. Moving the mail and printing services will enable efficient use of space and facilitate potential cross-training. Debt service will be supported by the University’s unrestricted budget.

Debt Levels

Total net tax-supported debt increases during the period through FY 2031 by \$341.4 million from \$2,041.7 million to \$2,383.1 million. Net tax-supported debt had dropped to \$1,280.9 million in FY 2003 after the state used \$247.6 million of special revenue bonds backed by the state’s tobacco master settlement agreement to defease general obligation bond debt in FY 2002.

Past practice indicates that this will be significantly higher as more projects are added within the five-year period of this capital budget. The average bond referenda over the past five elections were \$347.7 million, including the \$400.0 million approved by the voters in March 2021 and November 2022 and \$343.5 million approved by the voters in November 2024.

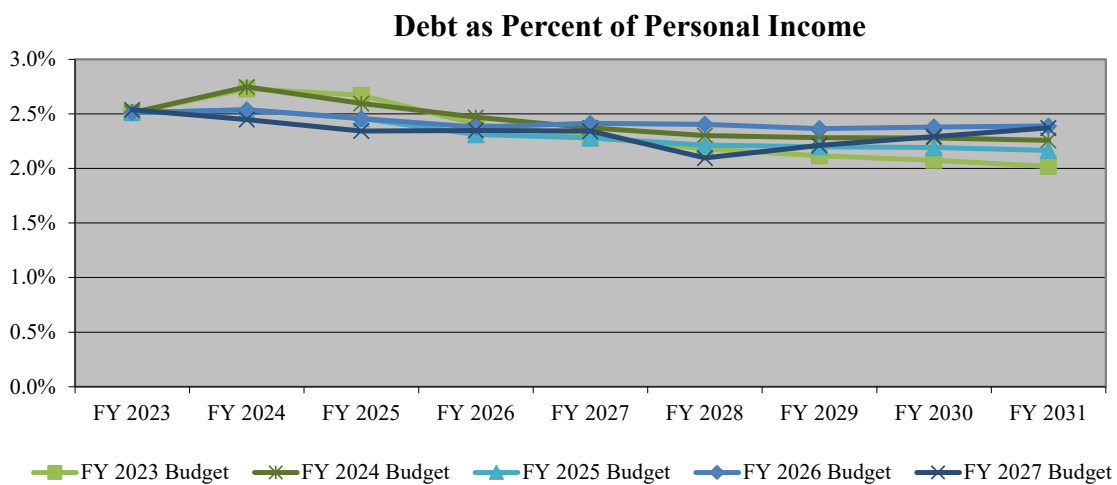
Net Tax Supported Debt Projections



Debt is often expressed as a percent of state personal income to compare across jurisdictions; state personal income is a rough measure of the state's wealth and, therefore, its potential ability to service its debt. Net tax-supported debt would decrease from 2.3 percent in FY 2025 to 2.1 percent in FY 2028, assuming that the capital budget is not increased.

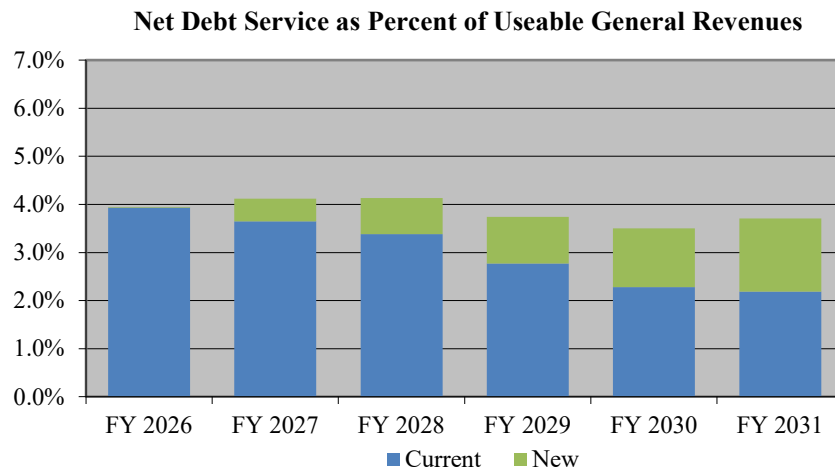
Debt ratios began increasing significantly in FY 1988, reaching a peak in FY 1994 of 8.4 percent of personal income as the Depositors Economic Protection Corporation and Convention Center debt was added. The current and prior administrations have identified reducing that ratio as a major capital policy goal.

However, as with debt levels, past practices indicate it is likely to be higher than projected. The following graph shows projected debt as a percent of personal income for FY 2023 through FY 2031 in the past five budgets. The FY 2023 budget projected FY 2028 debt at 2.1 percent of personal income, about 1 percentage point lower than projected in the FY 2027 budget. The projections assume that the debt levels do not increase in subsequent budgets.



Debt Service

Usable general revenues are estimated collections net of the transfers to the Budget Stabilization and Cash Reserve account. These transfers ultimately become Rhode Island Capital Plan funds and cannot be used for debt service. The term net tax-supported debt refers to all debt for which an appropriation is or may be required. That includes not only general obligation bonds and direct state issuance, but also debt issued by other entities for which the state is pledged to an annual lease payment or to make an appropriation in the event of a default. The ratio of net tax-supported debt to usable general revenues provides a snapshot of how the state is leveraging its debt relative to available resources to pay it off.



Debt service in the capital budget would decrease from 3.9 percent of usable general revenues in FY 2026 to 3.6 percent in FY 2030.

Public Finance Management Board

The 2016 Assembly enacted legislation requiring the Public Finance Management Board to oversee the undertaking of a debt affordability study at least once every two years, which shall include recommended limits for the debt capacity of state, municipal, and quasi-public corporations and districts having authority to issue revenue or general obligation bonds or notes, GARVEE bonds or other debt. The Board has the authority to offer non-binding, advisory opinions on all aspects of debt management practices of state, municipal, and public and quasi-public corporations.

On December 4, 2025, the Public Finance Management Board released the fifth Debt Affordability Study. Based on current levels, the state is within all recommended affordability limits, and the Board estimates that the state has available capacity to authorize up to \$1,420.3 million of new bonds in 2026 with total debt capacity of \$4.2 billion through the 2036 ballot. Voters approved \$343.5 million on the 2024 ballot.

GO Debt Capacity	Debt Study
	December 2025
2026 Ballot	\$ 1,420,255,000
2028 Ballot	445,675,000
2030 Ballot	649,920,000
2032 Ballot	707,280,000
2034 Ballot	653,790,000
2036 Ballot	332,485,000
Total	\$ 4,209,405,000

Department of Administration

Projects	5 Year Total	Project Total
Pastore Center	\$ 145,950,000	\$ 339,666,387
Other State Facilities	295,181,618	595,530,182
Other Projects	28,152,502	377,700,346
Total	\$ 469,284,120	\$ 1,312,896,915
 Sources of Funds		
Certificates of Participation	\$ -	\$ 21,127,862
Federal Funds	-	6,778,880
Federal Funds - CPF	-	83,221,898
General Obligation Bonds	1,683,923	13,000,000
Information Technology Funds	21,244,544	148,644,001
Internal Service Funds	-	10,057,094
Restricted Receipts	979,035	100,611,664
Rhode Island Capital Funds	445,376,618	929,455,516
Total	\$ 469,284,120	\$ 1,312,896,915

Summary. The Department of Administration requested expenses of \$1,406.0 million from all sources, of which \$678.7 million will be used from FY 2027 through FY 2031 for 52 projects; 11 are for information technology. Funding in the five-year period includes \$521.7 million, or 76.9 percent from Rhode Island Capital Plan funds. It also includes \$36.1 million, which would be supported by agency charges. The request is \$180.8 million more than the approved capital plan, primarily reflecting expenses for information technology projects that were not included in the capital budget. It also includes \$52.5 million for annual funding for FY 2031.

The Governor recommended \$1,326.4 million from all sources for 42 projects approved projects. It includes \$462.1 million in the five-year period, of which \$444.2 million, or 96.1 percent is from Rhode Island Capital Plan funds. The recommendation is \$79.6 million less than requested; it does not include new debt authorization for the Zambarano Long-Term Acute Care Facility, and adds \$20.0 million from Rhode Island Capital Plan funds for the mechanical, electrical and plumbing systems project in the State House.

The Governor subsequently requested several amendments, aligning federal expenses with available funds, and transferring certain expenses for the Big River Management Area project to the Department of Environmental Management.

The Assembly concurred with the amended recommendation and provided a total of \$1,312.9 million. This includes \$469.3 million in the five-year period, which is \$7.2 million more than the original recommendation.

Projects	Status	5 Year Total	Project Total
<i>Pastore Center</i>			
Pastore Center Infrastructure	Revised	\$ 100,000,000	\$ 153,682,017
Pastore Center Non-Hospital Buildings Asset Protection	Revised	30,950,000	94,758,079
Pastore Center Hospital Buildings Asset Protection	Ongoing	11,500,000	16,260,689
Pastore Center Hospital Reorganization	Ongoing	-	54,103,241
Pastore Center Buildings Demolition	Ongoing	-	10,046,592
Pastore Center Central Power Plant	Ongoing	3,500,000	10,815,769
Total		\$ 145,950,000	\$ 339,666,387

Pastore Center Infrastructure. The Department requested \$143.0 million from Rhode Island Capital Plan funds from FY 2026 through FY 2031 to make infrastructure improvements to the Pastore Center. This includes \$58.0 million for steam lines, which is under contract, and \$28.5 million to identify and address deficiencies with respect to water and wastewater supply and distribution. Funds would be used for the design and construction of a new water line and distribution system to increase the quality of water and fire suppression water flow. The request includes \$16.8 million to replace the electrical system; some of the underground wiring is over 40 years old and has exceeded its useful life expectancy. It includes \$2.0 million for fiber infrastructure to support modern information technology and telecommunications and \$15.1 million for engineering and contracted project management services.

The request also assumes use of \$15.8 million to replace the mechanical, electrical and plumbing system in the Regan building. A prior approved plan included \$44.0 million from Rhode Island Capital Plan funds and previously approved Certificates of Participation as part of the Hospital Reorganization project for ligature risk remediation and to renovate the Regan Building to address accreditation and program operational issues. The Department noted that it made sense to use available funding from the infrastructure project to address the mechanical infrastructure of the Regan building since it was vacant and would not impact hospital operations; total expenses were \$24.1 million.

The total project cost of \$159.0 million is \$35.5 million more than the approved plan, primarily to restore funding for the aforementioned project. Based on project delays, the approved plan reduced expenses for the steam component by \$6.1 million; the funds were repurposed for other project increases.

The Governor recommended \$20.0 million annually in the five-year plan, for a total project cost of \$153.7 million. This is \$5.3 million less than requested, reducing the preliminary estimates assumed. The Assembly concurred.

Pastore Center Non-Hospital Buildings Asset Protection. The request includes \$50.3 million from Rhode Island Capital Plan funds to be used from FY 2026 through FY 2031 to fund major maintenance and capital repairs to multiple buildings at the Pastore Center. This includes \$12.7 million for projects at Center General, including elevator modernization, window replacement and heating, ventilation and air conditioning system upgrades; and \$8.6 million for an inspection garage to replace the Melrose Street facility that performs inspection and road-testing activities. The request also includes \$28.9 million for various other projects, including \$20.0 million in FY 2030 and FY 2031 to renovate the Hazard and Louis Pasteur buildings. The Department noted that the Pastore Master Plan is underway, and it anticipated that the study will show that the Hazard and Louis Pasteur buildings require major renovation; the extent of the work needed is not known.

The total project cost of \$88.7 million overstates prior-year expenses by \$1.8 million. Adjusting for this, it is \$17.3 million more than the approved plan, including \$7.3 million for FY 2031 annual funding. Costs

for previously approved projects were also revised to reflect updated estimates, including an additional \$2.5 million to construct a new trade shop; funding to demolish the old facilities is included as part of the Pastore Center Buildings Demolition project. The request also includes increases of \$2.0 million each for water filtration projects and an additional elevator repair at Center General.

The Governor's recommendation includes \$31.0 million in the five-year period, which is \$0.6 million less than requested. The total recommendation of \$94.8 million is \$6.0 million more than requested; it corrects for overstated expenses and adds \$9.0 million in post-FY 2031. The Assembly concurred.

Pastore Center Hospital Buildings Asset Protection. The Department requests \$13.5 million from Rhode Island Capital Plan funds to be used from FY 2026 through FY 2031, including \$5.0 million for asset protection projects at hospital buildings on the Pastore Center, including Benton, Regan, and Mathias. The request also includes \$8.5 million for FY 2027 and FY 2028 to demolish the Adolf Meyer building. There is a separate project for the demolition of buildings on the Pastore Center. Since this request is for asset protection, expenses for demolition should be included in that project. The total request of \$15.8 million is \$1.0 million less than the approved plan; it reprograms expenses previously assumed in the later years and updates estimates for demolition.

The Governor concurred and added \$0.5 million in post-FY 2031, for a total project cost of \$16.3 million. The recommendation retains demolition expenses in this project. The Assembly concurred.

Pastore Center Hospital Reorganization. The request includes \$37.2 million from all sources, including the approved amount of \$33.0 million from Rhode Island Capital Plan funds and \$4.2 million borrowed through Certificates of Participation to reorganize hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Funds will be used for ligature risk remediation and to renovate the Regan building to address accreditation and program operational issues, such as secure outdoor space, therapy rooms, and modernizing the nurse station. The request is \$18.0 million less than the approved plan, which understates available funds issued through Certificates of Participation.

The Department's request assumes use of \$15.8 million from Rhode Island Capital Plan funds for FY 2026 as part of the Pastore Center Infrastructure project to replace the mechanical, electrical and plumbing systems in the Regan building. That project cost is \$24.1 million, of which \$8.3 million was spent in FY 2025.

The Governor recommended \$16.9 million more than requested to correct for understated expenses, for a total project cost of \$54.1 million. The Assembly concurred.

Pastore Center Buildings Demolition. The request includes \$6.3 million from Rhode Island Capital Plan funds carried forward from FY 2025 to demolish several buildings at the Pastore Center, including Pinel, Eastman House, Gloria McDonald, Welcome Arnold, and the old laundry facility. The total project cost of \$10.8 million is consistent with the approved plan, adjusted for the exclusion of \$1.1 million of prior-year expenses. *The Governor concurred. He subsequently requested an amendment to include \$750,000 in savings. The Assembly concurred with the amended recommendation.*

Pastore Center Central Power Plant. The Department requested \$6.1 million from Rhode Island Capital Plan funds to be used from FY 2026 through FY 2027 to continue work on the Central Power Plant. This includes \$5.8 million to demolish the old power plant and \$0.3 million to replace an electric switch. The request of \$11.5 million is \$12.5 million less than the approved plan, reflecting the exclusion of prior-year expenses from previously issued Certificates of Participation.

The Governor's recommendation further excludes prior year expenses by \$0.7 million and includes a project cost of \$10.8 million. The Assembly concurred.

Projects	Status	5 Year Total	Project Total
<i>Other State Facilities</i>			
Big River Management Area - Watershed	Revised	\$ 938,000	\$ 4,545,545
Communities Facilities Asset Protection	Revised	2,525,043	3,800,043
Group Homes Consolidation	Revised	-	9,675,000
Group Homes Replacement & Rehabilitation	Revised	5,000,000	19,504,696
Medical Examiners' Office	Revised	1,250,000	12,946,880
State House Renovations	Revised	101,185,000	121,617,173
State Office Building	Revised	1,425,000	6,448,518
Washington County Government Center	Revised	1,000,000	33,779,284
Zambarano Buildings & Campus	Revised	4,300,000	46,389,806
560 Jefferson Boulevard	Ongoing	250,000	2,184,907
Accessibility - Facility Renovations	Ongoing	-	7,613,993
Amica Mutual Pavilion (Civic Center)	Ongoing	6,800,000	38,942,320
Arrigan Center	Ongoing	500,000	1,000,000
Cannon Building	Ongoing	15,325,000	18,467,059
Chapin Health Laboratory	Ongoing	300,000	3,005,522
Convention Center Facility Renovations	Ongoing	11,825,000	56,170,570
Cranston Street Armory	Ongoing	500,000	5,139,984
Expo Center	Ongoing	-	1,970,000
Group Homes Asset Protection	Ongoing	-	4,687,656
IT Enterprise Operations Center	Ongoing	12,500,000	17,941,317
Old State House	Ongoing	1,000,000	7,595,235
Security Measures - State Buildings	Ongoing	3,750,000	9,412,832
Shepard Building	Ongoing	16,880,000	26,660,023
Veterans Memorial Auditorium Repairs	Ongoing	925,000	3,999,217
William Powers Building	Ongoing	8,550,000	24,979,350
Zambarano Long-Term Acute Care Facility	Ongoing	98,453,575	107,053,252
Total		\$ 295,181,618	\$ 595,530,182

Big River Management Area - Watershed. The Department requested \$6.7 million from Rhode Island Capital Plan funds, of which \$3.9 million will be used in the five-year period for infrastructure repairs and improvements at the Big River Management Area. This project demolishes vacant homes to protect the area for future development as a source of potable water and improves culverts to address flooding and other environmental concerns. The request is essentially consistent with the approved plan, adjusting for understated prior-year expenses.

The Governor concurred and added \$0.8 million in post-FY 2031 for a total project cost of \$7.5 million. He also proposed legislation granting the Department of Environmental Management authority over the land and natural resources of the Big River Management Area and transferring a position from the Department of Administration to the Department of Environmental Management as part of this change.

The Governor subsequently requested two amendments: the first shifted all funding to the Department of Environmental Management, and the second retained some expenses for water monitoring and a watershed management plan. The Assembly concurred with the second amendment, shifting \$2.9 million for asset protection and retaining \$0.9 million in the five-year period.

Communities Facilities Asset Protection. The Communities Facilities Asset Protection project is intended to provide asset protection funding at state-owned facilities leased or operated by nonprofit organizations, such as the Groden Center and Civil Air Patrol. The 2024 Assembly provided \$0.6 million for FY 2025 from Rhode Island Capital Plan funds for exterior and interior renovations, door and window replacement, and heating system upgrades at the Briggs School in Warwick. Reflecting a delay, the funds were reappropriated to FY 2026. Consistent with the approved plan, the request includes \$0.1 million annually from Rhode Island Capital Plan funds. The total request of \$3.0 million overstates prior-year expenses by \$0.7 million. *The Governor recommended \$3.8 million, \$1.4 million more than approved, including \$1.3 million in FY 2027 to replace the roof at the Groden Center and \$0.1 million for annual asset protection in FY 2031.* **Based on further delays, the Assembly shifted the \$600,000 intended for the Briggs School from FY 2026 to FY 2027, and concurred with the remainder of the recommendation.**

Group Homes Consolidation. The 2024 Assembly concurred with the Governor's original recommendation to consolidate five projects into a single project, Group Homes Consolidation. The Assembly did not agree with his subsequent budget amendment request to transfer the consolidated project to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. That Department previously managed these projects, but they were transferred to the Department of Administration in FY 2020. The scope includes 29 developmental disability community facilities, 120 state-owned group homes, 9 community facilities housing substance abuse clients, funds for fire code upgrades to state group homes and private developmental disabilities residences, and funding for repairs and renovations to 9 state-owned regional workshop centers. The Department of Administration noted that funding for the project is included in its budget; however, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is responsible for managing it.

The request includes \$9.7 million through FY 2026, consistent with the approved plan. Effective FY 2027, the request transfers funding back to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. That Department's request includes \$6.5 million annually over the five-year period, totaling \$32.5 million. The approved plan assumes an average of \$5.0 million annually. Combined, these expenses are \$12.6 million more than approved.

The Governor concurred. The recommended capital budget includes a total of \$37.0 million in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget, including \$7.0 million in post-FY 2031. **The Assembly concurred.**

Group Homes Replacement and Rehabilitation. The Department requested \$40.0 million from Rhode Island Capital Plan funds to construct and/or renovate various group homes from its current portfolio of 120 homes and 29 community facilities. The request is \$25.0 million more than the approved plan, which assumes use of \$5.0 million annually in the five-year period, similar to its unsuccessful request last year. In FY 2025, the Department contracted with a vendor to develop a strategic plan, which will guide the process of replacing or renovating the facilities; that is still underway. The Department is in the process of rehabilitating two facilities in Johnston and Exeter. *The Governor recommended \$19.5 million, \$4.5 million more than the approved plan, including new funding of \$5.0 million for FY 2027 and understating prior-year expenses by \$0.5 million.* **The Assembly concurred.**

Medical Examiners Office. The Department requests \$12.1 million from all sources, including \$7.1 million from Rhode Island Capital Plan funds, to renovate a 20,280 square-foot building in Cumberland to house operations of the Office of State Medical Examiners. Interior renovations are done and the Office of State Medical Examiners relocated to the facility in January 2025. The request understates prior-year expenses by \$0.3 million. It also adds \$0.4 million, of which \$0.1 million is for annual funding for FY 2031. The remaining increase of \$250,000 advances funding previously programmed in post-FY 2030 for a new roof to FY 2027 for a total of \$1.3 million. The current roof is less than 16 years old. An evaluation

of the roof was conducted; minor repairs that were recommended were made to keep it operational. The Department had previously included expenses for the roof in FY 2026 but subsequently requested that funding be moved to later years, when the roof would be 20 years old; the issues with the roof have persisted even after recommended repairs were made.

The Governor concurred and added \$50,000 for post-FY 2031, for total project costs of \$12.2 million. He subsequently requested an amendment adding \$750,000 from Rhode Island Capital Plan funds in FY 2026 to install a new heating, ventilation, and air conditioning system on the new roof in conjunction with the replacement project. The Assembly concurred with the amended recommendation and provided a total project cost of \$12.9 million.

State House Renovations. The request includes \$87.3 million from Rhode Island Capital Plan funds from FY 2026 through FY 2031 for various projects at the State House. It includes \$41.8 million to modernize the mechanical, electrical and plumbing systems, \$25.5 million for masonry and window restoration, and \$8.0 million for interior common space renovations. The requested total of \$102.8 million overstates prior-year expenses by \$0.6 million; and is otherwise \$7.8 million more than the approved plan. This includes annual funding of \$0.6 million for FY 2031 for asset protection and \$8.0 million in FY 2028 for repointing to address water infiltration issues. Expenditures for previously approved projects were also updated, reflecting the Department's revised project estimates.

The Governor recommended \$121.6 million, which is \$18.8 million more than requested. This includes \$20.0 million more for the mechanical, electrical and plumbing systems, reflecting estimates from a completed study, partially offset by adjustments to asset protection. The Assembly concurred.

State Office Building. The Department requested \$1.9 million from Rhode Island Capital Plan funds over the five-year period for asset protection projects at the State Office Building, which is occupied by the Department of Transportation. The request of \$6.9 million is \$0.5 million less than the approved plan. It excludes \$0.1 million of prior-year expenses and adds \$0.5 million in FY 2026 and FY 2027 to make improvements to a generator, which is needed for operations of the Traffic Management Center and the materials laboratory. The generator is relatively new; however, the Department notes that it is out of warranty and its emissions do not currently meet environmental compliance standards. This expense is offset by the removal of \$1.1 million previously programmed in post-FY 2030 for a new roof. The Department noted that previously reported leaks have now been attributed to the skylight. *The Governor recommended \$6.4 million, or \$0.5 million less than requested, including \$250,000 less each in FY 2030 and FY 2031. The Assembly concurred.*

Washington County Government Center. The Department requests a total project cost of \$33.9 million from Rhode Island Capital Plan funds, including new expenses of \$31.0 million to rehabilitate the Washington County Government Center. This includes security, elevators and heating, ventilation and air conditioning system upgrades. Additionally, the lower level of the building needs remediation from water infiltration. The 45,000 square-foot building houses the operations of the Coastal Resources Management Council, the Division of Motor Vehicles, and the Department of Children, Youth and Families. Though the estimate is essentially consistent with last year's request, it is based on a feasibility study that was conducted in FY 2025. Remaining expenses of \$0.8 million for asset protection are consistent with the approved plan. *The Governor recommended the total project cost; however, he delayed funding for the facility renovation to post-FY 2031. The Assembly included savings of \$150,000, reflecting anticipated expenses in FY 2026, and concurred with the remainder of the recommendation.*

Zambarano Buildings and Campus. The Department's request includes \$29.3 million from Rhode Island Capital Plan funds from FY 2026 through FY 2031 for capital repairs to various buildings at the Zambarano Campus of Eleanor Slater Hospital in Burrillville, which includes 307,000 square feet of buildings on 460 acres of land. Adjusting for overstated expenses, the reported project cost of \$47.8 million is \$3.8 million

more than the approved plan. This includes new expenditures of \$1.7 million to address recently identified deficiencies in the drinking water system. Costs for previously planned projects, for asset protection, lighting and paving projects, were also updated.

The project to modify the wastewater treatment facility has been awarded, and the request includes a total of \$11.5 million, including \$11.3 million in FY 2026. *The Governor recommended \$46.4 million, including \$23.3 million in FY 2026. The recommendation is \$1.4 million less than requested. It corrects for overstated expenses, does not fund increased asset protection, and adds \$0.5 million in post-FY 2031. The Assembly concurred.*

560 Jefferson Boulevard. The Department requested \$3.1 million from Rhode Island Capital Plan funds from FY 2026 through FY 2031 to install a generator and a new roof for 560 Jefferson Boulevard, and annual expenses of \$50,000 for asset protection. The facility is currently occupied by the Office of the State Fire Marshal, Office of Veterans Services, and the Cannabis Control Commission. The total project cost of \$3.2 million is essentially consistent with the approved plan. *The Governor concurred.*

The Assembly included \$1.0 million in savings, reflecting updated expenses in FY 2026, and concurred with the remainder of the recommendation.

Accessibility - Facility Renovations. The request includes \$0.2 million from Rhode Island Capital Plan funds reappropriated from FY 2025 for renovations of state-owned long-term care and community-based facilities, health centers, group homes, fire safety improvements, accessibility renovations to state administrative and higher education institutions and other renovations to buildings throughout the state where open meetings are held, such as senior citizen centers. The request of \$8.1 million overstates prior-year expenses by \$0.4 million; adjusting for this, it is \$0.2 million less than the approved plan, reflecting updated funding needed to close the project. Effective FY 2026, these expenses will be included in individual project costs. *The Governor recommended \$7.6 million, consistent with the approved plan. The Assembly concurred.*

Amica Mutual Pavilion (Civic Center). The Department requested \$10.6 million from Rhode Island Capital Plan funds for FY 2026 through FY 2031 for renewal and replacement expenses for the Civic Center. This project was previously shown as the Dunkin' Donuts Center; the new ten-year naming rights agreement renamed it the Amica Mutual Pavilion. The request is consistent with the approved plan and adds \$1.5 million of annual funding for FY 2031. The total request is \$45.4 million less than the approved plan. It excludes \$26.9 million of prior-year expenses and \$20.0 million in post-FY 2030 for replacement of all glycol lines, and other projects; the Authority noted that if it were to proceed with those projects, it would pursue the use of debt.

The Center was purchased by the Convention Center Authority with revenue bonds and leased back to the state. Rental payments from the lease are applied to the debt service payments on the revenue bonds. Bond covenants from the 2006 purchase and renovation financing require that funds be set aside each year to maintain the facility. *The Governor concurred and corrected for prior-year expenses, for a total project cost of \$38.9 million. The Assembly concurred.*

Arrigan Center. The Department requested \$5.0 million from Rhode Island Capital Plan funds to renovate the Arrigan Center, which offers comprehensive physical and occupational therapy to assist injured workers. The request includes \$0.7 million, essentially as approved for asset protection for FY 2026 through FY 2031. It includes new expenses of \$4.1 million for FY 2027 through FY 2029 for exterior repairs, and upgrades to the heating, ventilation and air conditioning system. A previously approved plan included funding for some of these expenses; however, the Governor requested an amendment to his FY 2024 budget proposal removing the funding because future use of the facility was uncertain. The Department noted that improvements to the building are needed to prevent it from falling into a state of

disrepair. A similar proposal was included in the Department's FY 2026 capital budget request; however, the Governor did not recommend funding. The Department of Labor and Training has submitted a separate request for \$0.9 million to replace the pool. *The Governor recommended annual asset protection funding of \$0.1 million, for a total project cost of \$1.0 million. This is \$0.1 million more than approved, reflecting funding in post-FY 2031. The Assembly concurred.*

Cannon Building. The request includes \$50.4 million from Rhode Island Capital Plan funds, of which \$47.2 million will be used in the five-year period for repairs and renovations to the Cannon Building. The Department plans to upgrade heating, ventilation, and air conditioning and electrical systems, renovate restrooms, and address Americans with Disabilities Act compliance.

The request is \$33.0 million more than the approved plan, reflecting projects identified from a completed facility assessment. The project was revised to include \$40.3 million to upgrade the building's mechanical, electrical and plumbing systems, \$29.0 million more than approved; these expenses are programmed from FY 2028 through FY 2031. The request also includes new expenses of \$3.9 million to replace an elevator. The Department indicates the decision is based on its age and the high costs of replacement parts. *The Governor recommended \$18.5 million, \$1.1 million more than approved, primarily reflecting annual funding in FY 2031. The Assembly concurred.*

Chapin Health Laboratory. Consistent with the approved plan, the request includes \$300,000 from Rhode Island Capital Plan funds for FY 2027 for asset protection in the Chapin Health Laboratory. The building housed several laboratories for the Department of Health and the Office of State Medical Examiners. The Office vacated the facility in January 2025, and the Health Laboratories program is scheduled to move to a new facility in fall 2025. The total request of \$3.3 million is \$0.3 million more than approved, reflecting overstated expenses. *The Governor recommended \$3.0 million, consistent with the approved plan. The Assembly concurred.*

Convention Center Facility Renovations. Consistent with the approved plan, the request includes \$12.1 million from Rhode Island Capital Plan funds for FY 2026 through FY 2030, and annual funding of \$2.5 million for FY 2031 for improvements to the Convention Center Facility. The state must pay Convention Center debt service that is not covered by operating revenue. To the extent the Authority sets aside resources for upkeep, its operating deficit grows, increasing the state's debt service costs. The total request of \$14.6 million is \$44.6 million less than the approved plan, as it excludes prior-year expenses and asset protection funding previously programmed in post-FY 2030. *The Governor recommended inclusion of \$39.0 million of prior-year expenses and added \$2.5 million in post-FY 2031, for a total project cost of \$56.2 million. The Assembly concurred.*

Cranston Street Armory. Consistent with the approved plan, the request includes \$0.1 million annually in the five-year period from Rhode Island Capital Plan funds for asset protection for the Cranston Street Armory. Adjusting for the exclusion of \$0.1 million of prior-year expenses, the request of \$5.6 million is essentially consistent with the approved plan and excludes unspent funds from FY 2025 based on updated project costs.

A 2016 feasibility study produced recommendations for use, including a state lab, museum, archive/storage, public school, apartments, or athletic facility, with project costs ranging from \$41 million to \$103 million. Subsequently, the administration established a reuse steering committee to explore other options, including funding mechanisms. In 2020, the administration contracted with Scout Urban for a redevelopment plan. Its proposal included office, recreational, retail, and event spaces. In 2023, the administration contracted with JLL to review the proposal. That review concluded that the proposed plan was not in the financial interest of the taxpayers. The 2024 Assembly reduced the project cost by \$6.0 million, pending a plan for the use of the funds. *The Governor concurred. The Assembly included \$0.5 million in savings, reflecting updated expenses in FY 2026, and concurred with the remainder of the recommendation.*

Expo Center. The approved plan includes \$2.0 million from Rhode Island Capital Plan funds for various asset protection projects, including masonry, heating, ventilation and air conditioning work in the Expo Center, in West Springfield, Massachusetts. The Center houses the state's exhibit home at the Big E, which holds an agricultural fair as well as other events. The exhibit home is a replica of the Old State House in Newport and is used to promote Rhode Island as a tourism destination. The request includes new expenses of \$1.0 million in the five-year period for asset protection and, interior and exterior renovations. These expenses were included in the Department's last request; however, the Assembly concurred with the Governor who did not recommend funding. *The Governor recommended \$2.0 million, consistent with the approved plan. It appears that the Commerce Corporation is providing \$519,000 for some of the new requested but not recommended expenses.* **The Assembly concurred.**

Group Homes Asset Protection. The Department requested \$5.1 million from Rhode Island Capital Plan funds, of which \$0.1 million is from FY 2025 unspent funds, for asset protection projects at the state's group homes for the developmentally disabled. There is a total of 120 state-owned group homes; 97 are operated by private providers and 23 are state-run. As previously noted, the approved plan merges future funding for this project into the Group Homes Consolidation project, which the request proposes to transfer to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The request overstates prior-year expenses by \$0.5 million and is otherwise consistent with the approved plan. *The Governor recommended the remaining \$0.1 million for FY 2026, essentially as requested, for a project cost of \$4.7 million.* **The Assembly concurred.**

IT Enterprise Operations Center. The Department requested \$17.8 million from Rhode Island Capital Plan funds, of which \$16.7 million will be used from FY 2026 through FY 2031 for various projects at the Information Technology Operations Center. These include replacing the chiller and boiler, roof, and the rooftop heating, ventilation and air conditioning units. The request is \$43,713 less than the approved plan, primarily reflecting the exclusion of prior-year expenses. The Department purchased the building at 50 Service Avenue in Warwick in 2009, completed a major renovation, and moved into the facility in November 2011. *The Governor's recommendation retains understated expenses and adds \$0.2 million in post-FY 2031, for a total project cost of \$17.9 million. Reflecting a project delay, it shifts \$2.0 million from FY 2026 to FY 2028.*

The Assembly concurred with the total project cost, based on the Department's updated expenses, it shifted \$6.0 million from FY 2026 and added \$3.0 million each for FY 2027 and FY 2028.

Old State House. The Department requested \$1.0 million from Rhode Island Capital Plan funds in the five-year period for asset protection projects at the Old State House. The total request of \$8.8 million is \$0.6 million more than the approved plan. It adds \$0.1 million for annual funding in FY 2031 and overstates prior-year expenses by \$0.5 million. The request includes \$3.2 million for FY 2026, primarily from FY 2025 unspent funds, including \$1.4 million from Rhode Island Capital Plan funds to match federal funds that the Historical Preservation and Heritage Commission received for accessibility projects at the Old State House. That work is scheduled to be completed by March 2026.

The Governor recommended \$7.6 million, which further excludes prior-year expenses and adds \$0.2 million in post-FY 2031. Consistent with the request, it assumes \$1.3 million from federal funds; however, the operating budget assumes \$0.8 million in the Department's budget, with the remaining \$0.5 million in the Historical Preservation and Heritage Commission's budget. **The Assembly concurred.**

Security Measures - State Buildings. The Department requested \$3.8 million from Rhode Island Capital Plan funds to be used in the five-year period to address security issues throughout state facilities. The total request of \$9.0 million is essentially consistent with the approved plan, with the exception of overstating prior-year expenses by \$0.2 million. *The Governor recommended \$9.4 million; the recommendation corrects for overstated expenses and adds \$0.6 million in post-FY 2031.* **The Assembly concurred.**

Shepard Building. The request includes \$22.4 million from Rhode Island Capital Plan funds to be used from FY 2026 through FY 2031 for various projects at the Shepard Building, including cast iron reconstruction, restroom renovations, chiller, and rooftop unit replacement. The total request of \$25.5 million is \$1.8 million more than the approved plan, reflecting funding of \$2.3 million for FY 2031 for asset protection and building renovations. Expenditures for previously planned work were updated, reflecting revised costs and timing. The building is currently occupied by the Dr. Pat Feinstein Child Development Center, Departments of Elementary and Secondary Education, and Human Services, the Office of Postsecondary Commissioner, and a small office space for the Division of Capital Asset Management and Maintenance. *The Governor recommended a project cost of \$26.7 million, which is \$1.1 million more than requested, including \$1.1 million less in the five-year period and adding \$2.3 million in post-FY 2031.* **The Assembly concurred.**

Veterans Memorial Auditorium Repairs. The Convention Center Authority's request includes \$1.3 million from FY 2026 through FY 2031 from Rhode Island Capital Plan funds for ongoing asset protection costs at the Veterans Memorial Auditorium. The request is \$4.3 million less than the approved plan, primarily reflecting the exclusion of prior-year expenses, partially offset by \$0.2 million of annual funding in FY 2031 for elevator, and heating, ventilation and air conditioning upgrades. *The Governor recommended \$4.0 million; it corrects for some understated expenses and adds \$0.2 million in post-FY 2031.* **The Assembly concurred.**

William Powers Building. The Department requested \$8.6 million from Rhode Island Capital Plan funds to be used in the five-year period for repairs and improvements, such as bathroom renovations, and electrical and mechanical upgrades at the William Powers Building. The reported project cost of \$25.0 million understates prior-year expenses by \$1.3 million. Adjusting for this, it is \$2.2 million more than the approved plan, including \$250,000 added in FY 2027 and \$2.0 million in FY 2028 to improve the building's electric distribution system to prevent overloads and damage to equipment. *The Governor recommended total funding essentially as requested; the recommendation excludes \$0.2 million of prior-year expenses and adds \$0.2 million in post-FY 2031.* **The Assembly concurred.**

Zambarano Long-Term Acute Care Facility. The Department requested \$197.1 million, including \$107.1 million from approved Rhode Island Capital Plan funds, and \$90.0 million of new debt to be issued through Certificates of Participation to construct a new 100-patient long-term care facility at the Zambarano Campus of Eleanor Slater Hospital to replace the Beazley building. The Department indicated that the current building is not suitable for renovation into a medical facility that would meet compliance with current standards. Assuming a 5.0 percent interest and a 15-year term, the annual debt service would be \$8.6 million, for a total of \$133.1 million. The debt service would be supported by federal funds and general revenues.

The total request is essentially consistent with the Governor's recommendation last year, which assumed that the Assembly would eventually approve the proposed debt, but his budget did not contain a proposal to approve the debt. The Assembly took no action on the debt authorization and shifted FY 2026 funding of \$26.1 million from Rhode Island Capital Plan funds to FY 2030, based on a delay in the design phase of the project, including the identification of cost estimates and financing plans, for further consideration and approval. The design is scheduled to be completed in early 2026. It should be noted that the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals also submitted a project requesting \$90.0 million to be issued through Certificates of Participation for the project.

The Governor recommended the approved amount of \$107.1 million from Rhode Island Capital Plan funds; however, the recommendation shifts \$21.8 million from FY 2027 to FY 2031 to reflect continued project delays. **The Assembly concurred.**

Projects	Status	5 Year Total	Project Total
<i>Other Projects</i>			
Community Learning Center Municipal Grant Program	Revised	\$ -	\$ 83,221,898
Replacement of Fueling Tanks	Revised	1,870,000	6,086,648
Environmental Compliance	Ongoing	1,125,000	4,269,320
South County Groundwater Protection/Acquisition	Ongoing	1,307,870	8,000,000
State Land Use Planning Study	Ongoing	-	250,000
State Office Reorganization & Relocation	Ongoing	1,250,000	7,322,520
Statewide Emergency Water Interconnect Projects	Ongoing	376,053	5,000,000
Statewide Facility Master Plan	Ongoing	-	3,705,201
DEM - Environmental Permitting & Licensing	IT	-	4,860,597
DLT - Mainframe Legacy Modernization	IT	10,439,453	16,400,000
Enterprise Resource Planning	IT	-	99,445,938
Gateway to Government	IT	5,736,663	7,500,000
Hospital Electronic Medical Records System	IT	5,068,428	22,550,000
Information Technology Restricted Receipt	IT	979,035	100,611,664
RI Bridges Mobile Access & Childcare Tracking	IT	-	6,700,000
Wi-Fi & Technology at the ACI	IT	-	1,776,560
Total		\$ 28,152,502	\$ 377,700,346

Community Learning Center Municipal Grant Program. Consistent with the approved plan, the request includes \$81.7 million from the Capital Projects Fund for grants to cities and towns seeking to renovate or build community learning centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. A total of 18 municipalities are building 21 learning centers, and 6 municipalities are partnering to build 4 shared projects. The request includes \$69.3 million for FY 2026 and prior-year expenses of \$12.5 million.

The Governor recommended \$83.2 million for FY 2026, and combined with prior-year expenses, the recommendation inadvertently overstates the approved amount. The Governor requested an amendment on February 10 to correct the overstatement and added \$1.5 million in funding that became available for a total of \$83.2 million. The Assembly concurred with the amended recommendation.

Replacement of Fueling Tanks. The request includes \$3.4 million from Rhode Island Capital Plan funds from FY 2026 through FY 2031 to replace failing tanks at the 14 state-owned and operated fueling stations for state vehicles. Adjusting for the exclusion of \$0.2 million of prior-year expenses, the request of \$6.1 million is \$1.1 million more than the approved plan. This includes \$0.1 million each for FY 2030 and FY 2031 for unforeseen tank replacement, and \$0.9 million more to install tanks on Pontiac Avenue, reflecting updated cost estimates; construction is ongoing. *The Governor recommended \$6.1 million, essentially as requested. The Assembly concurred.*

Environmental Compliance. The Department requested \$3.7 million from Rhode Island Capital Plan funds, including \$0.9 million in the five-year period, for projects that assist state agencies in complying with state and federal environmental rules and regulations. Funds will also be used to support the costs of mitigating asbestos, contaminated soil remediation, and other environmental issues for buildings under the Department's jurisdiction. Adjusting for the exclusion of prior-year expenses, the request is \$0.4 million less than the approved plan, reflecting updated project costs. It excludes \$0.2 million of funding previously programmed in post-FY 2030, and \$0.2 million of unspent funds from FY 2025. *The Governor recommended a total project cost of \$4.3 million, which is \$0.5 million more than requested. It corrects*

for some understated expenses and adds \$225,000 each in FY 2031 and post-FY 2031. The Assembly concurred.

South County Groundwater Protection/Acquisition. The request includes \$1.8 million from approved general obligation bond proceeds to be used in FY 2026 and FY 2027 to purchase water development rights from private landowners for well sites identified as high capacity. The purpose of this project is to preserve and protect valuable state groundwater resources and to ensure safe quality groundwater for future generations through residential and economic development. The request is \$6.2 million less than the approved plan, reflecting the exclusion of prior-year expenses. The project is funded from \$8.0 million of bond proceeds authorized by the voters in 2004. *The Governor recommended \$8.0 million, consistent with the approved plan. The Assembly concurred.*

State Land Use Planning Study. The request includes the approved amount of \$250,000 from Rhode Island Capital Plan funds for a land use planning study of state-owned property in Exeter. The Department had originally anticipated the study beginning in the second quarter of FY 2024, with a completion date in early FY 2025. The study needed to be rebid, and the Department now anticipates a completion date in spring 2026. The approved plan includes a total of \$46.0 million, of which \$1.0 million is from State Fiscal Recovery funds, and \$45.0 million is from Rhode Island Capital Plan funds for a female youth facility to be constructed on state-owned property in Exeter. Funding for this project is included in the Department of Children, Youth and Families' budget. *The Governor concurred. The Assembly concurred.*

State Office Reorganization and Relocation. The Department included \$3.8 million from Rhode Island Capital Plan funds in the five-year period for redesigning office space, moving personnel, and relocating storage. The total request of \$9.6 million overstates prior-year expenses by \$0.6 million. Adjusting for this, it is \$2.8 million more than the approved plan. It assumes \$750,000 annually; the approved plan included only \$250,000. The project was revised to consolidate moving expenses under the Division of Capital Asset Management and Maintenance's purview. Historically, agencies would include the funding in their budgets. It should be noted that although these expenses are planned, specific projects to go with them are yet to be identified. *The Governor's recommendation corrects for overstated expenses and adds \$750,000 in post-FY 2031 for a project cost of \$9.8 million.*

The Assembly maintained the approved annual amount of \$250,000 in the five-year period, and included a total project cost of \$7.3 million.

Statewide Emergency Water Interconnect Projects. The request includes \$0.4 million from previously approved general obligation bonds in FY 2026 and FY 2027 to continue a project to establish statewide emergency water interconnections between the state's 32 largest water supply systems. A system of interconnections will enable the movement of water from one source or system to another during any emergency, such as pipe breaks or water source contamination. The project is funded with \$5.0 million from bond proceeds approved by the voters in 2004. The request excludes \$4.6 million of prior-year expenses. *The Governor recommended \$5.0 million, consistent with the approved plan. The Assembly concurred.*

Statewide Facility Master Plan. The Department requested \$0.5 million from FY 2025 unspent Rhode Island Capital Plan funds for the Pastore Center master plan. The reported project cost of \$3.8 million is \$0.1 million more than the approved plan, reflecting overstated prior-year expenses. *The Governor recommended \$3.7 million, consistent with the approved plan. The Assembly concurred.*

DEM - Environmental Permitting and Licensing. The request includes \$0.6 million in FY 2026 from the Large Systems Initiatives Fund to make improvements to the Department of Environmental Management's information technology for online permitting and licensing systems for environmental and agricultural permitting, fish and wildlife, commercial fishing, and boating registration. The Department

anticipated the project to be completed by December 2025. The request of \$5.2 million is consistent with the amount transferred to the fund. *The Governor recommended \$4.9 million, \$0.3 million less than requested, primarily reflecting the exclusion of prior-year expenses.* **The Assembly concurred.**

DLT - Mainframe Legacy Modernization. The request includes \$16.4 million from the Large Systems Initiatives Fund to be used through FY 2029 to replace the Department of Labor and Training's Temporary Disability Insurance and Employer Tax functions. A request for proposals was issued in 2023; no bids were received. Subsequently, another request for proposals was issued, and eight bids were received. A strategic planning assessment evaluated all systems and made recommendations. The Division of Workforce Regulation and Safety's database system will be the first project. The system supports the division's efforts for licensing and inspections, prevailing wage and labor standards, and Hazardous Substances Right-to-Know Act reporting and tracking. The administration noted that this system will then determine subsequent projects.

The total request is \$3.0 million less than the approved plan, reflecting the administration's plan to transfer that amount to the Information Technology Restricted Receipt account to fund additional project costs for the Enterprise Resource Planning System. This is contrary to current law, which requires "after the completion of any project, the chief digital officer shall inform the state controller of unexpended sums previously transferred to the LSI Fund for that project and the state controller shall subsequently transfer any such unexpended funds to the information technology restricted receipt account." Some components of the project, as previously planned, will not get done. *The Governor recommended \$10.4 million, which further reduces the request by \$6.0 million. The Budget Office later acknowledged that the intent was for the recommendation to reflect the Department's request for a project cost of \$16.4 million.* **The Assembly concurred with the intended recommendation.**

Enterprise Resource Planning System. The Department requested \$88.2 million from all sources, including \$44.4 million from the Large Systems Initiatives Fund, \$0.5 million from federal funds, and \$43.2 million from the Information Technology Restricted Receipt account for the Enterprise Resource Planning System. The components of the project include human resources, payroll, and financial management; the current systems are nearing the end of their useful lives and are susceptible to security risks. The Auditor General has historically reported the inefficiencies with the various systems. The system is expected to be fully developed and implemented by December. The request is \$3.7 million more than the approved plan to be supported by resources in the Information Technology Restricted Receipt account, including interest earnings and resources transferred from the Large Systems Initiatives Fund.

The request also includes \$43.2 million to be financed through agency billings for maintenance of the system. These expenses are \$4.4 million more than the approved plan; \$3.5 million assumed for FY 2025 were not spent, reflecting a project delay. This is offset by FY 2031 annual funding of \$7.0 million.

The Governor's recommended capital budget reflects a total of \$99.4 million, which appears to include development costs of \$89.3 million, or \$4.9 million more than enacted and \$1.1 million more than requested. It also includes \$10.1 million in charges to agencies for implementation costs, \$3.4 million more than previously assumed. The recommendation reflects the exclusion of agency charges beyond FY 2026, as the project entered the operating phase. The Governor also reclassified \$0.6 million of excess State Fiscal Recovery funds for operating support. **The Assembly concurred.**

Since implementation of the system, functionality issues remain. In March, the Department noted that a comprehensive assessment of the system was being conducted. In early June, it noted that the work is not yet complete. On June 8, after the House passed the budget, the Governor requested to reclassify \$1.1 million of unspent funds to operating support for the Enterprise Resource Planning System.

Gateway to Government. Consistent with the approved plan, the request includes \$7.5 million from the Large Systems Initiatives Fund for the Gateway to Government Project, including \$2.5 million for a pilot program for credential issuance, authentication, and automated compliance. The 2023 Assembly provided an additional \$5.0 million to expand the pilot program to digitalize statewide license processing and centralize management of identification and credentialing. The Department is in cost negotiation with the vendor and will have a plan before January 2026. *The Governor's recommendation maintains the approved amount of \$7.5 million from the Large Systems Initiatives Fund; however, funding is reprogrammed, reflecting an updated timeline. It includes \$1.8 million for FY 2027, \$2.5 million for FY 2028, \$0.9 million for FY 2029, \$1.0 million for FY 2030, and \$0.6 million for FY 2031.* **The Assembly concurred.**

Hospital Electronic Medical Records System. The request includes \$21.6 million for FY 2026 and FY 2027 from the Large Systems Initiatives Fund to purchase an electronic medical records system for the state-run Eleanor Slater Hospital. The state hospital currently does not have an electronic medical records system. The system would support the hospital's administrative, financial, clinical, and reporting activities. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals reported that it would maximize reimbursements and develop treatment and residential options for psychiatric patients, including geriatric and developmentally disabled adults. The total request of \$22.3 million is essentially consistent with the approved plan. The implementation is scheduled to start in April 2026. *The Governor concurred and added \$0.2 million from the Information Technology Restricted Receipt account in FY 2028, for a software replacement project.* **The Assembly concurred.**

Information Technology Restricted Receipt. The Department requested expenses of \$1.8 million from the Information Technology Restricted Receipt account for FY 2026 through FY 2028. This includes \$0.4 million for the Rhode Island Integrated Data System, \$0.3 million each for project management staffing expenses and the Minority Business Enterprise/Women's Business Enterprise compliance management system, and \$0.2 million for the Electronic Permitting system. These expenses do not meet the definition of a capital project, and the approved plan excluded them from the capital budget.

The 2011 Assembly established the Information Technology Investment Fund for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. The 2023 Assembly concurred with the Governor's proposal, formalizing the treatment of the fund as a restricted receipt account and transferring \$115.0 million to the Large Systems Initiatives Fund to support eight information technology projects. The restricted receipt account is supported by state-land sale proceeds, surcharges on wireless and landlines, and direct appropriations. The 2025 Assembly concurred with the Governor's recommendation to include interest earned and capitalized amounts charged to agencies in accordance with a statewide cost allocation plan that benefits from projects funded through the Large Systems Initiatives Fund. The Department did not submit revenue projections for the account. It does not appear that there are sufficient funds to support FY 2026 expenses. *The Governor concurred.* **The Assembly concurred.**

RI Bridges Mobile and Childcare Tracking. The request includes \$4.4 million from the Large Systems Initiatives Fund to improve the collection of attendance data from childcare providers. The request is \$2.3 million less than the approved plan, reflecting the exclusion of prior-year expenses for the HealthyRhode mobile application. It should be noted that the Executive Office of Health and Human Services also submitted a capital budget requesting \$8.1 million from federal funds for FY 2026 and FY 2027 to match the approved funding to add new features to the mobile application. This would bring the project cost to \$14.8 million. *The Governor's recommendation maintains the approved amount of \$6.7 million from the Large Systems Initiatives Fund.* **The Assembly concurred.**

Wi-Fi and Technology at the ACI. The request includes \$1.8 million from the Large Systems Initiatives Fund for the purchase and installation of Wi-Fi systems at the adult correctional institutions. The 2023 Assembly provided \$3.3 million. The project is complete, and the Department of Administration indicates

that the remaining balance of \$1.3 million will be transferred to the Information Technology Restricted Receipt account, pursuant to current law. *The Governor concurred. The Assembly concurred.*

DCAMM Equipment. The Department requested \$0.3 million from Rhode Island Capital Plan funds for use in FY 2027 and FY 2028 to purchase equipment to be used by the Division of Capital Asset Management and Maintenance staff. Equipment may include bobcats, forklifts, pallet jacks and others, and would be used on the Pastore Center, Capitol Hill and the Zambarano Campus. The Department noted that purchasing the equipment will save on operational expenses, such as snow removal and landscaping costs. *The Governor did not recommend funding for this project. The Assembly concurred.*

RI Children's Information System. The approved plan includes \$56.9 million from all sources, including \$24.7 million from the Large Systems Initiatives Fund to support the state's share of the cost for a new child welfare system to replace the current Rhode Island Children's Information System. Federal fund expenditures for the project are included in the Department of Children, Youth and Families' budget, the awarding agency. Its request includes a reported project cost of \$46.2 million, or \$10.7 million less than the approved plan, reflecting the exclusion of prior-year expenses and unspent funds. The Department of Administration's request includes \$24.1 million from the Large Systems Initiatives Fund, which understates available funding by \$0.6 million. The Department of Children, Youth and Families completed the design and implementation plan, which has been approved by the appropriate federal agency. The project is in the building phase, and data conversion has started. A July 2027 completion date is anticipated.

The Governor's recommendation includes the total project cost of \$46.5 million in the Department of Children, Youth and Families' budget. This further excludes \$0.5 million in prior spending from the Large Systems Initiatives Fund and is otherwise consistent with the Department's request. The Assembly concurred.

RI Bridges System Enhancements. The request includes \$5.2 million from restricted receipts for HealthSource RI's portion of expenses for system enhancements to the state's human services eligibility system, Unified Health Infrastructure Project, also called RI Bridges. The Executive Office of Health and Human Services also submitted a capital request for \$76.6 million from general revenues and federal funds, for total project funding of \$81.8 million. Expenses for the system from the FY 2016 through FY 2026 enacted budgets total \$870.5 million, including \$186.6 million from general revenues. This includes design, development, and implementation, as well as maintenance and operations. *The recommended operating budgets include \$15.1 million for FY 2026 and \$12.6 million for FY 2027 in the Executive Office of Health and Human Services' budget. The Assembly concurred.*

RI Bridges System Modernization. The capital budget requests from the Department of Administration and the Executive Office of Health and Human Services include a total of \$87.8 million from all sources to modernize the state's human services eligibility system, Unified Health Infrastructure Project, or RI Bridges. The request includes \$0.2 million from Health Premium Assessment restricted receipts for HealthSource RI's share of the project. A request for proposals for a strategic planning vendor has been issued. *The Governor recommended \$0.1 million in FY 2026 and \$1.5 million in FY 2027 in the Executive Office of Health and Human Services' operating budget; these expenses are excluded from the capital budget. The Assembly concurred.*

Office of Energy Resources

Projects	Status	5 Year Total	Project Total
Energy Efficiency	Revised	\$ 15,059,744	\$ 26,088,262
Total		\$ 15,059,744	\$ 26,088,262
Sources of Funds			
Federal Funds		\$ 2,559,744	\$ 5,000,000
Restricted Receipts		7,500,000	10,642,003
Rhode Island Capital Plan Fund		5,000,000	10,446,259
Total		\$ 15,059,744	\$ 26,088,262

Summary. The Office of Energy Resources requested \$30.5 million from all sources, of which \$19.5 million will be used in the five-year period for energy efficiency projects, including indoor and outdoor lighting projects; new heating, ventilation, and air conditioning; renewable energy; and building automation systems. The request understates prior year expenses; adjusted for that, it is \$13.9 million more than the approved plan, including \$3.5 million for FY 2031. The project was revised to include \$4.4 million from a \$5.0 million federal grant that the Office received in June 2024, to make energy improvements in public buildings. A 50.0 percent federal match is required; the Office’s request assumes \$2.5 million each from Regional Greenhouse Gas Initiative funds and Rhode Island Capital Plan funds for the match. The approved plan included only \$1.0 million annually.

Governor Raimondo issued Executive Order 15-17, “State Agencies to Lead by Example in Energy Efficiency and Clean Energy,” establishing a Lead by Example program in the Office of Energy Resources. The order charged the Office with overseeing and coordinating efforts to reduce energy consumption. Some of the program’s goals are to improve state facility infrastructure, reduce state facility operating and ongoing maintenance costs, and reduce greenhouse gas emissions. In May 2023, Governor McKee signed Executive Order 23-06, which replaced and expanded the Lead by Example program.

The Governor recommended a total project cost of \$36.1 million from all sources, including \$10.0 million from new general obligation bonds to go before the voters on the November 2026 ballot to finance energy efficiency infrastructure projects. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.8 million; the total cost would be \$15.6 million. The total recommendation is \$5.6 million more than requested, including \$0.6 million of prior year expenses from federal funds, and the inclusion of new bond proceeds is partially offset by \$5.0 million less from Rhode Island Capital Plan funds.

The Governor also included legislation in Article 3 of 2026-H 7127, expanding the duties of the Office to include administration of general obligation bond funds.

The Assembly did not concur with the recommended general obligation bond proceeds. It provided a total project cost of \$26.1 million, including \$15.1 million in the five-year period.

Department of Business Regulation

Projects	Status	5 Year Total	Project Total
Evidence Room	New	\$ 2,500,000	\$ 2,500,000
Fire Academy Expansion	Revised	962,000	11,030,999
Total		\$ 3,462,000	\$ 13,530,999
Sources of Funds			
Rhode Island Capital Funds		\$ 3,462,000	\$ 13,530,999
Total		\$ 3,462,000	\$ 13,530,999

Summary. The Department of Business Regulation requested total capital expenditures of \$16.8 million from Rhode Island Capital Plan funds for five projects, including two new projects and two information technology projects. Funding in the five-year period totals \$5.7 million. *The Governor recommended \$13.5 million for two projects, including \$3.5 million in the five-year period.* **The Assembly concurred.**

Evidence Room. The Department requested \$2.2 million from Rhode Island Capital Plan funds for FY 2027 for a new project to convert a storage building into an evidence repository. Evidence is currently stored at the Cranston Street Armory; however, the Department indicates that future plans for the armory may require relocation, and the space does not meet security and environmental requirements. The new Exeter location would meet all state and federal requirements and contain flammable liquid evidence storage, an examination area, office space, and restrooms. Planned work includes utility upgrades, interior renovation, security system installation, and improvements to prevent evidence contamination, such as two separate ventilation systems. The Department intends to conduct a feasibility study for this work using general revenues within its FY 2027 enacted operating budget.

Consistent with the Governor's recommendation, the approved plan assumes \$2.2 million for this project for the post-FY 2030 period as part of the Fire Academy Expansion project. The current request is effectively identical to the Department's prior year request, as it once again separates the project and accelerates the schedule of work to FY 2027. From FY 2021 to FY 2023, the Department unsuccessfully requested \$0.2 million for a feasibility study to conduct this project. *The Governor recommended \$2.5 million, \$0.3 million more to reflect updated estimates, and programmed funding as a stand-alone project for FY 2031.* **The Assembly concurred.**

Fire Academy Expansion. The Department requested \$11.0 million from Rhode Island Capital Plan funds to expand the State Fire Academy in Exeter. Compared to the approved plan, the request excludes \$2,217 of historical funding, shifts \$0.8 million of unspent FY 2025 funds to FY 2026, and excludes \$2.2 million for the post-FY 2030 period for an evidence room, requested as a separate project. Major items include an auditorium, four additional classrooms, and an equipment storage building to expand certification offerings and meet growing demand. Construction is underway, and completion is scheduled for December 2026. Remaining funds are programmed at \$7.8 million for FY 2026 and \$1.0 million for FY 2027. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Office Renovation. The Department requested \$0.2 million from Rhode Island Capital Plan funds, including \$0.1 million each for FY 2026 and FY 2027 for office furniture and electrical upgrades for the Division of Commercial Licensing. Expenses do not appear to meet the definition of a capital project. The Department occupies four floors at Pastore Center buildings 68 and 69; three were recently remodeled after flood damage in 2022. It indicates its remaining floor is 10 to 15 years out of date. The Department made

a similar, unsuccessful request last year; however, the final FY 2025 budget provided \$0.3 million, including \$0.2 million from general revenues, for similar work for the Insurance Division; of those funds, \$0.2 million was spent. The Department's operating request includes \$0.1 million from general revenues for each FY 2026 and FY 2027. *The Governor's capital budget excludes this project; his operating recommendation contains \$0.1 million from general revenues for FY 2026 only.* **The Assembly concurred.**

Fire Academy Learning Management System. The Department requested \$200,000 from Rhode Island Capital Plan funds for a new project for Fire Academy education management software. The existing vendor went out of business, and a modern system would help transition from paper exams, administer physical and digital tests, and adapt to curriculum changes. The request includes \$50,000 for FY 2026 to set up the system and \$30,000 annually thereafter for recurring operating costs programmed out to FY 2031. The Fire Academy does collect restricted receipts from fees charged to those taking courses to support its facility and instructors. Rhode Island Capital Plan funds are not allowed for ongoing operating expenses. *The Governor did not recommend funding specifically for this project.* **The Assembly concurred.**

Information Technology Projects. The Department requested \$3.1 million from Rhode Island Capital Plan funds for a new project comprising five distinct technological upgrade and replacement subprojects. Of these funds, \$2.5 million reflects ongoing operating funding, programmed at \$0.4 million annually after completion. Rhode Island Capital Plan funds are not allowed for ongoing operating expenses. The remaining \$0.6 million is for initial costs to replace its outdated e-licensing platform with a modern alternative, create an interagency web portal to look up professional licenses, and update its open government permitting website. *The Governor did not recommend funding specifically for this project.* **The Assembly concurred.**

Rhode Island Cannabis Control Commission

Summary. The Rhode Island Cannabis Control Commission requested total expenditures of \$3.2 million from restricted receipts for three new information technology projects. Funding in the five-year period totals \$2.6 million. *The Governor's capital recommendation does not specifically identify funding for these initiatives.* **The Assembly concurred.**

MTX Licensing Platform. The Commission requested \$2.4 million from restricted receipts, including \$0.4 million annually from FY 2026 to FY 2031, for recurring cannabis data and information technology costs associated with its contract with MTX Group. The current seed-to-sale system was completed in FY 2023 and allows inspectors and auditors to automate code compliance for customers and prevent abuse of the home-grow system. MTX Group currently operates the majority of legal cannabis systems nationally, and it designed and maintains almost all components of the Commission's licensing and product tracking software. *The Governor's capital budget excludes this project; however, his operating recommendation retains funding for recurring licensing costs.* **The Assembly concurred.**

Metrc Seed to Sale. The Commission requested \$660,000 from restricted receipts, including \$110,000 annually from FY 2026 to FY 2031, for recurring cannabis data and information technology costs associated with its contract with Metrc. The current seed-to-sale system was completed in FY 2023 and allows inspectors and auditors to automate code compliance for customers and prevent abuse of the home-grow system. Metrc implemented the product tracking component and provides advanced analytics. *The Governor's capital budget excludes this project; however, his operating recommendation retains funding for recurring licensing costs.* **The Assembly concurred.**

License Lottery System. The Commission requested \$93,000 from restricted receipts for a new project to prepare for live video broadcast of its adult-use cannabis retail license lottery. The Commission issued final rules and regulations in May 2025, which were a prerequisite for issuing up to 24 retail-only licenses. The Commission intends to partner with the Rhode Island Lottery to conduct the license selection. It indicates that the requested amount will allow it to meet technical standards for streaming and secure recording storage that should meet any future audit or legal requirements. Funds are programmed at \$75,000 for FY 2026, \$10,000 for FY 2027, and \$2,000 annually thereafter. *The Governor did not specifically identify funding for this initiative.* **The Assembly concurred.**

Executive Office of Commerce

Projects	Status	5 Year Total	Project Total
Growth Industry Infrastructure	New	\$ 45,000,000	\$ 45,000,000
Broadband Infrastructure	Revised	5,505,988	25,786,500
I-195 Redevelopment District Parks	Revised	500,000	7,600,000
Industrial Site Development	Revised	68,201,223	95,000,000
PFAS Mitigation	Ongoing	-	1,000,000
I-195 Redevelopment District	Ongoing	1,400,000	7,423,171
Quonset Infrastructure	Ongoing	2,500,000	7,500,000
Quonset Port Road	Ongoing	9,000,000	15,000,000
Port of Davisville Infrastructure at Quonset	Ongoing	-	20,000,000
Innovation Campus	Ongoing	3,874,405	20,000,000
Total		\$ 135,981,616	\$ 244,309,671
Sources of Funds			
Federal - ARP - CPF		\$ 5,505,988	\$ 25,786,500
General Obligation Bonds - New		100,000,000	100,000,000
General Obligation Bonds		26,075,628	99,000,000
Rhode Island Capital Funds		4,400,000	19,523,171
Total		\$ 135,981,616	\$ 244,309,671

Summary. The Executive Office of Commerce requested total expenditures of \$148.4 million for 11 projects, 2 of which are new. Funding in the five-year period is \$44.7 million, including \$5.5 million from federal funds, \$26.3 million from general obligation bond proceeds, and \$12.9 million from Rhode Island Capital Plan funds. *The Governor recommended \$259.3 million for ten projects, one of which is new. This includes \$115.0 million from new general obligation bond funds to go before the voters in November 2026.*

He subsequently requested an amendment to increase Rhode Island Capital Plan funds by \$17,443 for FY 2026 to reflect unspent FY 2025 funds for one project. The Assembly authorized \$244.3 million, including \$100.0 million from new general obligation bonds for voter approval.

Growth Industry Infrastructure. The Governor's 2030 plan prioritizes support for various industries within the Rhode Island economy, including the ocean, defense, life sciences, data analytics, and related sectors. Prior enacted or proposed initiatives include financing wet-lab incubator space, technology development supports, and the creation of the new Rhode Island Life Science Hub, as well as capital investments in the blue economy. The Executive Office's capital request does not contain a specific request for new general obligation bond funds to go before the voters in November 2026 for this purpose; however, it states that a future proposal is anticipated.

The Governor recommended \$45.0 million from new general obligation bond funds to go before the voters in November 2026 to support projects such as water-based test ranges and onshore ocean- or defense-related facilities, as well as facilities and investments to advance business and job growth in the life sciences. Annual debt service would be \$3.7 million, assuming a 5.0 percent interest rate and a 20-year term. Total debt service would be \$72.1 million. The Assembly concurred.

Broadband Infrastructure. The request includes \$25.8 million from federal Capital Projects funds, roughly consistent with the approved plan, to invest in broadband projects to provide high-speed, reliable internet to all Rhode Islanders. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required. The strategic plan was submitted in December 2022. Compared to the approved plan, the request extends completion by three years and programs \$6.8 million for FY 2026, \$4.6 million for FY 2027, and \$0.9 million for FY 2028; prior spending totals \$13.4 million. The Corporation reported that it has 12 contracts in place across the state and that all funds will be disbursed by the spending deadline of December 31, 2026. *The Governor's capital budget includes funding consistent with the capital request; however, his revised recommendation for FY 2026 includes funding consistent with the approved plan, which is \$32,024 more than requested.* **The Assembly concurred with the revised recommendation.**

I-195 Redevelopment District Parks. The Executive Office requested \$1.7 million from Rhode Island Capital Plan funds to finance infrastructure and development projects for the District's parks. This is \$1.4 million less from Rhode Island Capital Plan funds than the approved plan and excludes \$4.0 million from general obligation bond proceeds approved in the March 2021 special election. The Executive Office subsequently stated that this request was made in error, and that it intended to request \$7.2 million, including \$4.0 million from general obligation bond proceeds and \$3.2 million from Rhode Island Capital Plan funds. Compared to the approved plan, this would add \$0.1 million from Rhode Island Capital Plan funds and extend project completion by one year.

Work includes a food and beverage service pavilion, utility infrastructure, landscaping, and the replacement of trash receptacles and benches. The plan assumes vendor revenues will offset the operating costs for the park, reducing the need for state operating support over time. The project broke ground in the fall of 2024, and completion is anticipated in 2026. The Executive Office indicated that the \$0.1 million from Rhode Island Capital Plan funds requested for FY 2027 would be used to replace several previously procured items that are beyond repair, including trash receptacles and furniture. *The Governor's recommendation includes \$0.5 million more than the approved plan from Rhode Island Capital Plan funds for FY 2027 to reflect an increased cost estimate provided by the I-195 Commission subsequent to the request.*

He subsequently requested an amendment to increase Rhode Island Capital Plan funds by \$17,443 for FY 2026 to reflect unspent FY 2025 funds. **The Assembly concurred with the amended recommendation.**

Industrial Site Development. Consistent with the approved plan, the Executive Office requested \$40.0 million from general obligation bonds approved by voters in March 2021 for offshore wind and industrial site development, reshoring jobs, and economic revitalization. In January 2022, the Quonset Development Corporation launched RI Ready to assist municipalities in developing pad-ready industrial sites, which are enrolled on a rolling basis for up to \$200,000 for predevelopment work. Enrolled sites are also eligible to apply for additional competitive funding to support activities related to manufacturing, assembly, distribution, offshore wind, and job creation. As of September 2025, the program has enrolled 21 sites. If the Corporation funds a project, it is required to secure a Rhode Island benefits agreement.

The Governor recommended \$110.0 million. This includes \$70.0 million from new general obligation bond funds to go before the voters in November 2026 to support large-scale industrial development within the Quonset Development Corporation and land acquisition and project investments within the I-195 District. **The Assembly authorized \$55.0 million from the new general obligation bonds proposed by the Governor for voter approval.**

PFAS Mitigation. Consistent with the approved plan, the Executive Office requested \$1.0 million from Rhode Island Capital Plan funds for FY 2026 to conduct engineering, permitting, and other pre-construction services that are necessary prior to constructing a potable water treatment system at Quonset Business Park.

The Quonset Water System serves over 14,000 employees at 239 businesses within the park. The system includes 35 miles of pipeline and 2 elevated storage tanks with 1 million gallons of storage in total, and provides approximately 290 million gallons of potable water per year. The Executive Office indicated that it is currently unlikely that the System will be able to comply with the new federal regulatory per- and polyfluoroalkyl substances (PFAS) limit. Currently, the System's water sources are separated into two parcels approximately one mile apart. The project would combine the sources into one central location where they can be blended and treated. The Executive Office stated it may seek Rhode Island Department of Health loan funding to support a final construction project. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

I-195 Redevelopment District. The Executive Office requested \$7.4 million from Rhode Island Capital Plan funds to support the Commission's planning and zoning expenses. Compared to the approved plan, the request shifts \$300,000 from FY 2028 to FY 2027. The Commission reported that, as of September 2025, 14 projects are either completed, under construction, or in the planning stage. Expenses include professional, legal, and engineering services related to the maintenance and marketability of the I-195 land. The requested expenditures typically do not fit the definition of capital projects; however, the Commission capitalizes these costs, which are project-specific. *The Governor recommended funding consistent with the request, adjusted for \$34,602 of unspent prior-year funding programmed for FY 2026.* **The Assembly concurred.**

Quonset Infrastructure. Consistent with the approved plan, the Executive Office programmed \$7.5 million from Rhode Island Capital Plan funds, including \$2.5 million each for FY 2026 and FY 2027, for a project to modernize and expand infrastructure within the Quonset Business Park to attract and accommodate new tenants and jobs. The Quonset Development Corporation manages infrastructure for the Quonset Business Park to support over 14,000 employees at more than 239 tenant companies. The infrastructure systems within the park include components of the water supply and distribution system, the wastewater treatment facility, and buildings owned by the Corporation, as well as equipment to support the Corporation's work. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

Quonset Port Road. Consistent with the approved plan, the Executive Office requested \$15.0 million from general obligation bond funds approved by the voters on the November 2024 ballot to prepare landside facilities and infrastructure at Quonset for offshore wind development. Completion of the Access Road will provide an oversized freight corridor directly between the new Terminal 5 Pier and 40 acres of existing laydown area that is available at the Port, and will allow offshore wind and other large project cargo that is unloaded at the Terminal 5 Pier to be transported to the laydown area without the interference of overhead wires and other obstructions close to the right-of-way. The request extends project completion by one year and programs \$6.0 million each for FY 2026 and FY 2027, and \$3.0 million for FY 2028. *The Governor's recommendation includes total funding consistent with the request but advances \$3.0 million from FY 2028 to FY 2027.* **The Assembly concurred.**

Port of Davisville Infrastructure at Quonset. Consistent with the approved plan, the Executive Office requested \$20.0 million from general obligation bonds approved by voters in March 2021 to support infrastructure at the Quonset Business Park. The request includes the remaining \$3.2 million for FY 2026 to reflect an updated project schedule. Bond proceeds support the Port of Davisville master plan and current area businesses through the construction of a new pier at Terminal 5, rehabilitation of Pier 1, dredging, and activities to support the anticipated development of offshore wind project cargo and logistics. The project is intended to reconfigure the Port to provide additional berthing and growth. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

Innovation Campus. Consistent with the approved plan, the Executive Office requested \$20.0 million from general obligation bond funds approved by the voters in 2016 for one or more innovation campuses

to facilitate collaboration between the University of Rhode Island, other higher education institutions, and the business community to expedite the conversion of research into marketable production or producers. This collaboration is intended to address economic gaps within the state, including both the capacity of small businesses to develop innovative products and services and the ability of institutions of higher education to transform cutting-edge research into commercial products and services, spin off new companies, and create jobs. The Executive Office stated that all funds have been awarded as of June 2025. The request shifts \$21,805 from FY 2025 to FY 2027 and retains the expected FY 2029 completion date. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

I-195 Land Acquisitions. The Executive Office requested \$5.0 million from Rhode Island Capital Plan funds for a new project to acquire real estate surrounding the I-195 District to expand its offerings to potential developers. The District currently comprises 26.5 acres in downtown Providence, including seven acres dedicated for use as a public park. The Commission indicated that it is exploring several potential properties; however, these funds are not intended for a specific purchase. The request programs all funding for FY 2027. *The Governor did not recommend this project. However, his recommendation includes a proposal for \$70.0 million from new general obligation bond funds to go before the voters in November 2026 for uses that appear to include land acquisition and project investments within the I-195 District.* **The Assembly authorized \$55.0 million from the new general obligation bonds recommended by the Governor for voter approval.**

Rhode Island Life Science Hub Equipment. The Executive Office requested \$5.0 million from Rhode Island Capital Plan funds for a new project to acquire advanced microscopy laboratory equipment for the establishment of an RNA Core Facility within the Rhode Island Life Science Hub, as the Hub has identified RNA science and technology as a key growth sector. The equipment would include mass spectrometers, computational data analysis systems, and sequencing technologies. The 2023 Assembly provided \$45.0 million from State Fiscal Recovery funds to finance wet lab incubator space, technology development supports, and the creation of the new Rhode Island Life Science Hub; these funds have been fully obligated. The request programs \$1.0 million annually from FY 2026 through FY 2030. *The Governor did not recommend this project. However, his recommendation includes a proposal for \$45.0 million from new general obligation bond funds to go before the voters in November 2026 for uses that appear to include investments within Rhode Island's life sciences industry.* **The Assembly concurred.**

Executive Office of Housing

Projects	Status	5 Year Total	Project Total
Asset Protection	New	\$ 2,620,000	\$ 2,810,000
Affordable Housing	Revised	172,000,000	305,000,000
Total		\$ 174,620,000	\$ 307,810,000
Sources of Funds			
General Obligation Bonds - New		\$ 120,000,000	\$ 120,000,000
General Obligation Bonds		52,000,000	185,000,000
Rhode Island Capital Funds		2,620,000	2,810,000
Total		\$ 174,620,000	\$ 307,810,000

Summary. The Executive Office of Housing requested total expenditures of \$260.6 million for two projects, one of which is new. The request adds \$2.9 million from Rhode Island Capital Plan funds and \$120.0 million from new general obligation bonds to be placed on the November 2026 ballot. It also includes \$137.7 million from general obligation bonds previously approved in 2021 and 2024. *The Governor recommended \$308.1 million for two projects. Funding in the five-year period is \$174.6 million, including \$120.0 million from new general obligation bonds, \$52.0 million from previously approved bonds, and \$2.6 million from Rhode Island Capital Plan funds. The Assembly provided \$0.3 million less for FY 2026 but concurred with the remainder of the recommendation.*

Asset Protection. The Executive Office requested \$2.9 million from Rhode Island Capital Plan funds for asset protection for its shelter facilities in Providence, including \$0.2 million for the ECHO Village pallet shelter on Victor Street, \$1.7 million for the former Charlesgate Nursing Center on Randall Street, and \$1.1 million for a former group home on Hartford Avenue. All three properties were transferred to or acquired by the Executive Office in the past three years. It indicates that required work is currently funded on an ad hoc basis using residual State Fiscal Recovery funds, which are limited and will not be available after December 2026.

Funding for ECHO Village is for resurfacing its driveway and parking lot with new asphalt, which will aid those with mobility issues, and replace the less weather-resistant milled surface laid in December 2023. Requested work at the other facilities includes roof replacements, lead abatement, and heating, ventilation, and air conditioning system upgrades. Funds are programmed at \$0.3 million for FY 2026, \$1.7 million for FY 2027, \$0.2 million for FY 2028, \$0.3 million for FY 2029, and \$0.2 million each for FY 2030 and FY 2031. The Executive Office has unsuccessfully submitted similar requests for the past two years. *The Governor recommended \$3.1 million for asset protection expenses, which adds \$0.2 million to reflect the post-FY 2031 period and is otherwise consistent with the request. His operating recommendation also contains general revenue funding for operating costs, including \$0.9 million for FY 2026 and \$1.7 million for FY 2027.*

The Assembly excluded funding for FY 2026 and concurred with the remainder of the capital recommendation. It also provided \$0.4 million less from general revenues for FY 2026 based on available State Fiscal Recovery funds and shifted \$0.8 million in FY 2027 operating costs from general revenues to Housing Resources and Homelessness restricted receipts.

Affordable Housing. The Executive Office requested \$120.0 million from a new general obligation bond to be placed before voters on the November 2026 ballot for housing programs. Annual debt service would be \$9.9 million, assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$192.2 million. Newly requested bonds are programmed at \$10.0 million for FY 2026, \$20.0 million each for FY 2027 and FY 2028, \$30.0 million each for FY 2029 and FY 2030, and \$10.0 million for FY 2031. The request allocates \$60.0 million for affordable housing development, \$24.0 million for homeownership units, \$24.0 million for housing-related infrastructure, \$6.0 million for home repair, and \$6.0 million for public housing development. The request also includes \$137.7 million from prior bonds for use through FY 2029.

The approved plan includes \$225.0 million from general obligation bond proceeds to support affordable housing and community development, including \$40.0 million approved by the voters in 2016, \$65.0 million approved in 2021, and \$120.0 million approved in 2024; of these, \$87.3 million has been spent as of August 2025. Of the \$120.0 million approved in 2024, the bond question designates \$80.0 million for affordable housing development, of which \$10.0 million may be used to support a new public housing development program. It also designates \$20.0 million for development of homeownership units, \$10.0 million for community revitalization, \$5.0 million for site acquisition, \$4.0 million for housing-related infrastructure, and \$1.0 million for municipal planning support. This continues several programs initiated with State Fiscal Recovery funds, for which the enacted budget authorizes a total of \$154.8 million.

*The Governor's recommendation reflects \$47.3 million more from prior year funds and programs previously approved bonds at \$86.8 million for FY 2026, \$39.0 million for FY 2027, and \$13.0 million for FY 2028. His recommendation includes a new \$120.0 million bond and program funds at \$30.0 million annually from FY 2028 to FY 2031. Compared to the request, recommended bond question language requires that at least \$25.0 million must support production of homeownership units, but does not otherwise allocate funds to specific uses. **The Assembly concurred and added language providing that up to \$10.0 million of the new bond funds may be used to support a public housing development program.***

Department of Labor and Training

Projects	Status	5 Year Total	Project Total
Workers' Compensation System Analysis and Upgrades	IT	\$ 6,500,000	\$ 6,500,000
Total		\$ 6,500,000	\$ 6,500,000
Sources of Funds			
Other Funds		\$ 6,500,000	\$ 6,500,000
Total		\$ 6,500,000	\$ 6,500,000

Summary. The Department of Labor and Training requested \$78.4 million for 14 projects; all but one are new information technology-related projects. The request includes \$77.0 million for the five-year period, including \$0.9 million from Rhode Island Capital Plan funds. Multiple projects do not have an identified source of funding. *The Governor recommended \$6.5 million for one new project.* **The Assembly concurred.**

Workers' Compensation System Analysis and Upgrades. The Department requested \$6.5 million from the Workers' Compensation Administration Fund to upgrade or replace the workers' compensation system and integrate it into the Department's other consolidated benefit systems. The request programs \$0.5 million for FY 2027, \$1.0 million each for FY 2028 and FY 2029, and \$2.0 million each for FY 2030 and FY 2031. The request states that this reflects an initial estimate; a further assessment is expected to recommend either support resources, upgrades, or system replacement. *The Governor recommended funding consistent with the request.* **The Assembly concurred.**

Arrigan Pool. The Department requested \$0.9 million from Rhode Island Capital Plan funds for FY 2027 for a new project to repair and rehabilitate the Arrigan Center therapy pool in order to reopen the Center's aquatic therapy program. The cost estimate is based on previous bids with the inclusion of cost escalations. The Department reported that upon completion, the project would require ongoing maintenance costs beginning in FY 2028.

This project has been included as a separate request, rather than under the Department of Administration, similar to other Arrigan Center requests, in consultation with the Division of Capital Asset Management and Maintenance, which deemed it a programmatic request. The Division would manage the project if approved. The Department requested \$0.8 million for this project last year, but it was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding. His capital recommendation in the Department of Administration's budget is consistent with the approved plan in the five-year period.* **The Assembly concurred.**

DLT UI TDI Reservation System. The Department requested \$4.7 million from undefined sources for the FY 2027 through FY 2031 period for a new project to establish a reservation system to schedule appointments with the call center, rather than requiring customers to remain on hold. An analysis for this project was previously included in a 2024 strategic plan authored by IBM. The Department reported that its cost estimate is based on projections provided by multiple vendors. Additional expenditure details will be available after the issuance of a request for information or a request for proposals. The request programs \$1.1 million for FY 2027, \$0.8 million for FY 2028, \$0.9 million each for FY 2029 and FY 2030, and \$1.0 million for FY 2031. The Department requested \$2.0 million from Temporary Disability Insurance funds

for this project last year; it was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

UI, TDI, ICON Implementation. The Department requested \$39.0 million from unidentified sources for a new project to fully modernize the Unemployment Insurance and Temporary Disability Insurance Applications, including replacing the current mainframe with a modern, scalable system, to improve operational performance, customer experience, and system security. The request programs \$3.8 million for FY 2027, \$4.8 million for FY 2028, \$10.8 million for FY 2029, \$9.9 million for FY 2030, and \$9.7 million for FY 2031. The Department indicated that the actual amount will depend on the market at the time of procurement. The Department requested \$29.4 million for this project last year; this request did not include upgrades to the Employer Tax System. This was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Financial Management - FARS Replacement. The Department requested \$6.7 million from unidentified state sources for a new project to move its Federal Accounting Reporting System off the current mainframe and replace it with a modern application. The Department indicated that its current system requires significant manual programming, and this project aims to reduce expenses and enhance departmental capability. The request programs \$2.7 million for FY 2027, \$3.4 million for FY 2028, and \$0.6 million for FY 2029. The Department later reported that the \$0.6 million request for FY 2029 was made in error. It also noted that the statewide accounting system replacement may render this project unnecessary. The Department requested \$5.5 million for this project last year; it was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT Laptop/Monitor Refresh. The Department requested \$1.4 million from unidentified agency funds for a new project to replace its laptops and potentially some monitors. The request assumes the annual replacement of one-third of agency laptops, with monitors replaced as needed. The request programs \$0.4 million for FY 2026 and \$1.0 million for the five-year plan. It reported that \$113,142, including \$32,593 from general revenues, was billed for 130 units in FY 2025, and that additional devices have been ordered and are expected to be deployed by September; it indicated that approximately 50 devices remain to be ordered in FY 2026 to begin the refresh cycle. The Department requested this project last year, with \$1.1 million for the five-year plan. No additional funds for this purpose were recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

CRM, Customer 360 Case Management. The Department requested \$4.0 million from unidentified agency sources for a new project to implement a system to facilitate customer engagement and services. The system would integrate all Department divisions and contacts to streamline service, customer experience, and case management, and would provide data and reporting for use in strategic analysis, planning, and executive decision-making. The cost estimate is based on a statement of work executed with a vendor; the request programs \$1.0 million for FY 2027, \$1.5 million for FY 2028, \$1.0 million for FY 2029, and \$0.5 million for FY 2030. The Department requested this project last year, with \$5.0 million programmed over five years. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Document Management System. The Department requested \$1.7 million from all sources for a new project to address foundational and architectural issues with its current document management system, migrate to a cloud-based version, and increase its licenses to improve operational performance and customer experience. The request programs \$0.9 million for FY 2026 to migrate to a new Cloud-hosted version, remediate additional deficiencies to stabilize the system, and implement an agency-wide fax server, as well as \$0.8 million over the five-year period for additional enhancements. The Department identified Governor's Workforce Board restricted receipt funding, Temporary Disability Insurance funds, and

potentially other funding sources for this project. The Department requested \$1.0 million last year; it was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Data Strategy. The Department requested \$4.4 million from unidentified state sources for a new project to enhance data analytics by using a cloud-based Data Lake or on-premise warehouse to perform data analysis and reporting using modern tools. The Department indicated that the request reflects a cost estimate provided in a strategic plan authored by IBM in 2024, plus an estimate for cost increases. The request programs \$1.2 million for FY 2028, \$2.5 million for FY 2029, \$0.5 million for FY 2030, and \$0.2 million for FY 2031. The Department requested this project last year, with \$3.5 million programmed over three years. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Partner Support Systems - Job Training. The Department requested \$2.1 million from unidentified state sources from FY 2027 to FY 2030 for a project to implement a new system to assist with managing invoicing and payment for the Workforce Development Services/Governor's Workforce Board-provided job training programs. The Department stated there is currently no system to manage or track this activity, and that the current process is manual and labor-intensive, with no workflow or management capabilities. The Department indicated that the request reflects a 5.0 percent annual compounded increase; for this reason, it subsequently noted that the request is overstated and should total \$1.8 million. It requested \$1.6 million for this project last year. It was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT Printing Consolidation, Printer, Refresh and Upgrades. The Department requested \$0.9 million from unspecified agency funds for a project to either purchase new printers or establish a centralized printing system with multifunction machines to lower the cost of operations for supplies and support. It replaces its printers as needed but is reportedly without a long-term printing strategy. The request programs \$0.3 million each for FY 2027 and FY 2028, and \$0.1 million annually from FY 2029 through FY 2031. The submission reports that printing supplies and costs will be determined following an assessment, and it includes \$0.1 million annually following the initial project phase for planning purposes. The Department stated that the request is based on updated projections from vendors; however, it indicated that costs are not finalized. The Department requested \$1.1 million for this project last year; however, it was not recommended by the Governor or approved by the Assembly. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Miscellaneous Application Review and Consolidation. The Department requested \$4.5 million from unidentified state sources for a new project to engage an independent firm to analyze all applications and business processes that were not included in the 2024 IBM Strategic Plan. It indicated that it is seeking to consolidate platforms to reduce operational expenses and develop technical and functional requirements for relevant programs and systems; however, it did not specify which programs and systems it intends to prioritize. The request programs \$0.5 million for FY 2027 and \$1.0 million annually from FY 2028 through FY 2031. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

DLT Legacy Systems Security Assessment. The Department requested \$350,000 from undefined agency funds to engage an independent firm to perform a security and compliance review of all the Department's information technology systems. It reported that legacy systems lack capabilities for security and compliance purposes, and that a detailed, independent analysis has not been completed. The request programs \$100,000 for FY 2026 and \$250,000 for FY 2027 to complete reviews for each system. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Legacy Hardware Updates. The Department requested \$1.3 million from unidentified state sources for a new project to upgrade two legacy mainframes and two legacy servers that are reaching end of life. This

infrastructure supports the Unemployment Insurance and Temporary Disability Insurance programs, and the Department indicated that upgrades are necessary to avoid security risks to program operations. The request programs \$0.5 million each for FY 2027 and FY 2028 and \$0.3 million for FY 2029. *The Governor's capital recommendation excludes this funding.* **The Assembly concurred.**

Department of Revenue

Projects	Status	5 Year Total	Project Total
Lottery - Generator	Ongoing	\$ -	\$ 1,294,458
Total		\$ -	\$ 1,294,458
Sources of Funds			
Rhode Island Capital Funds		\$ -	\$ 1,294,458
Total		\$ -	\$ 1,294,458

Summary. The Department of Revenue requested \$31.0 million, including \$29.4 million from Rhode Island Capital Plan funds, for three projects, of which one is an information technology project. *The Governor recommended \$1.3 million from Rhode Island Capital Plan funds for one existing program.* **The Assembly concurred.**

Lottery - Generator. The Department requested \$0.9 million from Rhode Island Capital Plan funds, of which \$0.8 million is programmed for FY 2026, for the purchase of a generator to support operations and expand the functionality of the lottery building. Funding is consistent with the approved plan, but completion is delayed one year to FY 2026. *The Governor recommended prior year spending, as well as \$756,319 for FY 2026, consistent with the Department's revised estimate.* **The Assembly concurred.**

DMV - Forand Building Renovations. The Department requested \$28.5 million from Rhode Island Capital Plan funds for a new project to renovate the Forand building, resulting from a feasibility study focused on interior and exterior architectural, structural, plumbing, mechanical, electrical, and security improvements, as well as changes to the fire alarm system. The 2024 study found various structural defects and code compliance issues. The total represents the most complete proposed scope. The requested funding is programmed over three years, with \$7.1 million programmed for FY 2027, \$14.3 million for FY 2028, and \$7.1 million for FY 2029.

According to the Department, some limited work has been done on the building since its major renovation in 2010, including repairs to the heating, ventilation, and air conditioning system, as well as the replacement of the roof and skylight of the elevator. The climate control system repairs have not resolved major problems, and there have been no renovations to the exterior, which the Department reports has a major impact on the functionality of the building's heating, ventilation, and air conditioning. All capital work on this building is funded through the Department of Administration's budget via the Division of Capital Asset Management and Maintenance. *The Governor did not recommend funding.* **The Assembly concurred.**

Tax Credit Management System. The Department requested \$1.5 million from an unidentified source for a new project to purchase software for its integrated tax system, which will monitor tax credits and aid in compliance. The Division of Taxation currently performs these functions outside of the integrated tax system. The Department requested funding for this project last year, but it was not approved.

The enacted budget includes \$6.1 million for the Division of Taxation's integrated tax system, which now includes the contingency contract collections originally authorized by the 2016 Assembly. The 2022 Assembly also authorized \$2.3 million to migrate the system to a cloud-based technology, which was completed during FY 2023. It also provided \$0.6 million to replace the Division of Taxation's document scanning hardware, which was at the end of its service life; those scanners were installed prior to the 2023 tax season. *The Governor did not recommend funding.* **The Assembly concurred.**

Office of the Secretary of State

Projects	Status	5 Year Total	Project Total
Rhode Island Archives and History Center	Revised	\$ 49,500,000	\$ 49,565,433
Total		\$ 49,500,000	\$ 49,565,433
Sources of Funds			
General Obligation Bonds - New		\$ 45,000,000	\$ 45,000,000
Rhode Island Capital Funds		4,500,000	4,565,433
Total		\$ 49,500,000	\$ 49,565,433

Summary. The Office of the Secretary of State requested \$60.8 million from Rhode Island Capital Plan funds for one new project and one revised project during the five-year period. The new project is for information technology, for which Rhode Island Capital Plan funds may not be an appropriate fund source. *The Governor recommended \$49.5 million for a new state history center. This includes \$45.0 million from new general obligation bond funds to go before the voters in November 2026.* **The Assembly provided \$60,000 more from Rhode Island Capital Plan funds for FY 2026 and concurred with the remainder of the recommendation.**

Rhode Island Archives and History Center. The Office requested \$60.0 million from Rhode Island Capital Plan funds to develop a new State History Center facility on a site located on Capitol Hill in Providence and create additional storage space for the state archives collection in the Carothers Library at the University of Rhode Island. The request is based on a feasibility study released in July 2025. The approved plan includes \$0.5 million for FY 2025 for this study, encompassing site selection, architectural, and design work, as well as \$4.5 million for FY 2027, pending the outcome of the study. The request programs funding from FY 2027 to FY 2030 to construct the facility and create additional storage space.

The request notes that Rhode Island is the only state to utilize commercially-leased space for its archives. The archives have been stored in two different leased facilities for over 30 years; the first of which was susceptible to flooding. Furthermore, its available storage capacity is insufficient, leading to the use of third-party, improper, or high-risk storage for artifacts.

The Governor recommended \$45.0 million from new general obligation bond funds to go before the voters in November 2026 and shifted the approved \$4.5 million from Rhode Island Capital Plan funds to FY 2028. His plan assumes continued use of leased facilities for additional storage space for the State Archives collection beyond the Center's capacity. **The Assembly concurred and added \$60,000 from Rhode Island Capital Plan funds for FY 2026 to reflect actual expenses of the feasibility study.**

OpenGov Application and Website. The Office requested \$800,000 from Rhode Island Capital Plan funds for a new project to reprogram the state's OpenGov application and website to improve three applications that share an integrated surface: the government directory, open meetings portal, and boards and commissions appointment functions.

The 2023 Assembly enacted legislation, submitted by request of the Office, mandating that "the Secretary of State shall maintain an up-to-date online directory of government officials" to include federal, state, local, and quasi-governmental entities; the integrated nature of the interface creates an opportunity to improve the functionality of all three integrated features. The request programs \$400,000 each for FY 2027 and FY 2028. The Office included a similar request last year, but it was not recommended by the Governor

or approved by the Assembly. Rhode Island Capital Plan funds are typically limited to physical assets. *The Governor did not recommend this project.* **The Assembly concurred.**

Public Utilities Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Revised	\$ 2,230,000	\$ 3,280,000
Total		\$ 2,230,000	\$ 3,280,000
Sources of Funds			
Restricted Receipts		\$ 2,230,000	\$ 3,280,000
Total		\$ 2,230,000	\$ 3,280,000

Summary. The Public Utilities Commission requested \$2.5 million from restricted receipts assessed to the regulated utilities from its operating budget for repairs to its headquarters at 89 Jefferson Boulevard in Warwick for FY 2026 through FY 2031. The project comprises six sub-projects ranked as follows: (1) full-building water mitigation, (2) installing heat pumps in the basement, (3) replacing flooring and carpeting, (4) replacing all exterior windows, (5) repaving and resurfacing the parking lot alongside other handicap accessibility improvements, and (6) replacing the heating and air conditioning units.

The approved capital plan program funding is as follows: \$250,000 for FY 2026, \$75,000 for FY 2027, \$100,000 for FY 2028, \$150,000 for FY 2029, and no funding for FY 2030 or after. The five-year capital request adds two years of funding and revises the amounts upward for each year, for a total increase of \$1.9 million. *The Governor recommended funding as requested and added \$775,000 for the post-FY 2031 period.* **The Assembly concurred.**

Executive Office of Health and Human Services

Summary. The Executive Office of Health and Human Services requested \$658.7 million for eight information technology projects, including \$587.5 million from federal funds, \$67.7 million from general revenues, and \$3.6 million from restricted receipts. The request includes \$560.1 million for FY 2027 through FY 2031. *The Governor's capital plan did not include these projects, but his operating budget does in FY 2026 and FY 2027. This is discussed in the Agency Analysis section of this publication.* **The Assembly concurred.**

Medicaid Enterprise System. The Executive Office requested \$345.6 million for a Medicaid Enterprise System to replace the current Medicaid Management Information System. This includes \$310.6 million from federal funds and \$35.0 million from general revenues, representing the state match. The Executive Office included \$319.2 million in its FY 2027 through FY 2031 capital request. While not reflected in the capital recommendation, \$14.2 million for FY 2026 is included through the Executive Office's operating budget and its request. The request also includes \$72.4 million for FY 2027, \$94.9 million for FY 2028, \$70.3 million for FY 2029, and \$40.9 million each for FY 2030 and FY 2031. Expenses in the five-year period include \$43.3 million for project planning and \$275.9 million to replace the system.

The Executive Office's FY 2026 through FY 2030 request excluded \$9.0 million for independent verification and validation services that were in the prior year's capital request. It reported that this was an inadvertent error, and updated information from the Executive Office indicated that it planned on using these services throughout the project, which underfunds the total cost of the new system. The current capital request also excludes these services. *The Governor recommended \$4.8 million for FY 2026 and \$72.4 million for FY 2027 for maintenance and operations and system enhancements in the operating budget only.* **The Assembly provided \$7.0 million for FY 2026 and \$72.4 million for FY 2027 in the operating budgets to reflect an updated project schedule.**

RIBridges Federal Compliance. The Executive Office requested \$35.3 million from FY 2027 through FY 2031 to comply with federal changes that impact various aspects of Medicaid, as well as the Supplemental Nutrition Assistance Program. The request includes \$22.0 million from federal funds, \$13.3 million from Information Technology Investment Funds, and \$45,590 from general revenues. Federal changes, enacted on July 4, 2025, have effective dates that span several fiscal years. For Medicaid, this includes eligibility determination every six months for those enrolled in the expansion program, work and cost-sharing requirements for certain populations, reducing duplicate enrollment, and addressing matching requirements. For these items, the request includes \$14.3 million through FY 2030. Specific changes include \$5.6 million for the work requirements for FY 2026 and FY 2027, and \$3.3 million for cost-sharing, mostly in FY 2028.

For the Supplemental Nutrition Assistance Program, the state must maintain a payment error rate below six percent or incur a penalty in addition to changes to work requirements and countable disregards towards eligibility. The request includes \$1.6 million for FY 2026, as well as \$0.4 million for each FY 2027 and FY 2028. The changes include modifications to work requirements, restrictions on allowable expenses for program eligibility, and assistance with the interview process. The request also includes \$1.4 million for HealthSource RI changes for income and updated enrollment verification. All other program changes impacting the eligibility system total \$17.2 million for FY 2027 through FY 2029. This includes system updates for address verification and income checks, as well as call center services and texting capabilities. *The Governor's operating budget includes \$30.7 million, of which \$12.0 million is from general revenues for FY 2027.* **The Assembly concurred.**

RIBridges System Enhancements. The Executive Office requested \$76.6 million to support system enhancements to the state's eligibility determination system, the Unified Health Infrastructure Project, also

called RIBridges. The request includes \$67.1 million for FY 2027 through post-FY 2031 and \$9.5 million for FY 2026. The Department of Administration also submitted a capital request of \$4.4 million for total project funding of \$81.0 million. Expenses for the system from FY 2016 through the FY 2026 enacted budget total \$870.5 million, including \$186.6 million from general revenues. This includes design, development, implementation, maintenance, and operations. The FY 2026 enacted budget includes \$97.8 million, of which \$26.0 million is from general revenues, for the Executive Office's portion of expenses, but it is not clear if the capital request contains specific changes to those assumptions. *The Governor recommended \$15.1 million for FY 2026 and \$12.6 million for FY 2027 in his operating budget. The Assembly concurred.*

RIBridges System Modernization. The FY 2027 through FY 2031 capital requests from two agencies total \$88.8 million, of which \$25.7 million is from general revenues, to modernize the Unified Health Infrastructure Project, or RIBridges, the state's eligibility determination system. The Executive Office's request includes \$88.6 million from federal information technology funds and general revenues. The Department of Administration requests \$0.2 million. The Executive Office reports that this is a preliminary estimate done in coordination with the Department of Administration's Division of Enterprise Technology and Strategy Services. The Executive Office is in the process of finalizing the contract for a strategic planning vendor for which it received a bid of \$3.8 million. *The Governor recommended \$0.1 million for FY 2026 and \$1.5 million for FY 2027 in the operating budget only. The Assembly concurred.*

RIBridges HealthyRhode Mobile Application. The Executive Office requested \$8.1 million from Medicaid, Temporary Assistance for Needy Families, and Supplemental Nutrition Assistance Program federal funds to add new features to the mobile application in FY 2026 and FY 2027. The Department of Administration's capital request includes \$4.4 million for FY 2026 and FY 2027 from Large Systems Initiatives funds for total funding of \$12.5 million to support RIBridges Mobile and Childcare Tracking project expenses. The requests exclude prior-year expenses. *The Governor recommended \$4.7 million for FY 2026 and \$3.4 million for FY 2027 in the operating budget only. The Assembly concurred.*

eLTSS Information Technology Modernization. The Executive Office requested \$49.5 million for the unified electronic long-term services and supports technology system to streamline the eligibility process for dedicated programs in the Department of Human Services and the Office of Healthy Aging. The cloud-based system includes assessments and meets federal requirements for the state to provide person-centered planning and increase program choice and accessibility. The request includes \$31.8 million in the five-year period, of which \$5.4 million is from general revenues and \$5.9 million is from federal funds and restricted receipts for FY 2026. Prior year expenses total \$11.8 million. The system is operated by WellSky and will be fully functional in FY 2026. *The Governor recommended \$0.2 million for FY 2026 and \$11.8 million for FY 2027 in the operating budget only. The Assembly concurred.*

CurrentCare Opt-Out Implementation. The Executive Office requested \$25.7 million for CurrentCare, the state's Health Information Exchange's opt-out function, to comply with a statutory change made by the 2021 Assembly. The request includes \$20.2 million from federal Medicaid funds and \$5.4 million from general revenues. It includes \$11.5 million for FY 2026 and \$6.8 million for FY 2027 to expand the scope of work to include a data aggregator validation program. The FY 2026 request is \$9.7 million more than the enacted amount, of which \$2.4 million is from general revenues. *The Governor recommended \$4.9 million for FY 2026 and \$3.8 million for FY 2027 in the operating budget only. The Assembly concurred.*

Quality Reporting System. The Executive Office requested \$4.9 million annually from FY 2027 through FY 2031 for its Quality Reporting System. The FY 2026 enacted budget includes \$3.8 million, of which \$0.4 million is from general revenues, for the IMAT Solutions contract for the Quality Reporting System. *The Governor recommended \$3.9 million for FY 2026 and \$2.8 million for FY 2027 in the operating budget only. The Assembly concurred.*

Department of Children, Youth and Families

Projects	Status	5 Year Total	Project Total
Psychiatric Residential Treatment Facility	Revised	\$ 21,725,187	\$ 28,060,822
Female Residential Treatment Facility	Revised	-	42,121,755
Comprehensive Child Welfare Information System	Ongoing	12,194,302	49,674,262
Training School Asset Protection	Ongoing	1,250,000	3,205,183
Total		\$ 35,169,489	\$ 123,062,022
Sources of Funds			
Federal Funds		\$ 5,924,160	\$ 23,027,822
Federal Funds - ARPA - SFRF		-	7,335,635
General Revenues		1,270,142	2,540,284
Large Systems Initiatives Fund		5,000,000	24,106,156
Rhode Island Capital Funds		22,975,187	66,052,125
Total		\$ 35,169,489	\$ 123,062,022

Summary. The Department of Children, Youth and Families requested \$40.2 million for the five-year period for total project costs of \$116.5 million. Funding in the five-year plan includes \$16.3 million from Rhode Island Capital Plan funds, \$12.7 million from federal funds, \$5.0 million from the Large Systems Initiative Fund, and \$6.2 million from general revenues. The request is for 11 projects, 6 of which are information technology projects. *The Governor recommended \$119.0 million, including \$39.5 million over the five-year period for four projects. The recommendation includes \$13.3 million more than requested from Rhode Island Capital Plan funds, reflecting an updated plan for the Psychiatric Residential Treatment Facility project.*

He subsequently requested several technical amendments to correct errors in the original recommendation and reallocate federal funds for the Child Welfare System project. This provides \$35.2 million over the five-year period and \$123.1 million total. The Assembly concurred with the amended recommendation.

Psychiatric Residential Treatment Facility. The Department requested \$5.6 million from State Fiscal Recovery funds for FY 2026 to expand or renovate a psychiatric residential treatment facility. The Assembly appropriated \$11.0 million from State Fiscal Recovery funds for FY 2023 to expand existing in-state capacity at private facilities. The Department contracted with St. Mary's Home for Children to upgrade the capacity at what was, at the time, the only in-state psychiatric residential treatment facility.

The project initially experienced delays because of soil contamination first identified in July 2023, which the Department was addressing in collaboration with the Department of Environmental Management. Later, concerns about the safety and quality of care at St. Mary's were raised by the Office of the Child Advocate in a December 2023 letter detailing its investigation into these issues. The Department attempted to work through a change in providers, but the facility closed in August 2024 following the remaining youth being placed in facilities consistent with their needs, and the project was subsequently canceled. The most recent Pandemic Recovery Office report indicates that \$1.5 million was spent, with the unspent funding being returned to the state.

The enacted budget allocated \$6.5 million from State Fiscal Recovery funds to the Department's operating budget, pending a final plan from the Department and Administration to address in-state capacity for these

youth. It should be noted that subsequent to the request, these funds were reclassified to support the Female Residential Facility in Exeter. In December 2025, the Department also entered into an agreement to purchase the St. Mary's Home for Children property in North Providence, with a tentative plan to renovate three buildings for use as a psychiatric residential treatment facility, which is not reflected in the Department's request.

The Governor recommended \$28.1 million from Rhode Island Capital Plan funds, including \$5.6 million in FY 2026 and \$22.5 million in FY 2027, to reflect the updated plan from December 2025. His operating recommendation also includes \$1.0 million from general revenues for maintenance until a provider is selected and responsible for operations. Future maintenance expenses would be incorporated into the contract. The operating budget assigned federal funds to this project that belong with the Exeter project.

*The Governor requested an amendment on February 10 to correct the operating budget error and shift \$0.8 million from FY 2027 to FY 2026 based on an updated schedule. **The Assembly concurred with the amended recommendation.***

Female Residential Treatment Facility. The Department requested \$41.2 million, including \$40.2 million from Rhode Island Capital Plan funds, for the construction of a female residential treatment facility in Exeter. The request includes \$21.4 million for FY 2026, \$4.0 million for FY 2027, and also shows \$1.0 million in prior spending from State Fiscal Recovery funds, which were used for the facility's design. This is \$4.8 million less than the approved plan, which included the Governor's requested budget amendment to change the project title to Residential Treatment Facilities to allow the flexibility to use any excess funding to develop other in-state residential treatment facilities. The request includes the former name of the project and separately requests \$11.0 million for a new project to renovate a state-owned building to serve male youth with intellectual or developmental disabilities.

The Exeter facility will provide "step-down" services for female youth, increasing the number of available in-state placements for those requiring intensive care. The Department anticipated that the facility would open in spring 2026. A request for proposals closed in July 2025, and at the time of the request, the Department was negotiating a contract with the provider. That provider dropped out of the process in November 2025, and the Department issued a tentative award to another provider in December 2025. The request does not include annual asset protection funding in the out-years.

The Governor's capital recommendation includes \$42.1 million, including \$34.8 million from Rhode Island Capital Plan funds and \$7.3 million from State Fiscal Recovery funds, of which \$6.4 million is reclassified from the Psychiatric Residential Treatment Facility Project. This is \$0.9 million more than requested from all sources, including \$5.4 million less from Rhode Island Capital Plan funds, which appears to reflect an updated estimate to complete the project. It should be noted that the FY 2026 revised budget includes \$0.8 million more from Rhode Island Capital Plan funds than the capital budget. The operating budget also inadvertently shows federal funds for this project with the St. Mary's project. The recommendation maintains the timeline that the facility will be open and operational in May 2026 and does not include annual asset protection funding.

*The Governor requested an amendment on February 10 to correct the overstatement in the FY 2026 revised budget to be consistent with the capital recommendation and to assign the federal funds correctly. **The Assembly concurred with the amended recommendation.***

Comprehensive Child Welfare Information System. The Department requested \$46.2 million, including \$24.7 million from the Large Systems Initiatives Fund, \$19.0 million from federal funds, and \$2.5 million from general revenues, to develop and implement a new information system that meets federal Comprehensive Child Welfare Information System requirements and to replace the twenty-five-year-old system currently in use. The request omits \$10.7 million of approved FY 2025 federal funds and general

revenues but is otherwise consistent with the approved plan. It includes \$6.1 million from unspent Large Systems Initiative funds but does not show the matching federal funds assumed in the approved plan.

The project is currently in the build phase, during which the vendor and the Department are developing the system's configuration and beginning the data conversion to prepare for the transition. The estimated implementation of the full system is the third quarter of FY 2027. *The Governor's recommendation excludes \$0.5 million in prior spending from the Large Systems Initiatives Fund but otherwise contains funding consistent with the request.*

He subsequently requested an amendment to reallocate federal funds for the project, providing \$7.6 million more in FY 2026 and \$3.6 million less in FY 2027, to align the budgeted amounts across years to reflect the state match and to recognize unspent FY 2025 federal funds that were omitted from the request and the original recommendation. The Assembly concurred with the amended recommendation.

Training School Asset Protection. The Department requested \$1.6 million from Rhode Island Capital Plan funds for various repairs and improvements at the Rhode Island Training School. The request includes \$331,905 for FY 2026, reflecting a carryforward of unspent FY 2025 funding and \$250,000 annually from FY 2027 through FY 2031. The request does not show any prior spending. Specific projects include security upgrades, improvements to plumbing systems, flooring repairs, and the purchase of new equipment. Requested funding is consistent with the approved plan. *The Governor included an additional \$0.2 million for FY 2026, which appears to be an increase for the ongoing security upgrades. The recommendation shows \$1.4 million in prior spending excluded from the request and includes FY 2027 through FY 2031 funding as requested. The Assembly concurred.*

Male Residential Treatment Facility. The Department requested \$11.0 million from Rhode Island Capital Plan funds for a new project to renovate a building previously used as an adult group home by the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. The property would serve as a new residential treatment facility for male youth with intellectual and developmental disabilities. The facility will provide a supportive living environment with a focus on helping male youth aged 12 to 20 develop daily skills to promote independence.

The approved plan for the Residential Treatment Facilities Project was adjusted due to an anticipated underspending of \$6.0 million based on actual construction costs. The plan allocated \$2.0 million in FY 2026 for planning costs and a feasibility study, and \$4.0 million in FY 2027 for use on an unidentified additional treatment facility. The FY 2027 request for the Female Residential Treatment Facility project includes \$40.2 million, \$4.8 million less than the \$45.0 million approved in the previous year. The request for this project is \$6.2 million more than previously approved for the facilities.

A facility condition assessment conducted in 2024 indicated that \$1.5 million in deferred maintenance was needed. The Division of Capital Asset Management and Maintenance indicated that the request is an estimate of the renovations necessary to meet the requirements to convert the building into a youth residential facility, but a more complete plan will be informed by a feasibility study. *The Governor did not recommend funding for this project. The Assembly concurred.*

Dental System Cloud Implementation. The Department requested \$42,500 from general revenues for a cloud-based dental system interface for the training school, which would replace the current on-site system, as its hardware is outdated. The current system enables the dental staff to maintain X-ray images, dental records, and dental histories for youth at the school, and also preserves the historical records for youth who have come into state care. The Department indicated that this system is no longer supported. The request includes \$20,000 for the transition in FY 2027, \$7,500 in FY 2028, and a \$5,000 licensing fee each year afterward. A similar project was requested for FY 2025 and FY 2026, but was neither recommended by

the Governor nor enacted by the Assembly. *The Governor's capital budget does not include funding for this project, nor is it included in the Department's operating budget.* **The Assembly concurred.**

Legacy Hardware Upgrades. The Department requested \$1.4 million from general revenues, including \$1.1 million in the five-year period for the ongoing replacement of computers, monitors, and servers. The request includes the \$0.3 million appropriated in the Department's operating budget in FY 2026, \$0.2 million annually from FY 2027 through FY 2030, and \$0.3 million for FY 2031. The server replacements will support the ongoing Comprehensive Child Welfare Information System replacement project, ensuring a smooth transition between systems. *The Governor's capital budget does not include funding for this project. The operating budget appears to include \$0.2 million, consistent with the request.* **The Assembly concurred.**

Application Modernization. The Department requested \$0.5 million from general revenues for a new information technology project to implement a more efficient record tracking and maintenance system. The Department notes that the new system would be more efficient and reduce heavy workloads for its staff by decreasing the need for paper-based processes that it currently employs. Requested funding includes \$0.2 million in FY 2027 and \$0.1 million in FY 2028 for development and implementation of the new applications, and \$50,000 annually thereafter for storage and maintenance costs. An identical project was requested last year, but was not included in the FY 2026 enacted budget. *The Governor's capital budget does not include funding for this project, nor does it appear to be included in the Department's operating budget.* **The Assembly concurred.**

Training School Cable Replacement. The Department requested \$0.7 million from general revenues for a new information technology project to replace phone and network cables at the training school. The request notes that the existing wiring, which runs underground, has deteriorated, posing a risk to the phone and network capabilities at both the training school and other buildings on or near the Pastore Center. During severe weather, the wiring can become flooded, resulting in network interruptions.

Notably, the approved capital plan includes \$2.0 million from Rhode Island Capital Plan funds in the Department of Administration's budget as part of the Pastore Center Infrastructure Project for fiber infrastructure to support modern information technology and telecommunications. *The Governor's capital budget does not include this as a standalone project.* **The Assembly concurred.**

Coordination of Care - Realtime Data Sharing. The Department requested \$0.5 million from general revenues in FY 2027 to integrate the Department's information system with hospitals' electronic medical record systems. It indicates that this would allow for better coordination between community care and healthcare organizations for children in state care with medical needs. The request notes that there would be annual maintenance expenses if approved, although this amount is unspecified. This project was requested last year but was not included in the approved capital budget. *The Governor's capital budget does not include funding for this project, nor does it appear to be included in the Department's operating budget.* **The Assembly concurred.**

RICHIST Operating. The Department requested \$8.0 million, including \$4.8 million from federal funds and \$3.2 million from general revenues, for the ongoing maintenance and operations of the Rhode Island Children's Information System from FY 2026 through FY 2028. The Department is currently developing a replacement system to meet federal Comprehensive Child Welfare Information System requirements, which is expected to be implemented in the third quarter of FY 2027. The request includes funding for FY 2028 for the existing system, which is intended to ensure a smooth transition with no disruptions. If the new system is fully online and functional in FY 2027 as expected, FY 2028 funding may not be necessary. *The Governor's capital budget does not include funding for this project. Funding to operate the current system appears to be included in the Department's operating budget.* **The Assembly concurred.**

Department of Health

Projects	Status	5 Year Total	Project Total
Health Lab. & Medical Examiners Equipment	Ongoing	\$ 2,000,000	\$ 4,999,998
New Health Laboratory Building	Ongoing	-	98,129,521
Total		\$ 2,000,000	\$ 103,129,519

Sources of Funds			
Federal Funds		\$ -	\$ 81,716,590
Restricted Receipts		-	33,368
Rhode Island Capital Funds		2,000,000	21,379,561
Total		\$ 2,000,000	\$ 103,129,519

Summary. The Department of Health requested expenditures of \$113.1 million from all sources, including \$85.2 million from federal funds, \$0.7 million from general revenues, \$33,368 from restricted receipts, and \$27.1 million from Rhode Island Capital Plan funds. The request is for two capital and three information technology projects and assumes use of \$11.4 million for the FY 2027 through FY 2031 period. *The Governor recommended \$103.1 million from all sources for two approved projects.* **The Assembly concurred.**

Health Laboratories and Medical Examiners Equipment. Consistent with the approved plan, the request includes annual expenses of \$0.4 million from Rhode Island Capital Plan funds to replace or upgrade obsolete medical equipment. The equipment is used to process DNA samples or upload data into the national database; conduct analysis of metals in drinking water and food, including arsenic, lead, mercury, and copper; and measure levels of certain substances, such as alcohol or drugs. The total project cost of \$4.2 million excludes \$1.6 million of prior expenses and adds \$0.4 million for annual funding for FY 2031. *The Governor recommended funding consistent with the request and added \$0.4 million for post-FY 2031 expenditures.* **The Assembly concurred.**

New Health Laboratory Building. Consistent with the approved plan, the request includes \$97.7 million from all sources to construct a new 80,000 square foot facility to house the Health Laboratories Program. This includes \$81.7 million from federal funds awarded by the Centers for Disease Control and Prevention, \$15.9 million from Rhode Island Capital Plan funds, and \$33,368 from restricted receipts. Construction started in August 2023, and the Department anticipates the completion and occupancy of the facility in FY 2026.

The new building will replace the Chapin facility, built in 1976. It will provide the Department and other state agencies with quality laboratory data to assist with endemic and pandemic responses, disease surveillance; outbreak investigation; determination of food, water, and air quality; and public safety.

The Governor recommended \$98.1 million, which is \$450,000 more from Rhode Island Capital Plan funds than the approved plan. This represents an estimate of the costs associated with relocating laboratory equipment from the Chapin building, reportedly omitted from prior cost estimates. **The Assembly concurred.**

Licensing Software Reprocurement. The Department requested \$7.0 million from Rhode Island Capital Plan funds for a new project to migrate licensing data to a new system. It reports that the current licensing system in use will reach its end of life in June 2027, requiring an eventual upgrade or replacement to manage

433 license types and over 145,000 licensees. Several divisions within the Department use the licensing system to verify credentials and licensing of health care professionals, businesses, and other services. Funding is programmed from FY 2027 to FY 2031. It should be noted that Rhode Island Capital Plan funds are typically reserved for physical assets. *The Governor's capital budget does not include this as a standalone project; his FY 2027 budget recommendation includes \$2.1 million from general revenues for this expense.* **The Assembly concurred.**

Laboratory Information Management System. The Department requested \$3.5 million, including \$2.8 million from federal funds and \$0.7 million from general revenues, to replace the State Laboratory Information Management System. The new system would allow the exchange of data and medical records more easily and improve efficiency, accuracy, and connectivity. The Department noted that the current system is outdated. It was created to allow healthcare professionals to electronically store, capture, and access patient health information in a variety of healthcare settings. The request includes upfront costs of \$1.8 million in FY 2026 and programs \$0.4 million for FY 2027 and FY 2028 based on an estimated implementation schedule of 18 months. Annual maintenance costs are also included in the request. A new system was requested last year, but was not recommended by the Governor or approved by the Assembly. *The Governor's capital budget does not include this as a standalone project; his FY 2026 revised budget includes \$1.8 million from federal funds, and his FY 2027 budget includes \$0.4 million from federal funds for this expense.* **The Assembly concurred.**

Windows 11 and Infrastructure Upgrades. The Department requested \$0.7 million from federal funds for a new project to upgrade its end-user computer devices to be compliant with Windows 11 and procure peripherals and devices to support remote work and obsolete or non-functioning equipment. Windows 10 reaches its end of life by October 1, 2025. The request includes \$0.1 million annually from FY 2026 through FY 2031. The Department noted that this project does not require new federal funds; instead, it will be paid out of existing grants that the Department receives. *The Governor's capital budget does not include this as a standalone project; his FY 2026 revised budget includes \$0.1 million from federal funds for this expense.* **The Assembly concurred.**

Department of Human Services

Projects	Status	5 Year Total	Project Total
<i>Office of Veterans Services</i>			
Veterans' Cemetery Asset Protection	Revised	\$ 7,355,000	\$ 12,517,010
Veterans' Home Asset Protection	Revised	4,527,240	7,909,778
<i>Other Projects</i>			
Blind Vending Facilities	Ongoing	825,000	2,626,066
State Fleet Replacement	Fleet	-	84,888
Total		\$ 12,707,240	\$ 23,137,742
Sources of Funds			
Federal Funds		\$ 2,700,000	\$ 4,700,000
Restricted Receipts		-	84,888
Rhode Island Capital Funds		9,202,240	17,155,904
State Fleet Revolving Loan Funds		805,000	1,196,950
Total		\$ 12,707,240	\$ 23,137,742

Summary. The Department of Human Services requested \$47.4 million for the five-year period from FY 2027 through FY 2031 for 11 projects totaling \$55.4 million. Three of the projects are for the Office of Veterans Services. The request includes seven information technology projects; four are new. *The Governor recommended \$23.1 million, including \$12.7 million in the five-year period.* **The Assembly concurred.**

Office of Veterans Services

Veterans' Cemetery Asset Protection. The Department requested \$9.8 million through FY 2031, including \$4.7 million from federal funds, \$4.4 million from Rhode Island Capital Plan funds, and \$0.6 million from restricted receipts for projects at the Veterans' Memorial Cemetery in Exeter. Asset protection projects include the construction of additional columbarium walls, cemetery expansion for pre-placed crypts, a new maintenance facility, and in-ground water piping. The request is \$4.1 million more than the approved plan for FY 2026 through FY 2031 to reflect updated timelines and costs for cemetery expansion, new equipment, and vehicles. The request also includes \$0.6 million from restricted receipts to purchase a dump truck, two new backhoes, a sport utility vehicle, and a tractor, and \$0.2 million from Rhode Island Capital Plan funds to purchase utility vehicles; such purchases are not considered asset protection. The request programs \$2.4 million for FY 2026, \$0.4 million for FY 2027, \$0.6 million for each FY 2028 and FY 2029, \$1.3 million for FY 2030, and \$4.5 million for FY 2031.

The Governor recommended \$12.5 million, including \$7.4 million in the five-year period. He included \$0.8 million from State Fleet Replacement Revolving Loan funds in lieu of \$0.2 million from Rhode Island Capital Plan funds and \$0.6 million from restricted receipts for vehicle purchases. His recommendation also adds \$1.5 million from Rhode Island Capital Plan funds for the post-FY 2031 period. **The Assembly concurred.**

Veterans' Home Asset Protection. The Department requested total project costs of \$5.9 million through FY 2031, including \$5.4 million from Rhode Island Capital Plan funds and \$0.4 million from restricted

receipts for asset protection projects at the Veterans' Home in Bristol. The request adds \$1.0 million to the approved five-year plan and includes \$1.3 million in FY 2026 and FY 2027 for the installation of a new generator to fully power the Home. The request includes \$0.3 million for handicap accessible buses, which are not considered asset protection. In addition, the request programs \$1.0 million for FY 2031.

The Governor recommended \$7.9 million, including \$4.5 million in the five-year period. He included \$0.4 million from State Fleet Replacement Revolving Loan funds for FY 2026, in lieu of restricted receipts, and \$0.2 million more from Rhode Island Capital Plan funds in FY 2027. This increase relates to the request for a new fall detection system in the event the expense meets the standard for this fund source. As currently proposed, it does not. The Governor also included an additional year of funding and adjusted for \$0.9 million of prior year spending. The Assembly concurred.

Veterans' Home Fall Detection and Reduction. The Department requested \$0.5 million from Information Technology Investment funds for FY 2026 for a new project to install a fall detection system in the Veterans' Home. The system would include in-room camera-free sensing devices that operate in all lighting conditions and can be integrated with nurse call systems. The detection system is intended to reveal previously unreported minor falls, which are the leading risk factor for future falls, enabling preventative action. The Department indicated that the request is the initial investment cost, which is an estimate based on a sample scenario of a 50-bed unit; annual maintenance costs are expected to be \$75,000. *The Governor did not include this as a stand-alone capital project. The asset protection project for the Home includes some additional funding in the event the project meets the standard for use of that fund source. As currently proposed, it does not. The Assembly concurred.*

Other Projects

Blind Vending Facilities. Consistent with the approved plan, the Department requested \$165,000 annually from Rhode Island Capital Plan funds for blind vending facilities. The project supports the construction and renovation of Randolph Sheppard Vending Facilities Coffee Plus Snack Bars and Vending sites on a statewide basis, which are necessary to keep facility operations up to code, improve customer service, continue offering convenience services to government workers and public members, and provide employment for persons who are legally blind. The request does not include funding for FY 2031. *The Governor recommended \$165,000 as requested and included two additional years of funding. The Assembly concurred.*

State Fleet Replacement. The Department requested \$84,888 from indirect cost recovery restricted receipts to complete the purchase of two new vehicles for the Adult Protective Services unit within the Office of Healthy Aging. The vehicles were ordered in FY 2025 but will not be delivered until FY 2026. The Office's current vehicles are Division of Capital Asset Management and Maintenance surplus vehicles and are at the end of their useful lives. *The Governor recommended funding as requested. The Assembly concurred.*

SNAP/All Program Accuracy and Efficiency. The Department requested \$2.0 million, including \$0.9 million from federal funds and \$1.1 million from general revenues, for FY 2026 and FY 2027 for a new initiative to improve accuracy and efficiency in administering federal Supplemental Nutrition Assistance Program benefits. The initiative is an investment in supportive technology, including chat bots, call recording and analytics, machine language comprehension technology, artificial intelligence-powered digital assistants, and a digital directory of procedural and policy information, all of which will complement the existing infrastructure. The general revenues represent federal cost-matching requirements for the programs that the initiative will support. The Department is in the early stages of planning. Cost estimates are based on licensing and implementation costs for key products. *The Governor did not include this as a stand-alone capital project. His FY 2027 operating budget includes \$1.0 million for this project, of which \$0.6 million is from general revenues and \$0.4 million is from federal funds. The Assembly concurred.*

RI Start Early System. The Department requested \$0.8 million for FY 2026 from federal Preschool Development Grant funds for an information technology project to improve early childhood operational systems and licensing. These systems include early childhood provider licensing, renewals, and workforce registry; the childcare consumer website; and other functionalities as needed. The goal is to increase child care program quality, assure efficiencies, and create an easily navigable system for families and child care providers. The Department further reports that its current early childhood operational systems are inadequate and affect the agency's ability to comply with federal regulations. The Department unsuccessfully requested funds from other sources for this project in previous fiscal years; it began work on the project in 2023. *The Governor did not include this as a stand-alone capital project. His FY 2027 operating recommendation includes \$0.8 million from federal funds for this project.* **The Assembly concurred.**

Child Support Services Transition off Mainframe. The Department requested \$30.9 million from all sources, including \$20.1 million from federal funds, \$10.5 million from Information Technology Investment funds, and \$0.3 million from restricted receipts, for FY 2026 through FY 2030 to fully transition the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipates that the other state agencies using the mainframe will transition off of it by 2028. This would leave the Office of Child Support Services as the sole agency using the system. The Department reports that Connecticut estimated \$68 to \$82 million in 2018 to replace its system, with annual maintenance costs of \$3.8 million. The Department also notes that system enhancements are needed to accommodate compliance with future federal regulations.

The FY 2026 enacted budget includes \$0.3 million for this project, including \$0.1 million from restricted receipts and \$0.2 million from federal funds. This project began in August 2025, with the system transition planned to start in July 2027. The results of the planning vendor hired in FY 2026 will generate a more precise cost estimate for the transition phase of the project. A total of \$1.3 million for the strategic planning vendor was budgeted in the FY 2024 and FY 2025 operating budgets, but the selection was delayed. These costs will now be incurred over FY 2026 and FY 2027.

The Governor did not include this as a stand-alone project, but recommended \$0.8 million, including \$0.5 million from federal funds and \$0.3 million from restricted receipts for FY 2026 and \$0.2 million, including \$0.1 million each from federal funds and restricted receipts, in his FY 2027 budget for the planning vendor. There is no funding included for the new system. **The Assembly concurred.**

EBT Chip Cards. The Department requested \$3.7 million, including \$1.4 million from federal funds and \$2.3 million from general revenues, for FY 2027 for a new project to update the security of Electronic Benefits Transfer (EBT) cards by transitioning from magnetic stripes to chips. The new plan is intended to align with industry security standards, reduce exposure to digital fraud, and improve the overall experience for beneficiaries and retailers. The rollout would begin in FY 2027, with full statewide reissuance of chip-enabled cards expected at the end of that fiscal year. *The Governor did not recommend this initiative.* **The Assembly concurred.**

Work Participation Case Management. The Department's request includes \$652,340 from federal Temporary Assistance for Needy Families grant funds for a new project to implement a case management system designed to increase reporting efficiency and expand access to services, resources, and information for RI Works participants and Department of Human Services staff and contractors. The Department states that the current Employment Activity and Response Referral system is inadequate, aged, and has no reporting capabilities. The new case management system would be able to calculate and track work activity hours through a digital time sheet, provide easier access to programming, and decrease reporting requirements for vendors. TuaPath, the company designing the system, has already been contracted, with

work expected to be completed in November 2026. *The Governor did not recommend funding specifically dedicated to this expense.* **The Assembly concurred.**

Child Support Services New Hires Directory National Medical Support. The Department requested \$0.3 million from all sources, including \$0.2 million from federal funds and \$0.1 million from general revenues, for a new project for FY 2026 and FY 2027 to streamline compliance with federal child support laws. Funds will support a contract to combine New Hire Directory services with National Medical Support Notice processing. Federal Administration for Children and Families funds have been requested. The state must establish an automated system to match new hire employment data with child support cases. The existing New Hire Directory already tracks this data to help ensure children are enrolled in available private medical coverage. The National Medical Support Notice mandates that employers are informed when a child must be covered under a parent's medical plan. The Office of Child Support Services and the Department of Human Services have found efficiencies in integrating these processes. A vendor has been selected to enhance the New Hire Directory services for processing the National Medical Support Notice, though the cost estimates from the proposal are tentative. *The Governor did not recommend funding.* **The Assembly concurred.**

Dept. of Behavioral Healthcare, Developmental Disabilities and Hospitals

Projects	Status	5 Year Total	Project Total
Group Homes Consolidation	Revised	\$ 30,000,000	\$ 37,000,000
ESH Hospital Equipment	Ongoing	1,500,000	4,773,992
RISPH Equipment	Ongoing	500,000	700,000
DD Residential Support	Ongoing	500,000	2,247,832
Total		\$ 32,500,000	\$ 44,721,824
Source of Funds			
Rhode Island Capital Funds		\$ 32,500,000	\$ 44,721,824
Total		\$ 32,500,000	\$ 44,721,824

Summary. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested \$127.7 million for six projects, one transferred from the Department of Administration. Of this amount, \$125.1 million will be spent from FY 2027 through FY 2031. The request includes \$90.0 million from Certificates of Participation, \$35.1 million from Rhode Island Capital Plan funds, and \$0.1 million from federal funds matched by general revenues. The approved capital plan totals \$2.5 million for three projects. *The Governor recommended \$32.5 million for the five-year period for four projects, including one transferred from the Department of Administration. The recommendation also includes \$1.0 million for FY 2026 and \$7.5 million in the post-FY 2031 period.* **The Assembly concurred.**

Group Homes Consolidation. The Department requested \$6.5 million annually from Rhode Island Capital Plan funds for group home maintenance for total funding of \$32.5 million in the FY 2027 through FY 2031 period. The request transfers the project from the Department of Administration, which includes \$25.2 million in the approved capital plan through FY 2030. The request is \$6.1 million more than the approved plan for FY 2027 through FY 2030 and adds \$6.5 million for FY 2031. Funding for FY 2026, requested at \$7.2 million, or \$1.8 million more than the approved plan, is contained in the Department of Administration's budget. The increase reflects the findings of a recently conducted facilities assessment for 160 state-owned buildings operating residential and non-residential programs.

The FY 2025 enacted budget consolidated five maintenance and asset protection projects into a single Group Homes Consolidation project in the Department of Administration's budget. The facilities had been managed by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals until they were transferred in FY 2020. Subsequently, as part of his FY 2025 amended revised recommendation, the Governor requested transferring the projects to the Department; the Assembly did not concur.

The FY 2025 enacted budget also added two positions for oversight and maintenance of the facilities, and the FY 2026 enacted budget transferred two positions from the Department of Administration for oversight of the properties in the state-run system for adults with developmental disabilities. *The Governor recommended \$5.0 million for FY 2027 and added \$0.5 million each year after that for an FY 2031 recommendation of \$7.0 million. He also included \$7.0 million in the post-FY 2031 period for total funding of \$37.0 million. He also included \$7.1 million for FY 2026 in the Department of Administration's budget. The recommendation provides about \$1.0 million more annually than the approved plan.* **The Assembly concurred.**

ESH - Hospital Equipment. The Department requested \$4.5 million from Rhode Island Capital Plan funds for medical and other equipment at both campuses of Eleanor Slater Hospital. The request includes \$0.6 million for FY 2026 and \$0.3 million annually from FY 2027 through FY 2031. This is consistent with approved funding, adjusted for a carry-forward from FY 2025. Annual expenses since FY 2022 have averaged \$0.3 million. *The Governor recommended funding as requested and added \$0.3 million in the post-FY 2031 period.* **The Assembly concurred.**

RISPH - Equipment. The Department requested \$0.1 million annually from Rhode Island Capital Plan funds from FY 2026 through FY 2030 to replace hospital beds, physical therapy equipment, automated external defibrillators, blood pressure monitors, patient lifts, and customized wheelchairs at the Rhode Island State Psychiatric Hospital. This is consistent with the approved plan and does not include funding for FY 2031. *The Governor recommended \$0.1 million annually in the five-year plan and added \$0.1 million in the post-FY 2031 period.* **The Assembly concurred.**

DD Residential Support. The Department requested \$0.1 million annually from Rhode Island Capital Plan funds for the FY 2027 through FY 2031 period to fund the Thresholds Program for residential development, which supports the new construction of and/or acquisition and rehabilitation of existing housing units. Funding also supports the Access to Independence program, which allows adults with developmental disabilities to remain in their homes and provides furniture for the residences.

This is consistent with the approved plan and adds \$0.1 million for FY 2031. The Department includes \$0.3 million for FY 2026, of which \$0.2 million is unspent from FY 2025. The request excludes prior-year expenses of approximately \$8.8 million, mostly from general obligation bonds. *The Governor recommended funding as requested and added \$0.1 million in the post-FY 2031 period.* **The Assembly concurred.**

Zambarano Long-Term Care Facility. The Department of Administration's FY 2027 through FY 2031 capital request includes \$107.1 million from approved Rhode Island Capital Plan funds to construct a 100-bed long-term care facility at the Zambarano Campus of Eleanor Slater Hospital to replace the Beazley building. It also contains a request for an additional \$90.0 million of expenses to be financed through Certificates of Participation for a combined project cost of \$197.1 million. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' capital budget duplicates the request for an additional \$90.0 million from Certificates of Participation only. It is unclear why. *The Governor recommended the approved amount of \$107.1 million from Rhode Island Capital Plan funds in the Department of Administration's budget; however, the recommendation shifts \$21.8 million from FY 2027 to FY 2031 to reflect continued project delays.* **The Assembly concurred.**

Zambarano Redundant Data Line. The Department requested \$150,000 from Rhode Island Capital Plan funds to install a secondary data line connecting the Zambarano campus to the state network in FY 2027. The request also includes \$24,000 in related operating expenses annually from FY 2028 through FY 2031. Rhode Island Capital Plan funds are not an appropriate source for these expenses. *The Governor did not recommend the funding.* **The Assembly concurred.**

Department of Elementary and Secondary Education

Projects	Status	5 Year Total	Project Total
Nowell Academy Facility Master Plan	New	\$ 150,000	\$ 150,000
School for the Deaf Asset Protection	Revised	3,457,569	4,572,266
Davies Asset Protection	Revised	3,750,000	7,437,090
Davies School Wing Renovation	Revised	40,027,194	49,926,727
Davies School HVAC	Ongoing	1,500,000	2,512,280
Met School Asset Protection	Ongoing	1,350,000	7,974,999
School Construction Bond	Ongoing	8,000,000	250,000,000
School for the Deaf Vehicle Replacement	Fleet	125,000	235,000
Total		\$ 58,359,763	\$ 322,808,362
Sources of Funds			
General Obligation Bonds		\$ 8,000,000	\$ 250,000,000
Rhode Island Capital Funds		50,234,763	72,573,362
State Fleet Replacement Revolving Loan Fund		125,000	235,000
Total		\$ 58,359,763	\$ 322,808,362

Summary. The Council on Elementary and Secondary Education requested capital project expenditures totaling \$473.8 million, including \$296.8 million to be spent in the FY 2027 through FY 2031 period. This includes four new projects, none of which are related to the state schools. *The Governor recommended \$372.8 million in total project costs, with \$107.4 million to be spent in the five-year period for nine projects, two of which are new. The Assembly provided \$322.8 million in total project costs, including \$58.4 million in the five-year period for eight projects.*

Nowell Academy Facility Master Plan. The Council requested \$150,000 to conduct a facility master plan for Nowell Academy to secure a permanent, state-owned location for the school. The school currently operates in rented space at 150 Washington Street in Providence, with two years remaining on its lease, which will not be renewed by the owner. The request assumes a study will be conducted in FY 2027 to inform a plan for a new location beginning in FY 2028, which will require additional funding. Nowell Academy operated as a charter school beginning in 2013 and was established as an independent public school by the 2024 Assembly. The school focuses on the needs of pregnant and parenting teenagers, as well as other students at risk of failure. As an independent local education agency, this school is subject to the necessity of school construction process. *The Governor recommended funding as requested. The recommendation assumes that the school will remain at its current location through FY 2031 to reflect an extension of the current lease after the request was submitted. The Assembly concurred.*

School for the Deaf Asset Protection. The Council requested \$3.7 million from Rhode Island Capital Plan funds, including \$3.2 million in the five-year period for asset protection projects at the School for the Deaf. The request is \$1.6 million more than the approved plan and makes scope and timeline changes to planned work. It includes a gradual escalation of base support for general asset protection from \$0.1 million in FY 2026 to \$0.2 million in FY 2030, excluding funding for FY 2031.

The request includes \$1.1 million for roof replacement and restoration work from FY 2027 through FY 2030; the approved plan assumed a lower level of funding for this project, with completion anticipated in FY 2031. Other sub-projects include \$0.9 million from FY 2027 through FY 2030 to replace expansion

joints around the school's exterior, \$0.3 million in FY 2029 for repairs to the gym floor and bleachers, \$0.3 million in FY 2027 for heating, ventilation, and air conditioning repairs, and \$0.3 million in FY 2026 to complete security upgrades that experienced delays.

The Governor recommended \$4.6 million, \$0.8 million above the requested amount, including \$0.6 million in prior year spending. He added \$0.2 million for general asset protection in FY 2031, and \$46,096 more in FY 2029 based on updated estimates for the roof replacement. The Assembly concurred.

Davies Asset Protection. The Council requested \$7.7 million from Rhode Island Capital Plan funds for asset protection projects at Davies Career and Technical School. This includes \$3.8 million in the five-year period and \$0.9 million in FY 2026, which includes \$0.1 million of unspent FY 2025 funds. The request is \$2.2 million more than the approved plan, reflecting an increased annual base from \$500,000 to \$750,000, as well as two years of funding in FY 2031 and post-FY 2031. The school indicated that funding may be used to supplement the 1970s wing project when repairs or upgrades are needed to improve the overall infrastructure of the building. Funding is programmed at \$0.9 million for FY 2026, and \$750,000 annually from FY 2027 through the post-FY 2031 period. *The Governor recommended total funding of \$7.4 million. The recommendation excludes \$0.2 million of prior expenditures but is otherwise consistent with the request. The Assembly concurred.*

Davies School Wing Renovation. The Council requested \$46.4 million from Rhode Island Capital Plan funds to renovate the 1970s wing of Davies Career and Technical School and complete the Health Career Classrooms project. The request consolidates the \$6.9 million approved for the classrooms into a single integrated project for easier management. There is no change to the combined total approval. The school has coordinated funding and planning between projects with a single owner's project manager and design/build team. The request includes \$34.5 million in FY 2026 and \$10.6 million in FY 2027. The request maintains the project timeline, with completion anticipated by the 2027-2028 school year.

The Governor recommended \$49.9 million, \$3.5 million more than requested, to incorporate planning and design for a potential Phase II of the project, which would require additional funding in future capital budgets. This additional funding was based on a subsequent request and School Building Authority estimates and would allow for the complete demolition of the 1970s wing. The recommendation also delays the completion date to FY 2028, based on more recent information from the school. The Assembly concurred.

Davies School HVAC. The Council requested \$2.5 million from Rhode Island Capital Plan funds, including \$0.5 million in the five-year period for repairs to and long-term asset protection of the heating, ventilation, and air conditioning system at Davies Career and Technical School. The request is \$0.4 million more than the approved plan, reflecting \$50,000 more annually for FY 2027 through FY 2030, and adding two years of funding in FY 2031 and the post-FY 2031 period. *The Governor recommended funding as requested. The Assembly shifted \$1.0 million from FY 2026 to FY 2027 based on updated information from the school to align planned expenditures with major work associated with the wing renovation project.*

Met School Asset Protection. The Council requested \$3.8 million from Rhode Island Capital Plan funds, including \$1.4 million in the five-year period for asset protection projects at the Metropolitan Career and Technical School. This includes \$2.0 million in FY 2026 to complete the roof replacement projects at the Peace Street and Public Street campuses of the Met. The request appears to exclude \$4.2 million in prior-year spending while adding \$275,000 each for FY 2031 and post-FY 2031, and includes an average of \$15,000 more annually from FY 2028 through FY 2031. *The Governor recommended funding as requested and showed \$4.1 million in prior spending that was excluded in the request. The Assembly concurred.*

School Construction Bond. The Council requested \$250.0 million from general obligation bonds for local school construction and renovation projects. The request includes \$250.0 million approved by the voters on the November 2022 ballot and excludes the same total approved by voters on the November 2018 ballot, as all funds have been expended. Approval of the bond measure in 2018 triggered several temporary incentives that could increase the state share of a local district's projects by up to 20.0 percent. The incentives are available to projects that meet spending requirements and begin and end within a specific time frame.

The Council's request includes \$100.0 million for FY 2026, \$100.0 million for FY 2027, and \$16.8 million for FY 2028. It shifts \$61.8 million from FY 2025 to FY 2027 and FY 2028 compared to the approved plan, based on project activity. Funds are used to support the state share of the traditional housing aid program and were offered to districts on an upfront basis. The School Building Authority operationalized this requirement by generally offering 15.0 percent of the base state share of estimated project costs, including interest for those projects that are bond-funded. There were also equity adjustments to some projects in high-need districts. Funding could be used to reimburse debt service for previously approved projects. *The Governor recommended total funding as requested and shifted spending forward compared to the request and the approved plan, providing \$208.8 million in FY 2026 and \$8.0 million in FY 2027. The Assembly concurred.*

School for the Deaf Vehicle Replacement. Consistent with the approved plan, the Council requested \$235,000 from State Fleet Replacement Revolving Loan funds to replace vehicles, including a miniature school bus and vans used to transport students and audiology equipment. The request includes \$110,000 to purchase a minibus in FY 2026, \$60,000 in FY 2027, and \$65,000 in FY 2030 to replace vans. *The Governor recommended funding as requested. The Assembly concurred.*

Career and Technical Education Facilities. The Council requested \$150.0 million from a new general obligation bond to be placed before the voters on the November 2026 ballot to support the creation and improvement of career and technical education programs. A portion of the funding would also be targeted for further improvements to Davies Career and Technical School, which is currently conducting a major renovation. If the bond is approved, the Department would create guidance focused on maximizing options and limiting duplicate programs. The Department did not provide a breakdown of funding between Davies and other local education agencies. It plans to develop criteria for distribution, with a focus on equity, upon approval of the ballot measure. The most recent statewide facilities assessment was completed in 2017. The next report was due in 2022, and the School Building Authority indicated it would be published in the first half of 2026.

The annual debt service for the new bond would be \$12.4 million, assuming a 5.0 percent interest rate and a 20-year term; the total debt service would be \$235.8 million.

The Governor recommended \$50.0 million to support new and existing career and technical education programs, with the intent of addressing student and workforce needs. All districts would be eligible to apply, and the Department would be responsible for distributing the funding. The proposed ballot language does not specifically limit funding to capital needs. The annual debt service would be \$4.1 million, assuming a 5.0 percent interest rate and a 20-year term; the total debt service would be \$80.1 million. The Assembly did not concur with the ballot question. Testimony during the budget process suggested that more funding would be necessary to have the intended targeted impact.

Davies Health Career Classrooms. The Council requested that funding for the Health Career Classrooms project be formally combined with the Wing Renovation project. The request shows only \$88,273 of prior spending for the project and includes the transfer of \$6.9 million from FY 2026 to the Wing Renovation project for FY 2027. To improve cohesion in its Facility Master Plan, the health career classrooms upgrades have been coordinated with the 1970s wing renovation under a single owner's project manager. The project

will include a new wing for the Health Career program, which will be attached to the main building and replace the aging modular building currently used for the program. *The Governor concurred. The Assembly concurred.*

Facility Equity Initiative. The Council requested \$10.0 million from Rhode Island Capital Plan funds for FY 2027 to support the School Building Authority Capital Fund. Funding would be used to support ongoing projects, prioritizing funding for local education agencies with a state share ratio of 60.0 percent or greater. These communities include Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. This was requested in FY 2024 as a \$40.0 million project, in FY 2025 as a \$50.0 million project, and in FY 2026 as a \$10.0 million project, but was not recommended by the Governor or approved by the Assembly. The Rhode Island Capital Plan Fund is limited to use on state facilities. *The Governor did not recommend funding for this project. The Assembly concurred.*

Shepard Building Upgrades. The Council requested \$0.3 million from Rhode Island Capital Plan funds for improvements to the Department of Elementary and Secondary Education's offices in the Shepard Building in Providence. The request includes \$0.1 million annually from FY 2027 through FY 2029, primarily to replace workstations and enhance the efficiency of the space occupied by the Department on the three floors of the building. The Department's operating budget includes \$0.9 million in FY 2026 for its share of facilities management expenses under the direction of the Division of Capital Asset Management and Maintenance. *The Governor did not recommend funding for this as a standalone project in the Department. His capital budget includes \$26.7 million from Rhode Island Capital Plan funds in the Department of Administration for Shepard Building asset protection. The Assembly concurred.*

Public Higher Education

Projects	Status	5 Year Total	Project Total
Systemwide			
Asset Protection	Revised	\$ 128,505,886	\$ 334,472,384
Office of Postsecondary Commissioner		495,819	1,160,819
Community College		128,457,444	171,467,685
College		161,529,388	298,317,845
University		788,805,512	1,253,717,868
Total		\$ 1,207,794,049	\$ 2,059,136,601
Sources of Funds			
Certificates of Participation		\$ 335,819	\$ 600,819
Federal Funds		4,160,000	4,160,000
General Obligation Bonds - New		215,000,000	215,000,000
General Obligation Bonds		222,256,182	468,400,000
Other Funds		37,250,263	51,355,382
Rhode Island Capital Funds		322,014,943	755,134,329
RIHEBC		386,687,266	515,077,474
University and College Funds		20,089,576	49,408,597
Total		\$ 1,207,794,049	\$ 2,059,136,601

Summary. The governing bodies approved five-year capital requests for projects totaling \$2,650.9 million, of which \$1,748.5 million would be spent between FY 2027 and FY 2031.

The Governor recommended \$1,999.1 million, with \$1,198.2 million to be spent in the FY 2027 through FY 2031 period and \$242.5 million to be spent in FY 2026. Average outlays for the five-year period total \$239.6 million. The Assembly provided total funding of \$2,059.1 million with \$1,207.8 million to be spent in the five-year period.

New Bond Initiatives. The current request includes \$554.5 million from new general obligation bonds for six projects: two at the University, one at the College, and three at the Community College. Annual debt service for all the newly requested general obligation bonds, assuming 20 years and a 5.0 percent interest rate, totals \$45.9 million, for a total of \$887.9 million.

The University's Integrated Health Building project is requested for the November 2026 ballot for \$165.7 million, and the Student Success Center project would be on the November 2028 ballot for \$115.8 million.

The new general obligation bonds for the phased renovations of the College's academic buildings are split between two ballot years. The Academic Buildings Phase V project would include \$78.0 million on the 2026 ballot for the Student Success and Career Readiness Center at Adams Library, and \$85.0 million on the 2028 ballot for the Fogarty Life Sciences building.

The Community College's Workforce Innovation Center Project would be placed on the November 2026 ballot for \$65.0 million, the Warwick Learning Commons project on the November 2028 ballot for \$15.0 million, and the Health Science Education Center project on the November 2030 ballot for \$30.0 million.

Requested General Obligation Bonds				
Project		2026 Ballot	2028 Ballot	2030 Ballot
Integrated Health Building	URI	\$ 165,700,000	\$ -	\$ -
Student Success Center	URI	-	115,800,000	-
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library	RIC	78,000,000	85,000,000	-
Workforce Innovation Center	CCRI	65,000,000	-	-
Health Science Education Center	CCRI	-	-	30,000,000
Warwick Learning Commons	CCRI	-	15,000,000	-
Total		\$ 308,700,000	\$ 215,800,000	\$ 30,000,000

The Governor's capital budget includes \$215.0 million to be placed on the November 2026 ballot, including \$105.0 million for the University's integrated health building, \$50.0 million for the Student Success and Career Readiness Center at Rhode Island College's Adams Library, and \$60.0 million for a workforce innovation center at the Community College. The recommended budget does not contemplate any bond initiatives for the 2028 or 2030 ballots.

The Assembly approved \$275.0 million to be placed on the November 2026 ballot. It added \$60.0 million to fully fund the University's integrated health building project and concurred with the remainder of the recommendation.

Other Debt. The current request also includes projects funded from revenue bonds. If a revenue stream is available, that revenue pays the debt service on the bonds. For example, housing fees would pay the debt service on a new dorm or renovation project. For projects without a dedicated revenue stream, debt service is paid from either general revenues or tuition and fee revenues.

The current request includes \$668.6 million from revenue bonds, including \$540.2 million in the five-year period. Of these totals, \$174.1 million is from newly requested revenue bonds. Annual debt service on the \$540.2 million, assuming 20 years and a 5.0 percent interest rate, is \$44.7 million. Annual debt service on the entire \$668.6 million is \$55.3 million.

*The Governor's recommendation includes a request for Assembly approval of revenue bonds for three projects totaling \$55.0 million. It would authorize \$20.6 million for renovations to student housing at Rhode Island College. It would also authorize \$20.0 million for repaving and hardscape improvements and \$14.4 million to provide working space for automotive and administrative mail and printing services at the University of Rhode Island. Annual debt service would not exceed \$4.8 million for the three projects. Total debt service would not exceed \$96.5 million. **The Assembly concurred.***

Systemwide Projects

Asset Protection. The approved plan includes \$125.7 million from Rhode Island Capital Plan funds for asset protection projects in the five-year period from FY 2026 through FY 2030. The governing bodies requested \$144.3 million from Rhode Island Capital Plan funds for the same period and assumed using \$33.1 million for FY 2026 and \$27.2 million for FY 2027. The five-year request for FY 2027 through FY 2031 is \$140.9 million, adding \$29.8 million for FY 2031 for all schools. For the University, the request is \$19.5 million, or 17.1 percent above the approved capital plan. Included in the Community College's portion of asset protection is \$1.4 million for the Newport Campus Culinary and Hospitality Hub and office space for the Office of Work-Based Learning and Apprenticeships.

*The Governor recommended funding consistent with the approved plan and added two years of additional funding for all institutions. **The Assembly concurred.***

Postsecondary Commissioner

Projects	Status	5 Year Total	Project Total
<i>Office of Postsecondary Commissioner</i>			
Westerly Higher Education Center Expansion	Revised	\$ 160,000	\$ 560,000
Nursing Education Center	Ongoing	335,819	600,819
Total		\$ 495,819	\$ 1,160,819

Westerly Higher Education Center Expansion. The Office requested \$1.0 million from Rhode Island Capital Plan funds for Phase I of the project to expand the Westerly Higher Education and Job Skills Center to an annex site. The request is \$0.2 million less than the approved plan and extends the project by one year to FY 2027, as the Office has experienced delays in the construction and development of the proposed location.

The expansion will allow the Center to create a Computer Numerical Control Machine Laboratory, a Pearson Certified Nursing Assistant Skills Test Laboratory, additional classrooms, and conference space. The annex site will be operated and owned by Tower Street Community Center. The requested Rhode Island Capital Plan funds will be used for furniture, fixtures, and technology equipment for classrooms, science laboratories, common areas, and administrative offices located in the Office's portion and shared areas of the site, as well as a placeholder for potential future phases of the project. As of early September 2025, the Office was in negotiations regarding the lease terms.

The initial project has been split into multiple phases, and there is uncertainty about when the remaining phases will be completed. Phase I would provide 3,000 to 3,500 square feet of additional space for the Office. In comparison, the initial single-phase project provided approximately 10,500 square feet.

The Governor recommended \$560,000 over FY 2026 and FY 2027 to outfit the space with audiovisual equipment, information technology, furniture, and other equipment.

The Assembly concurred with the Governor's requested amendment to authorize a new ten-year lease agreement for 2,385 square feet of space at the Tower Street Community Center. The operating budget includes an upfront payment of \$1.5 million from federal Housing and Urban Development funds. Remaining annual lease payments would not exceed \$50,000 and would be paid through the Center's restricted receipts. The Assembly also provided Rhode Island Capital Plan funding as recommended.

Nursing Education Center. Consistent with the approved plan, the Office requested use of the remaining \$0.6 million through Certificates of Participation to furnish and equip the Nursing Education Center, originally authorized by the 2014 Assembly. The request includes \$0.3 million for FY 2026, \$0.2 million for FY 2027, and \$0.1 million for FY 2028. This will provide the replacement and upgrade of instructional equipment, simulation software and hardware, and facility infrastructure improvements. *The Governor recommended funding consistent with the approved plan. The Assembly concurred.*

Community College of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>Community College of Rhode Island</i>			
Workforce Innovation Center	New	\$ 60,000,000	\$ 60,000,000
Accessibility Improvements	Revised	1,865,000	2,555,000
Campuswide Renovation and Modernization Phase II	Revised	13,150,000	16,900,000
Campuswide Renovation and Modernization Phase I	Ongoing	26,818,806	59,500,000
Data, Cabling, and Power Infrastructure	Ongoing	18,089,179	20,012,685
Infrastructure Improvements - Flanagan Campus	Ongoing	8,534,459	12,500,000
Total		\$ 128,457,444	\$ 171,467,685

Workforce Innovation Center. The Community College requested \$65.0 million from new general obligation bonds to go before the voters on the November 2026 ballot for a new, stand-alone Workforce Innovation Center on the Warwick campus, with a projected start date of spring 2028. The new center will be built on an unused land island located on the campus's main parking lot and serve as a regional hub for career and technical education, designed to address critical workforce shortages, support local industry, and provide high-quality, hands-on training in high-demand sectors such as healthcare, advanced manufacturing, information technology, construction trades, and renewable energy.

The total includes all specialized equipment needed to outfit the center, and the Community College expects increased admissions to workforce programs to cover the increased operating budget costs. The Council on Postsecondary Education voted to approve the project's inclusion in the state budget request on the condition that the Community College conduct a cost-benefit analysis.

The Governor recommended \$60.0 million of general obligation bonds be submitted to the voters on the November 2026 ballot. The Community College would have to reduce or modify the project's scope or find an alternative funding source. The Assembly concurred.

Accessibility Improvements. The Community College requested \$2.4 million from Rhode Island Capital Plan funds to continue accessibility improvements across all four campuses. The FY 2027 request is \$0.4 million more than the approved plan and extends the project by two years to FY 2031.

During FY 2025, the Community College engaged an architectural firm to evaluate the 2015 accessibility review. Funds will be used to address compliance issues and priorities identified in an Americans with Disabilities Act assessment conducted in spring 2025, including parking lot upgrades, directional signage, elevator upgrades, classroom door closers, restroom renovations, and other accessibility upgrades. Some accessibility work has been incorporated into ongoing asset protection and other standalone projects. *The Governor recommended funding as requested and added \$0.2 million to the post-FY 2031 period. The Assembly concurred.*

Campuswide Renovation and Modernization Phase II. The Community College requested \$49.3 million from Rhode Island Capital Plan funds for Phase II of a project to renovate and modernize academic and student support spaces, as well as other infrastructure across its four campuses. The request is \$40.2 million more than the approved plan and extends the project four years into the post-FY 2031 period. The request is \$87.7 million lower than the prior year's request because the Community College has restructured the project to include only Phase II, when previously it included Phases II through IV. According to the Community College, the \$9.1 million in the approved plan will support security upgrades, core building infrastructure upgrades, and modernization of classrooms, labs, and student support spaces. It intends to revisit Phases III and IV in future years.

The \$40.2 million in additional funding would be used for infrastructure upgrades, improvements in campus energy efficiency, accessibility improvements, upgrades to vehicle circulation and traffic flow, and modernization of classrooms, labs, and student support spaces. The Governor's FY 2026 budget identified \$1.4 million for the Newport Campus Culinary and Hospitality Hub and office space for the Office of Work-Based Learning and Apprenticeships subprojects, as part of a \$4.1 million increase for this project. It appears that \$1.4 million was included as an enhancement to asset protection support for FY 2026 and FY 2027. The Community College's request includes this funding in asset protection.

The Governor recommended \$7.8 million more than the approved plan for some high-priority items. This includes electrical closet renovations, classroom furniture, and technology modernization in Warwick and Lincoln; rooftop heating and air conditioning unit replacements in Warwick; window replacements in Providence; exterior site improvements, bathroom renovations, and accessibility upgrades in Newport; and heating and air conditioning upgrades across all campuses.

The Assembly provided total funding as recommended, but revised the programming based on updated plans. This includes removing \$0.4 million from FY 2026 and \$2.5 million from FY 2031, and adding \$0.2 million to FY 2027 and FY 2029, and \$2.5 million to FY 2030.

Campuswide Renovation and Modernization Phase I. Consistent with the approved plan, the Community College requested \$59.5 million from all sources to renovate and modernize academic and student support spaces, as well as other infrastructure, across its four campuses. The request includes \$12.0 million from general obligation bonds approved by the voters in March 2021 and \$47.5 million from Rhode Island Capital Plan funds. The request extends general obligation funding through FY 2028. During FY 2025, Warwick Student Services Renovation and the planning stage for Lincoln's classroom renovations were completed, with the latter renovations scheduled to begin during FY 2026. Remaining work includes modernizing classrooms, labs, and other facilities; improving infrastructure; and renovating student services. *The Governor recommended funding as requested.*

The Assembly provided total funding as recommended but revised the programming based on updated plans. This includes removing \$2.8 million from FY 2026, \$1.0 million from FY 2027, and \$0.5 million from FY 2028, and adding \$3.7 million to FY 2029, and \$0.5 million to FY 2030.

Data, Cabling, and Power Infrastructure. The Community College requested \$20.0 million for the assessment, design, and construction of modernized data, cabling, and power infrastructure across its four campuses. The request includes \$1.4 million from College funds and \$18.5 million from Rhode Island Capital Plan funds. Adjusting for the exclusion of \$0.2 million in pre-FY 2025 spending, the request is consistent with the approved plan and reprograms \$5.2 million from FY 2026 to later years, extending the project to FY 2030. The project includes upgrades to network wiring, infrastructure capacity, security systems, heating, ventilation, and air conditioning control systems, and environmental data collection sensors. It will also integrate power cabling into the data infrastructure to support an increasing number of Power Over Ethernet devices, such as voice-over-Internet-protocol phones.

The Community College anticipates construction beginning by early FY 2027. The current cost estimate is based on the engineering firm's 75 percent design completion estimates and is therefore subject to change. *The Governor recommended funding as requested. The Assembly concurred.*

Infrastructure Improvements - Flanagan Campus. Consistent with the approved plan, the Community College requested \$12.5 million from Rhode Island Capital Plan funds for renovations and upgrades to the Flanagan Campus in Lincoln. Remaining work includes laboratory expansion and renovation. During FY 2025, exterior painting and window replacement projects were completed, and planning for lab renovations was underway. Construction of the SiM Lab and the expansion and renovation of the Allied Health Lab

are expected to begin during FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Health Science Education Center. The Community College requested \$30.0 million from new general obligation bonds to expand the Allied Health Laboratory at the Flanagan Campus in Lincoln. All funding is programmed for the post-FY 2031 period, and a feasibility study, funded under the ongoing asset protection project, is scheduled to be completed in FY 2029 to inform the general obligation bond request for the 2030 ballot. The total cost, assuming a 5.0 percent interest rate and a 20-year term, would be \$48.0 million with annual debt service of \$2.5 million, supported by general revenues. The current cost estimate is based on a feasibility study for a new construction project and may not be fully comparable.

This project will modernize and expand the current facilities to align with contemporary professional standards. These improvements will support its ability to meet the evolving demands of clinical environments and enhance the overall simulated learning experience, as current facilities are outdated and their size restricts the number of students per section to a maximum of eight, limiting capacity for expansion. The Community College further noted that although the newly requested Workforce Innovation Center project also cites training for healthcare sector students, this is solely for career and technical education and does not provide space for existing credit and certificate programs that require specialized equipment and training spaces. *The Governor did not recommend funding. The Assembly concurred.*

Warwick Learning Commons. The Community College requested \$15.0 million from new general obligation bonds to go before the voters on the November 2028 ballot for a new project to build out the fifth and sixth floors of the round building on the Warwick campus to create additional space for group study rooms, an online learning lab for faculty and student consultations, recording booth(s) for lecture capture, and an academic computing lab. It would also include renovations to the existing tutoring and writing centers to improve accessibility, create subject-specific support areas, and enhance the overall student experience. The Community College states that students must currently navigate multiple areas to access academic support services, leading many to disengage before they can access the full range of services available to them. The request programs \$7.5 million each in FY 2030 and FY 2031. The total cost, assuming a 5.0 percent interest rate and a 20-year term, would be \$24.0 million with annual debt service of \$1.2 million, supported by general revenues. *The Governor did not recommend funding. The Assembly concurred.*

Rhode Island College

Projects	Status	5 Year Total	Project Total
<i>Rhode Island College</i>			
Residential Life and Housing	New	\$ 20,600,000	\$ 20,600,000
Academic Buildings Phase V: Fogarty, Whipple, and Adams Library	Revised	111,100,000	123,100,000
Clarke Science Modernization	Ongoing	-	50,280,363
Horace Mann Renovation (School of Education)	Ongoing	-	25,000,000
Infrastructure Modernization	Ongoing	29,829,388	79,337,482
Total		\$ 161,529,388	\$ 298,317,845

Residential Life and Housing. The College requested \$20.0 million from revenue bonds for a new project to renovate the five active residential halls on campus. The proposed project will address infrastructure and improve student safety and comfort. These renovations will be phased over three fiscal years, although some work may be conducted concurrently across multiple halls. Current residential halls were built between 18 and 66 years ago. The debt service on prior dorm projects, totaling approximately \$2.0 million,

will be extinguished before this project begins, negating the need to raise fees to support the new debt. The College further noted a \$0.9 million revenue surplus for FY 2025 and that, based on current occupancy levels, it anticipates sufficient revenue to meet the newly proposed debt.

The College anticipates that the architectural and engineering phase of the project will start in FY 2027, with construction to follow in FY 2028. Although some renovations will inevitably occur throughout the academic year, the College does not plan to lower occupancy or close buildings.

*The Governor included authorization for Assembly approval of a \$20.6 million revenue bond. Annual debt service of \$1.8 million would be supported by student housing fees. Total debt service would not exceed \$36.5 million. **The Assembly concurred.***

Academic Buildings Phase V: Fogarty, Whipple, and Adams Library. The College requested \$236.5 million from all sources to continue the fifth phase of its project to modernize and rehabilitate academic buildings. Funding is programmed from FY 2026 through the post-FY 2031 period. The request includes \$73.0 million from general obligation bonds approved by voters on the November 2024 ballot, \$0.5 million from approved Rhode Island Capital Plan funds, and \$163.0 million in new general obligation bonds for future ballots, not part of the approved plan. This is essentially consistent with its FY 2026 request. The Governor and Assembly maintained the \$73.5 million in the approved plan, as ballot items are approved every other year. The fifth phase encompasses the modernization of the Fogarty Life Science Building, Whipple Hall, the steam plant, and the Student Success and Career Readiness Center at Adams Library.

Of the new bond, \$78.0 million is for the Student Success and Career Readiness Center at Adams Library to be included on the November 2026 ballot, and \$85.0 million is for the Fogarty Life Science Building for November 2028. The College programs funding from the 2026 bond starting in FY 2027, and the 2028 bond starting in FY 2029. Notably, estimates for future work have not been updated for the new timeline. Previously, the College indicated that a revision to the cost estimate would likely be needed for FY 2027, with data from the Whipple Hall renovation informing the new estimate.

*The Governor recommended \$50.0 million of general obligation bonds be submitted to voters on the November 2026 ballot to build a student success and career readiness center in Adams Library. Assuming a 5.0 percent interest rate and a 20-year term, total debt service for the project's new general obligation bond would be \$80.1 million, with annual debt service of \$4.1 million supported by general revenues. The College would have to reduce or modify the project's scope or find an alternative funding source. The capital plan does not contemplate any bond initiatives for the 2028 or 2030 ballots. **The Assembly concurred.***

Clarke Science Modernization. The College requested \$53.0 million, including \$38.0 million from general obligation bonds approved by voters in March 2021 and \$15.0 million from Rhode Island Capital Plan funds, to complete the third phase of a four-phase project to modernize and rehabilitate essential academic buildings. Funding is consistent with the approved plan, but extended one year through FY 2026. The Clarke Science building is 43,126 square feet and includes several labs, two lecture halls, classrooms, and faculty offices. The building was rated to be in poor condition as part of a facilities condition assessment in 2016. The College projected that the renovations would extend the building's useful life by 50 years.

Construction was substantially completed as of the summer of 2025, and the building was open in time for summer classes and research. The construction manager will remain on site through December 2025 to complete the Neuroscience Laboratory.

*The Governor recommended bond funding as requested, but only showed \$12.3 million from Rhode Island Capital Plan funds. He omitted the \$2.6 million spent in FY 2025. **The Assembly concurred.***

Horace Mann Renovation (School of Education). The College requested \$24.9 million from general obligation bonds approved by the voters on the November 2018 ballot to renovate Horace Mann Hall, home of the School of Education. This is the second phase of a four-phase project to modernize and rehabilitate academic buildings. The request is consistent with the approved plan and extends the project an additional year to FY 2026.

As of the time of the request, all major construction is complete, and the building has been occupied since December 2022. The remaining \$2.7 million from general obligation bonds will address related infrastructure issues and other aspects of the building not included in the completed rehabilitation. According to the College, this infrastructure work was on hold until recently due to unresolved claims with the construction vendor. These issues have now been settled, and the final payment to the vendor will close out the project.

*The Governor recommended funding essentially as requested. **The Assembly concurred.***

Infrastructure Modernization. The College requested \$56.3 million from Rhode Island Capital Plan funds programmed through FY 2031 for infrastructure modernization, consistent with the approved plan. Planned work includes modernizing and replacing steam and sewer distribution lines, improving electric, gas, and water systems, implementing campus-wide drainage improvements, improving signage, ensuring Americans with Disabilities Act compliance, and improving the information technology network.

This is a perpetual project designed to support ongoing improvements similar to asset protection. Existing work will be closed out while new plans are developed. During FY 2025, 24 subprojects were active. Notable ones include infrastructure work relating to the Clarke Science Building renovation and running track project, information technology infrastructure improvements, and campus-wide security infrastructure.

*The Governor recommended funding essentially as requested and added \$6.2 million for the post-FY 2031 period. **The Assembly concurred.***

University of Rhode Island

Projects	Status	5 Year Total	Project Total
<i>University of Rhode Island</i>			
Campus Access Control	New	\$ 1,575,000	\$ 1,575,000
Integrated Health Building	New	105,000,000	165,000,000
Narragansett Bay Campus Shoreline Stabilization	New	6,400,000	6,400,000
Upper College Road Mix-Use Enabling	New	1,798,043	2,000,000
Building Envelope Improvements	Revised	15,000,000	21,000,000
Campus Accessibility	Revised	5,700,000	9,000,000
Fraternity Circle Master Plan	Revised	1,400,000	1,400,000
Academic Mechanical, Electrical, and Plumbing Improvements	Ongoing	14,185,893	25,899,287
Athletic Complex Renewal	Ongoing	39,603,871	83,100,000
Automotive and Administration Services	Ongoing	14,400,000	14,400,000
Biomedical Sciences Building	Ongoing	84,440,836	90,050,000
Blue Technology Innovation Center	Ongoing	5,282,716	5,700,000
Brookside Apartments II	Ongoing	166,422,620	169,600,000
Combined Health and Counseling Center	Ongoing	43,045,430	45,600,000
Dining Facilities Improvements	Ongoing	1,374,972	5,300,000
Facilities Services Sector Upgrade	Ongoing	11,363,551	13,000,000
Fine Arts Center Renovation and Addition Phase II	Ongoing	372,097	93,531,331
Fire Protection - Auxiliary Enterprises Phase II	Ongoing	-	2,693,308
Fire Protection - Academic Phase II	Ongoing	1,323,475	13,580,193
Memorial Union Renovation and Addition	Ongoing	120,753,215	126,000,000
Narragansett Bay Campus Renewal - Phase I	Ongoing	2,400,000	21,167,861
Narragansett Bay Campus Renewal - Phase II	Ongoing	102,004,895	143,750,442
PFAS Removal Water Treatment	Ongoing	17,897,664	21,699,999
Repaving and Hardscape Improvements	Ongoing	20,000,000	20,000,000
Repaving, Hardscape and Landscape	Ongoing	-	12,766,582
Soloviev Basketball Practice Facility	Ongoing	-	7,743,833
Stormwater Management	Ongoing	1,437,519	4,700,000
Utility Infrastructure Upgrades - Phase I	Ongoing	-	7,510,614
Utility Infrastructure Upgrades - Phase II	Ongoing	-	17,984,404
Utility Infrastructure Upgrades - Phase III	Ongoing	5,623,715	9,191,250
White Horn Brook Apartments	Ongoing	-	92,373,764
Total		\$ 788,805,512	\$ 1,253,717,868

Campus Access Control. The University requested \$1.6 million from Rhode Island Capital Plan funds for FY 2027, for a new project to upgrade campus-wide access control systems. The University states that this one-time funding would allow it to consolidate its disparate systems into a single centralized system. Currently, the University has implemented several access control systems across multiple stages over the last few decades. This has resulted in an inability to manage access control across the campus, including quickly locking down the campus in an emergency or managing access to address public health concerns. The University believes it would be better positioned to respond to incidents by consolidating the existing systems into a single centralized system.

Once this initial conversion is complete, the University plans to convert existing keyed buildings to provide electronic access to all major campus buildings over time as renovations or new construction occurs. This project was requested last year but was neither recommended by the Governor nor approved by the Assembly. *The Governor recommended funding as requested. The Assembly concurred.*

Integrated Health Building. The University requested \$165.7 million from new general obligation bonds for the November 2026 ballot for a new project to expand White Hall, the College of Nursing's current building, into an integrated health building through a 100,000 square-foot addition. The request programs \$10.3 million for FY 2028, \$28.9 million for FY 2029, \$62.1 million for FY 2030, and \$64.4 million for FY 2031.

The University currently graduates over 3,000 health care professionals per year, but notes that this is insufficient to meet current workforce demands. The College of Nursing's current infrastructure is at or near its limits. The expansion will include advanced simulation and skills labs, collaborative learning environments, faculty offices, and expanded classroom space. The project does not include renovating the existing White Hall building.

The Governor recommended \$105.0 million of general obligation bonds be submitted to voters on the November 2026 ballot. The University would have to reduce or modify the project's scope or find an alternative funding source.

The Assembly provided \$165.0 million of new general obligation bonds to be submitted to the voters on the November 2026 ballot. The total cost of the project, assuming a 5.0 percent interest rate and a 20-year term, is \$264.2 million with annual debt service of \$13.7 million, supported by general revenues.

Narragansett Bay Campus Shoreline Stabilization. The University requested \$6.4 million from multiple sources for a new project to reinforce the eroding shoreline at the Narragansett Bay campus. This project is a joint effort with the United States Army Corps of Engineers, which is committed to providing 65.0 percent of the funding. The project includes \$4.2 million from federal funds and \$2.2 million from Rhode Island Capital Plan funds. The request programs \$0.3 million for FY 2028, \$1.7 million for FY 2029, \$3.0 million for FY 2030, and \$1.5 million for FY 2031.

The University previously noted that the Bay Campus experienced increased shoreline erosion during 2024 as storms intensified, degrading the embankment by about six feet. This erosion has continued with each subsequent storm. This impacts the area directly adjacent to Pier Road, the only accessway to the new pier, which will house the future \$125.0 million Narragansett Dawn research vessel. Coastal Resources Management Council guidelines prohibit rebuilding what has already eroded. Further erosion could jeopardize the roadway from the campus to the pier, affecting future research operations. This was requested unsuccessfully last year. *The Governor recommended funding as requested. The Assembly concurred.*

Upper College Road Mix-Use Enabling. The University requested \$2.0 million from University funds for a new mixed-use development project on Upper College Road. The request includes \$0.2 million for FY 2026 and \$1.8 million for FY 2027. The project would relocate all occupants from the Adams House and Tucker House office buildings to the Carlotti Administration Building and Washburn Hall, with the latter undergoing renovations to accommodate increased occupancy. Renovations are expected to begin in the summer of 2026. Adams House and Tucker House will be demolished at the conclusion of the project to provide space on Upper College Road for a new hotel for campus guests, to be built by a third-party developer and not require capital financing. The University is currently working with an identified developer to negotiate a ground lease, subject to approval by the State Properties Committee. *The Governor recommended funding as requested. The Assembly concurred.*

Building Envelope Improvements. The University requested \$53.0 million from Rhode Island Capital Plan funds to repair building envelope systems across all campuses. This is \$38.0 million more than the approved plan, but consistent with the previous year's request. The current request programs \$3.0 million for FY 2026, and \$10.0 million each for FY 2027 through FY 2031. The approved plan is for \$3.0 million annually from FY 2026 through FY 2030. This project includes repairs and improvements to roofs, windows, and exterior cladding to improve indoor air quality, enhance energy efficiency, and enhance the campuses' appearance, which the University notes is a key marketing tool.

This project has similar elements to asset protection. However, there are currently 322 buildings under the University's control, and the asset protection currently supports only one roof replacement per year, which does not keep pace with the rate at which roofs deteriorate. The University has engaged architectural and engineering firms to develop plans based on the identified programmatic needs, with construction of some projects scheduled to commence in FY 2026. The University intends to prepare bid documents for roof replacement or repairs on 12 buildings, as well as window replacements and masonry repairs on several buildings, with completion determined by the availability of funding. *The Governor recommended \$21.0 million from Rhode Island Capital Plan funds, consistent with the approved plan of \$3.0 million annually through FY 2030, plus \$3.0 million for FY 2031 and the post-FY 2031 period. The Assembly concurred.*

Campus Accessibility. The University requested \$16.5 million from Rhode Island Capital Plan funds for an ongoing project to improve campus access for persons with disabilities. The request is \$9.5 million more than the approved plan, but consistent with the previous year's request. The current request programs \$2.3 million for FY 2026 and \$1.7 million for FY 2027, consistent with the approved plan. It also programs \$3.2 million each for FY 2028 through FY 2030, as compared to the approved \$1.0 million annually. The current request also programs \$2.8 million for FY 2031. Projects include restroom improvements, exterior pedestrian improvements, and discrete building improvements such as elevator modernizations.

Funding from the approved plan will cover sidewalk improvements, restroom renovations in five buildings, door opener installations, and two elevator replacements. With additional funding, the University intends to continue restroom improvements and replace the 19 campus elevators that are more than 30 years old, prioritizing these items based on the greatest student need and the rate of asset decline. *The Governor recommended \$9.0 million from Rhode Island Capital Plan funds, consistent with the approved plan of \$1.7 million for FY 2027 and \$1.0 million annually through FY 2030, plus \$1.0 million for FY 2031 and the post-FY 2031 period. The Assembly concurred.*

Fraternity Circle Master Plan. The University requested \$1.4 million from third-party funds for the second phase of a project to make road, utilities, and landscaping improvements to Fraternity Circle. Funding is consistent with the approved plan, but shifts the project's start by two years to FY 2027. Work for the second phase of the project includes the construction of pedestrian walkways, new site lighting, and recreational amenities. Construction for the first phase is complete, and phase two will commence once the third-party organizations assisting in funding the project, namely fraternities and sororities, indicate their desire to begin the work. *The Governor recommended funding as requested. The Assembly concurred.*

Academic Mechanical, Electrical, and Plumbing Improvements. The University requested \$25.9 million from Rhode Island Capital Plan funds for a project to make mechanical, electrical, and plumbing improvements in Fogarty and White halls. Funding is consistent with the approved plan and shifts the project end date one year to FY 2029. The request programs \$5.6 million for FY 2026, \$6.2 million for FY 2027, \$7.2 million for FY 2028, and \$0.8 million for FY 2029.

Fogarty Hall requires a new heating, ventilation, and air conditioning system, as well as several plumbing and electrical upgrades, while White Hall requires a new heating, ventilation, and air conditioning distribution system to properly link it to a boiler and chiller installed in the Richard E. Beupre Center for Chemical and Forensic Sciences building, which was sized to also serve White Hall. Construction has

begun for both buildings, with the new system for White Hall expected to be completed by summer 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Athletic Complex Renewal. The University requested \$83.1 million from all sources, including \$65.8 million from Rhode Island Capital Plan funds and \$17.3 million from private funding, to renovate six athletic facilities. The total request is consistent with the approved plan but shifts use of all private funds from FY 2026 to FY 2027 and FY 2028, and delays project completion by one year. The authorizing appropriation limits Rhode Island Capital Plan funds to 80.0 percent of the project total cost. As of the time of the request, the University has raised \$4.0 million of the \$17.3 million from private funding and is therefore not meeting the funding requirements. Renovations include Meade Stadium East Grandstands, Slade Track & Field, Beck Baseball Field, the softball field, Tootell Aquatics Center, and the soccer field. The project will also examine the potential of constructing a new boathouse for the rowing team. As of the time of the request, the University has completed replacing the synthetic turf on the baseball field and has made numerous repairs to the aquatics center. Funding is requested through FY 2028. *The Governor recommended funding as requested. The Assembly concurred.*

Automotive and Administration Services. The University requested \$14.4 million from revenue bonds to construct an addition to the central warehouse for mail and printing services, as well as a new replacement automotive repair building. The request aligns with the approved plan and programs \$1.3 million for FY 2027, \$5.0 million for FY 2028, and \$8.1 million for FY 2029.

The current automotive repair shop is in a building that was once an animal barn, which the University states is not conducive to the work currently being performed. In 2023, the University engaged a planning team that targeted the existing mail and printing services building as the best site for the new automotive building. Moving the mail and printing services to a new addition to the central warehouse will enable efficient use of space and facilitate potential cross-training. *The Governor recommended funding as requested, and his budget includes authorization for the Assembly to approve the \$14.4 million revenue bond. Annual debt service of \$1.3 million would be supported by the University's unrestricted general revenues, tuition, and fees. Total debt service would not exceed \$25.2 million. The Assembly concurred.*

Biomedical Sciences Building. The University requested \$90.1 million to construct a laboratory and research facility to expand the Ryan Institute for Neuroscience. The request is essentially consistent with the approved plan, requesting \$2.6 million from private funding, \$1.6 million more than the approved plan, and \$87.5 million from general obligation bonds approved by voters on the November 2024 ballot. The request also extends the project's end date by one year to FY 2029.

This past year, faculty in the basic and applied life sciences have been awarded more than \$52.8 million from federal and foundation funding to support their research. The facility's design is expected to begin at the beginning of 2026 and open by the end of 2028, though this will be confirmed during the design process. *The Governor recommended funding as requested. The Assembly concurred.*

Blue Technology Innovation Center. The University requested \$5.7 million from third-party financing to construct a Blue Technology Innovation Center on the Narragansett Bay Campus. The request is essentially consistent with the approved plan but increases total funding by \$0.5 million and delays the start of construction by one year to FY 2026. The University stated that it was waiting for the grant award from Rhode Island Commerce to commence this project. The award has now been made to the University of Rhode Island Research Foundation, and the University has begun discussions with the Foundation regarding a ground lease to support development of the Center. The funding source is a previously authorized general obligation bond, known as the Innovation Campus funding.

The new facility will include renovations and additions to the existing Ocean Technology Center on the Bay Campus. It will include a full suite of services to provide businesses with technology-based innovation

support and wrap-around services for new and established companies, focusing on helping establish pathways to business ownership and wealth-building for historically excluded communities. The facility will have laboratory spaces for collaborative prototyping, testing, and proof-of-concept builds; spaces for industry and academia to work with partners on design, modeling, and digital verification; rentable working modules; convertible and open meeting spaces for presentations; training programs; events, and office space for staff and key partners. *The Governor recommended funding as requested. The Assembly concurred.*

Brookside Apartments II. The University's request includes a \$169.6 million project to construct a new 500-bed apartment-style residence hall, designed similarly to Brookside Hall, which opened in January 2020. Funding includes \$163.1 million from revenue bonds and \$6.5 million from University funds, with funding programmed from FY 2026 through FY 2030. The request is essentially consistent with the approved plan and moves the project start one year to FY 2026. Assuming a 20-year loan and a 5.0 percent interest rate, the total debt service would be \$261.2 million, and the annual debt service would be \$13.5 million. Debt service on the bond will be supported by fees charged to students living there. This project will only be pursued if a financial close with the public-private partner, Gilbane Development Company, is not achieved by October. *The Governor's capital plan includes the requested funding; however, it was not intended to be included because the October closing had occurred. This was later corrected in an online errata document for the capital budget. The Assembly concurred with the corrected recommendation.*

Combined Health and Counseling Center. The University requested \$45.6 million from all sources for a project to combine its health services and the counseling center into a single facility, including \$33.6 million from revenue bonds and \$12.0 million from University funds. Funding is consistent with the approved plan, and the request shifts the completion date one year to FY 2029. The 2025 Assembly authorized \$33.6 million of debt for this project, an increase of \$4.6 million from its prior authorization. Debt service would be paid through health service fees, resulting in an additional annual cost of approximately \$215 per student. The University reports that the capacity of both facilities is insufficient to meet demand, as the separate facilities require duplication of support staff and medical recordkeeping. *The Governor recommended funding as requested. The Assembly concurred.*

Dining Facilities Improvements. The University requested \$5.3 million from University funds to renovate and expand the Hope Commons food delivery venue. Funding is consistent with the approved plan, but the end date is extended one year to FY 2028. The project focuses on the interior of the Hope Commons dining areas, including upgrades to building mechanical systems. The University has engaged an architectural and engineering firm that developed plans for the renovation, and construction is expected to begin in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Facilities Services Sector Upgrade. Consistent with the approved plan, the University requested \$13.0 million from revenue bonds to complete improvements to the service sector area, which houses operations and maintenance functions and stores equipment, furniture, and supplies. The plan calls for the demolition of the automotive garage, the lands and grounds building, the housing and residential life maintenance building, and the administrative services building. New facilities will accommodate equipment and furniture storage, automotive garages, and any necessary workshops within the facilities compound, while largely keeping operations out of public view.

The 2022 Assembly approved the revenue bonds, with annual debt service not expected to exceed \$1.2 million and a total cost not expected to exceed \$23.0 million, supported by revenues from the University's unrestricted budget, including general revenues and tuition and fees. The Board of Trustees approved the resolution to issue the bond at its September 23, 2022, meeting. The University intends to issue the bond in 2026, with construction commencing then, and anticipates completion in late 2028. *The Governor recommended funding as requested. The Assembly concurred.*

Fine Arts Center Renovation and Addition Phase II. The University requested \$80.5 million to complete the second phase of the renovations and enhancements to the 120,720-square-foot fine arts center on the Kingston Campus, which houses the musical, theatrical, visual, and graphic arts programs. The request includes \$57.3 million from general obligation bonds, \$16.0 million from Rhode Island Capital Plan funds, and \$7.2 million from University funds. The request omits \$13.0 million from Rhode Island Capital Plan funds spent prior to FY 2025 but is otherwise consistent with the approved plan.

Because of structural issues, audience spaces and other parts of the building are not compliant with the Americans with Disabilities Act; this project will address that as part of the renovations. Construction is underway, with an expected completion in late 2025, and the building is expected to open for the spring 2026 semester. *The Governor's capital budget includes the \$29.0 million from Rhode Island Capital Plan funds spent prior to FY 2026. Adjusted for this, the recommendation is consistent with the request.* **The Assembly concurred.**

Fire Protection - Auxiliary Enterprises Phase II. Consistent with the approved plan, the University requested \$2.7 million from revenue bonds and interest earnings programmed through FY 2026 for the second phase of a two-phase project to upgrade existing fire alarm systems and install fire-suppressing sprinkler systems in all auxiliary enterprise buildings that are not presently equipped with sprinkler and addressable alarm systems. Debt was issued in 2018 and is paid from auxiliary revenue sources. *The Governor recommended funding as requested.* **The Assembly concurred.**

Fire Protection - Academic Phase II. The University requested \$8.1 million from Rhode Island Capital Plan funds for the second phase of a two-phase fire protection project. The work is to install fire-suppressing sprinkler systems, upgrade or replace existing fire alarm systems, and implement recommended life safety improvements in academic and administrative buildings that are not presently equipped with sprinkler and addressable alarm systems. The request excludes \$8.4 million in pre-FY 2025 expenses; adjusting for this, it is essentially consistent with the approved plan and extends the project by one year to FY 2027. The request includes \$3.3 million for expenses prior to FY 2026, \$3.4 million for FY 2026, and \$1.3 million for FY 2027. The first phase is complete, and the University has reengaged a vendor to develop plans based on the identified code needs. Construction is now underway with planned completion in FY 2027. *Adjusted for \$8.8 million of pre-FY 2026 expenses, the Governor recommended funding as requested.* **The Assembly concurred.**

Memorial Union Renovation and Addition. The University requested \$126.0 million for the complete renovation of the Memorial Student Union, including the possibility of a 9,000-square-foot addition, as well as improvements to adjacent parking and landscaping. Funding is consistent with the approved plan, with the completion date shifted one year to FY 2030. The request includes \$118.0 million from revenue bonds and \$8.0 million from University funds. The 2025 Assembly increased the approved debt authorization by \$60.4 million to \$118.0 million. Total debt service funded through student fees is not expected to exceed \$272.0 million. The University estimates fees will increase by \$685 per year for undergraduates and \$465 per year for graduates, assuming a 30-year loan with an interest rate of 6.5 percent. Annual Memorial Union fees are currently \$464 for undergraduates and \$316 for graduate students.

The University states that the continued delay is a result of a student housing project taking priority. Once the housing project is complete, it will decide when the Memorial Union project will commence and adjust the project to align with the new schedule. *The Governor recommended funding as requested.* **The Assembly concurred.**

Narragansett Bay Campus Renewal - Phase I. Consistent with the approved plan, the University requested \$62.2 million for the first of three phases to complete a comprehensive renewal of the Narragansett Bay Campus. The first phase includes improvements to the existing pier and marine operations facilities, which are necessary to adequately support the new 198-foot research vessel awarded

by the National Science Foundation. Funding includes \$45.0 million from general obligation bonds approved by the voters in 2018, \$12.0 million from Rhode Island Capital Plan funds, \$0.7 million from private funding, \$2.4 million from third-party financing, and \$2.1 million from University funds. Parking and infrastructure construction have been completed; construction of the Ocean Robotics Laboratory has commenced, with an expected completion date in early 2026. *The Governor's capital plan includes \$12.0 million from approved Rhode Island Capital Plan funds for the Phase II project described below. Adjusted for this, the recommendation is consistent with the request. The Assembly concurred.*

Narragansett Bay Campus Renewal - Phase II. The University requested \$131.8 million for the second phase of a three-phase project to complete the comprehensive renewal of the Narragansett Bay Campus. The request is \$2.8 million more than the approved plan from private sources and extends the project by one year to FY 2029. Funding includes \$100.0 million from general obligation bonds approved by the voters on the 2022 ballot, \$25.0 million from Rhode Island Capital Plan funds, and \$6.8 million from private funding. The University expects construction of the Ocean Frontiers and Ocean Engineering Buildings to be completed in 2028, and the renovation of Watkins and the Ocean Technology Centers in early 2029. *The Governor's capital plan includes \$12.0 million from Rhode Island Capital Plan funds approved for Phase I of the project. Adjusted for this, the recommendation is consistent with the request. The Assembly concurred.*

PFAS Removal Water Treatment. Consistent with the approved plan, the University requested \$21.7 million from all sources, including \$20.0 million from Rhode Island Capital Plan funds and \$1.7 million from other funds, to construct a per- and polyfluoroalkyl substances water treatment plant. Legislation mandates that all public water supply systems do not exceed per- and polyfluoroalkyl substance contamination levels of 20 parts per trillion by July 1, 2023. The University awarded a design-build contract for the construction of phase one of a temporary water filtration plant, which was completed in the fall of 2024. This has resulted in the University's water measuring below the statutory limit of 20 parts per trillion. In addition, the University has issued a design/build/operate request for proposal to complete phase two of the permanent per- and polyfluoroalkyl substances water filtration plant. Finalization of the project is anticipated in December 2026. *The Governor recommended funding as requested. Based on updated spending plans, the Assembly revised the programming of Rhode Island Capital Plan funds, including removing \$4.5 million from FY 2026 and \$3.5 million from FY 2027, and adding \$8.0 million to FY 2028.*

Repaving and Hardscape Improvements. Consistent with the approved plan, the University requested \$20.0 million from revenue bonds from FY 2027 through FY 2029 for the fifth phase of its efforts to repave and reconstruct major parking facilities, internal roadways, and walkways. Work will take place on the Kingston, Narragansett, and Alton Jones campuses. The University has completed a full evaluation of all paved surfaces on the three campuses, and the architectural and engineering team has developed the selected projects, creating construction documents for implementation in the summers of 2027 through 2029.

The Governor recommended funding as requested, and his budget includes authorization for the Assembly to approve the \$20.0 million revenue bond. Annual debt service of \$1.7 million would be supported by the University's unrestricted general revenues, tuition and fees, and parking revenues. Total debt service would not exceed \$34.9 million. The Assembly concurred.

Repaving, Hardscape and Landscape. The University requested \$12.8 million from revenue bonds and interest earnings for the fourth phase of the effort to repave and reconstruct major parking facilities, internal roadways, and walkways. The request is essentially consistent with the approved plan, with interest earnings increasing the total funding by \$0.2 million and extending the project one year to FY 2026. Construction has been completed, and the University is in the final closeout phase of the project.

The 2018 Assembly authorized the bonds, with annual debt service of \$0.8 million and a total cost of \$16.9 million. Debt service is supported by parking fees for the project's parking lot portions; general revenues and tuition and fees support the road and walkway portion. The debt was issued in December 2018. *The Governor recommended funding as requested. The Assembly concurred.*

Soloviev Basketball Practice Facility. The University requested \$7.7 million from private funding for the conversion of the West Gym located in the Tootell Physical Education Center to a National Collegiate Athletic Association Division I men's and women's basketball practice facility, which will include a new entry, court, heating, ventilation, and air conditioning system, and lighting. The project is now complete and is in the final closeout phase. *The Governor recommended funding as requested. The Assembly concurred.*

Stormwater Management. The University requested \$4.7 million from Rhode Island Capital Plan funds for stormwater improvements to existing campus drainage systems through FY 2027. The request is essentially consistent with the approved plan and shifts project completion one year to FY 2027. The drainage improvements would provide additional storage volume and improve channel and pipe sizes and alignment, reducing the frequency of overtopping and flooding along White Horn Brook, Ellery Pond, and the adjacent areas that feed into these waterways. *The Governor recommended funding as requested. The Assembly concurred.*

Utility Infrastructure Upgrades - Phase I. The University requested \$7.5 million from revenue bonds to complete the first phase of the three-phase utility infrastructure upgrade project. The project involves replacing the steam/condensate, water, electrical, sanitary sewer, and stormwater management systems. The request is essentially consistent with the approved plan, with \$0.1 million in additional interest earnings, and extends the project's end to FY 2026. The request for all phases is \$34.7 million, including \$18.0 million for the second phase and \$9.2 million for the third phase. *The Governor recommended funding as requested. The Assembly concurred.*

Utility Infrastructure Upgrades - Phase II. The University requested \$18.0 million from revenue bonds supported by general revenues and tuition and fees for the second phase of the three-phase utility infrastructure upgrade project. This is essentially consistent with the approved plan and reflects a \$0.6 million increase in interest earnings. The 2022 Assembly authorized \$15.5 million from revenue bonds, with annual debt service not expected to exceed \$1.4 million, and a total cost not expected to exceed \$27.0 million. General revenues, tuition, and fees would support debt service.

The request for all phases is \$34.7 million, including \$7.5 million for the first phase and \$9.2 million for the third phase. The project involves replacing the steam/condensate, water, electrical, sanitary sewer, and stormwater management systems. *The Governor recommended funding as requested. The Assembly concurred.*

Utility Infrastructure Upgrades - Phase III. The University requested \$9.2 million from revenue bonds supported by general revenues, tuition, and fees for the final phase of the three-phase utility infrastructure upgrade project. The request is consistent with the approved plan and programs \$3.6 million for FY 2026 and \$5.6 million for FY 2027. The total request for all phases is \$34.7 million, including \$7.5 million for the first phase and \$18.0 million for the second. The project involves engineering and construction of upgrades and component replacements to the steam/condensate, water, electrical, sanitary sewer, and stormwater management systems. *The Governor recommended funding as requested. The Assembly concurred.*

White Horn Brook Apartments. Consistent with the approved plan, the University requested \$92.4 million for a six-story residence hall that will provide 500 new apartment-style beds for third- and fourth-year students. Funding includes \$85.2 million from revenue bonds, \$5.0 million from University funds,

\$2.0 million from interest earnings, and \$97,273 from third-party financing. The residence hall portion of the project is complete, and students have moved in as of the spring 2020 semester. The project is in the final closeout phase and is preparing a permanent space for facilities operations staff relocated during construction. *The Governor recommended funding as requested. The Assembly concurred.*

Allen Harbor Bulkhead and Dock Replacement. The University requested \$6.7 million from Rhode Island Capital Plan funds for a new project to replace the currently failed bulkhead at Allen Harbor and provide a new accessible boat dock. The request programs \$0.4 million for FY 2027, \$0.3 million for FY 2028, \$1.4 million for FY 2029, \$3.3 million for FY 2030, and \$1.3 million for FY 2031. The bulkhead replacement is part of the University's Narragansett Bay Campus Master Plan. The University has incurred \$0.4 million in emergency repairs for the failed bulkhead, which are scheduled to be completed during the summer of 2025. The University notes that these temporary repairs do not prevent or contain further storm damage, and that replacement remains necessary to protect and maintain access to boats that provide educational and research support. The five-year project completion period is based on input from the project engineer and reflects the more protracted nature of environmental approvals for shoreline construction activities. *The Governor did not recommend funding. The Assembly concurred.*

Carothers Library Heating, Ventilation, and Air Conditioning System Replacement. The University requested \$67.6 million from Rhode Island Capital Plan funds for a new project to replace the heating, ventilation, and air conditioning system in the Carothers Library. The request programs \$4.0 million in FY 2027, \$17.5 million in FY 2028, \$30.7 million in FY 2029, and \$15.4 million for FY 2030.

The initial core structure of the library was constructed in 1965 and renovated in two supplemental phases in the early 1990s. Many air handling units are original to the building, have well exceeded their expected 30-year lifetime, and are in relatively poor condition. This project would install a modern, energy-efficient system that will improve indoor air quality. This project was requested last year but was not recommended by the Governor or approved by the Assembly. *The Governor did not recommend funding. The Assembly concurred.*

New Graduate Housing. The University's request includes \$154.1 million from revenue bonds for a new project to construct a 200-bed graduate residence hall on the Kingston campus. The request programs \$8.8 million in FY 2027, \$28.6 million in FY 2028, \$57.7 million in FY 2029, and \$58.9 million in FY 2030. Assuming a 20-year term with a 5.0 percent interest rate, the total cost of the project would be \$246.8 million, with annual debt service of \$12.8 million, supported by dormitory fees. New graduate housing is part of the University's second goal in its 2023-2033 strategic plan, which is to increase graduate student enrollment and degree completion.

This project will only be pursued if its current plan with the public-private partner, Gilbane Development Company, is not achieved; although that seems unlikely, as it is scheduled to close at the end of October. This project was requested last year, but it was neither recommended by the Governor nor approved by the Assembly. *The Governor did not recommend funding. The Assembly concurred.*

New Water Tower. The University requested \$10.7 million from Rhode Island Capital Plan funds for a new project to design and construct a second water tower on the Kingston Campus. The request programs \$0.7 million for FY 2028, \$3.6 million for FY 2029, and \$6.5 million for FY 2030. The University states that construction of a second tower would provide the additional capacity necessary for both potable water and fire protection systems to support the campus's recent and future growth. In addition, this tower would provide redundancy when a tower must be taken offline for routine or emergency maintenance, as the neighboring water system, Kingston Water, lacks the capacity to meet campus water needs. This was unsuccessfully requested last year. *The Governor did not recommend funding. The Assembly concurred.*

Public Safety Building. The University requested \$48.3 million from Rhode Island Capital Plan funds for a new project to build a new facility for the University's public safety operations adjacent to the Ryan Center. The request programs \$5.2 million in FY 2027, \$9.0 million in FY 2028, \$21.6 million in FY 2029, and \$12.4 million in FY 2030. This project would consolidate these current facilities into a centrally located building. The cost estimate is based on one developed during the feasibility study. The project is expected to increase the operating budget by approximately \$0.4 million annually. This was unsuccessfully requested last year. *The Governor did not recommend funding.* **The Assembly concurred.**

Student Success Center. The University requested \$115.8 million from new general obligation bonds to go on the November 2028 ballot for the construction of a new Student Success Center on the Kingston Campus quadrangle, with funding beginning in FY 2030. The total cost, assuming 5.0 percent interest and a 20-year term, is \$185.4 million with annual debt service of \$9.6 million. The center will house several student support services, including the Academic Enhancement Center, the Academic Advising Center, the Center for Career and Experiential Education, the Writing Center, and Disability Student Services and Support. The new building will include a connection to Davis Hall, providing it with access to updated accessible restrooms and elevator support. *The Governor did not recommend funding.* **The Assembly concurred.**

Rhode Island State Council on the Arts

Projects	Status	5 Year Total	Project Total
Creative and Cultural Economy Bonds	Ongoing	\$ 9,000,000	\$ 46,000,000
Total		\$ 9,000,000	\$ 46,000,000
Sources of Funds			
General Obligation Bonds		\$ 9,000,000	\$ 46,000,000
Total		\$ 9,000,000	\$ 46,000,000

Summary. The Rhode Island State Council on the Arts requested \$46.0 million, including \$9.0 million for the five-year period and \$3.5 million for FY 2026, from general obligation bonds for the Creative and Cultural Economy Grants program, consistent with the approved plan. Funding includes \$30.0 million in general obligation bonds approved in 2014, another \$6.0 million approved in 2021, and \$10.0 million approved in 2024. The 2024 bond question allocates \$4.0 million for competitive grants and \$2.0 million each to projects for Tomaquag Museum, Newport Contemporary Ballet, and Trinity Repertory Company. The grant program opened on August 1, 2025, and closes on October 1, 2025; awardees will be notified in December 2025. The 2021 bond question allocated \$6.0 million for awards, including \$4.0 million to specific arts organizations and \$2.0 million on a competitive basis. In total, 24 organizations have received awards.

The request programs \$3.5 million for the current fiscal year, \$4.5 million for FY 2027, \$2.5 million for FY 2028, \$1.5 million for FY 2029, and \$0.5 million for FY 2030. *The Governor's recommendation reflects minor programming revisions between years but is consistent with the approved plan.* **The Assembly concurred.**

Rhode Island Atomic Energy Commission

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 260,000	\$ 781,030
Total		\$ 260,000	\$ 781,030
Sources of Funds			
Rhode Island Capital Funds		\$ 260,000	\$ 781,030
Total		\$ 260,000	\$ 781,030

Summary. The Rhode Island Atomic Energy Commission requested \$310,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island Nuclear Science Center in Narragansett. The request is consistent with the approved five-year plan and adds \$55,000 for FY 2031. The Commission divided asset protection projects into several categories to address the facilities' immediate and long-term needs. These include landscaping improvements, exterior renovations, interior renovations, mechanical systems, and capability upgrades. *The Governor recommended funding consistent with the approved plan and added \$55,000 for FY 2031 and the post-FY 2031 period.* **The Assembly concurred.**

Historical Preservation and Heritage Commission

Projects	Status	5 Year Total	Project Total
State Preservation Grants, Phase 2	New	\$ 5,000,000	\$ 5,000,000
State Preservation Grants	Ongoing	-	6,000,000
Old State House Renovation	Ongoing	-	500,000
Artifact Relocation	Ongoing	-	150,000
Total		\$ 5,000,000	\$ 11,650,000
Sources of Funds			
Federal Funds		\$ -	\$ 600,000
General Obligation Bonds - New		5,000,000	5,000,000
General Obligation Bonds		-	6,000,000
Rhode Island Capital Funds		-	50,000
Total		\$ 5,000,000	\$ 11,650,000

Summary. The Historical Preservation and Heritage Commission requested total capital expenditures of \$14.0 million for four projects. Funding includes \$0.6 million from federal funds, \$7.5 million in new general obligation bonds, \$5.8 million from previously approved general obligation bonds, and \$50,000 from Rhode Island Capital Plan funds. The request is \$7.2 million more than the approved plan for the five-year period. *The Governor's capital budget recommended \$11.7 million in total capital expenditures, including \$5.0 million in new general obligation bonds to be placed on the November 2026 ballot.* **The Assembly concurred.**

State Preservation Grants, Phase 2. The Commission requested \$7.5 million from a new general obligation bond to appear on the November 2026 ballot, allowing it to continue the State Preservation Grants program. The remaining funds from the 2021 general obligation bonds are set to be depleted by the end of FY 2026. The Commission requests the use of \$2.5 million over three years, beginning in FY 2027. *The Governor's capital budget recommended that \$5.0 million be placed on the November 2026 ballot. Funding is programmed for FY 2027 through FY 2029. The total cost, assuming a 5.0 percent interest rate and a 20-year term, is \$8.0 million, with an annual debt service of \$0.4 million, supported by general revenues.* **The Assembly concurred.**

State Preservation Grants. The Commission's request includes \$5.8 million from approved general obligation bonds for its State Preservation Grants program. Of the total, \$5.5 million has already been disbursed, and the remaining \$0.3 million from the 2021 general obligation bonds is programmed for FY 2026. The request is consistent with the approved plan, though the remaining funds are programmed for one year later. Voters also approved funding in 2002, 2004, and 2014 for capital preservation and renovation projects at public historic sites, museums, and cultural arts centers located in historic structures throughout the state. These are reimbursement grants that have matching requirements, as established by regulations in 2015. *The Governor's recommendation includes \$311,263 from the 2021 bonds and \$190,225 from the 2014 bonds, representing the final expenditures from these bonds in FY 2026.* **The Assembly concurred.**

Old State House Renovations. Consistent with the approved plan, the Commission requested \$0.5 million of carry-forward from federal funds programmed for FY 2026 for upgrades to the Old State House and its grounds. This funding was approved for FY 2025, but the Commission's request delays that by one year.

Work is intended to bring the Old State House into regulatory compliance, reopen the building to the public, and prepare the site for the country's 250th anniversary celebration. Subprojects include asbestos abatement, interior and exterior renovations, exterior ground restoration, historical research, and the installation of Americans with Disabilities Act-compliant bathrooms and elevator access for all levels of the building. *The Governor recommended funding as requested.* **The Assembly concurred.**

Artifact Relocation. Consistent with the approved plan, the Commission requested \$150,000 to catalog, organize, and transfer the state's neglected archaeological collections from the basement of the Old State House and other facilities to a central repository at the University of Rhode Island. These funds include a \$100,000 federal Congressionally Designated Spending grant and \$50,000 from Rhode Island Capital Plan funds being carried forward from FY 2025. This project includes laboratory supplies, operating costs, and physical and mechanical improvements to the storage facility. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of the Attorney General

Projects	Status	5 Year Total	Project Total
Equitable Sharing Capital Projects	Revised	\$ 1,050,000	\$ 1,470,000
Renovation and Asset Protection	Ongoing	5,025,000	6,937,199
Total		\$ 6,075,000	\$ 8,407,199
Sources of Funds			
Federal Funds		\$ 1,050,000	\$ 1,470,000
Rhode Island Capital Funds		5,025,000	6,937,199
Total		\$ 6,075,000	\$ 8,407,199

Summary. The Office of the Attorney General requested \$6.6 million for two projects, including \$3.6 million to be spent in the five-year period. The request includes the use of \$1.5 million from Federal Equitable Sharing funds, with \$1.1 million in the five-year plan. The remainder is from Rhode Island Capital Plan funds. *The Governor recommended \$3.6 million in the five-year period, essentially as requested. The Assembly provided total funding as recommended and shifted \$2.5 million from Rhode Island Capital Plan Funds from FY 2026 to later years.*

Equitable Sharing Capital Projects. The Office requested \$1.5 million from its \$60.0 million share of Federal Equitable Sharing funds for asset protection work and vehicle replacements. This source of federal funding is used to cover cleaning, maintenance contracts, minor interior repairs and renovations, and other expenses the U.S. Department of Justice deems allowable. This is \$0.2 million less than the approved plan to reflect the electric vehicle charging station being part of the Electric Vehicle Charging Station Plan funded by the Office of Energy Resources. *The Governor recommended funding as requested. The Assembly concurred.*

Renovation and Asset Protection. The Office requested \$5.2 million from Rhode Island Capital Plan funds for asset protection work for its 150 South Main Street building. The request includes funding consistent with the approved plan for projects at 180 South Main Street, which includes \$4.1 million for energy efficiency projects, including upgrades to the heating, ventilation, and conditioning system, window replacement, and a partial roof replacement. The request adds \$150,000 each to FY 2031 and the post-FY 2031 period. *The Governor recommended funding as requested, adjusted for \$1.8 million of prior-year spending excluded from the request. The Assembly shifted \$2.5 million from Rhode Island Capital Plan Funds from FY 2026 to later years, including \$1.5 million to FY 2027 and \$1.0 million to FY 2028, to reflect updated spending expectations.*

Department of Corrections

Projects	Status	5 Year Total	Project Total
Asset Protection	Revised	\$ 22,600,000	\$ 60,518,992
HVAC Replacement	Ongoing	25,700,000	41,600,000
Total		\$ 48,300,000	\$ 102,118,992
Sources of Funds			
Rhode Island Capital Funds		48,300,000	102,118,992
Total		\$ 48,300,000	\$ 102,118,992

Summary. The Department of Corrections requested \$536.4 million for the five-year period for total project costs of \$612.7 million. Funding in the five-year period includes \$514.5 million from Rhode Island Capital Plan funds, \$18.3 million from information technology funds, and \$3.5 million from State Fleet Replacement Revolving Loan funds. This is \$490.9 million more than the approved plan, including \$469.1 million for one new project, an information technology project, and fleet replacements. *The Governor recommended \$100.4 million from Rhode Island Capital Plan funds for two previously approved projects, including \$28.1 million for the five-year period. Compared to the approved plan, the recommendation is \$7.7 million less. The Governor subsequently requested an amendment to add \$1.7 million for FY 2027 to correct an inadvertent understatement. The Assembly provided total funding consistent with the amended recommendation, including \$48.3 million for the five-year period.*

Asset Protection. The Department requested \$57.5 million from Rhode Island Capital Plan funds for asset protection projects at various facilities, including \$4.1 million annually for the FY 2026 through the post-FY 2031 period. This adds \$19.1 million in historical spending, adds \$4.1 million for the post-FY 2031 period, and is otherwise consistent with the approved plan. Notable current year projects include \$4.5 million for roof replacements, \$2.1 million for security upgrades, and \$0.5 million for Centers for Disease Control warehouse renovations. Other planned work includes Intake facility exterior repairs, architectural and engineering work, and heating, ventilation, and complex-wide air conditioning system replacements. *The Governor recommended \$2.1 million more than requested for each FY 2026 and FY 2027 for rental costs of temporary chillers, heaters, and generators for Medium Security. The Assembly concurred.*

HVAC Replacement. The Department requested \$61.7 million from Rhode Island Capital Plan funds to replace heating, ventilation, and air conditioning systems at its facilities. It included the approved amount of \$41.1 million for work at the Intake Service Center but shifted \$2.0 million of unspent FY 2025 funds to FY 2026. The request also adds \$20.6 million for Medium Security, including \$0.6 million for FY 2026 and \$10.0 million each for FY 2027 and FY 2028. This reflects a preliminary timeline and replacement costs for the facility's heating and cooling system only, which failed in spring 2025 and is irreparable; these functions are currently provided by temporary equipment at a cost of around \$100,000 monthly. The Department unsuccessfully requested \$77.0 million in both FY 2025 and FY 2026 to upgrade the Medium Security system, noting a risk of system failure as it reached its end-of-life in FY 2026. However, it prioritized the Intake Service Center system, indicating ongoing control failures that triggered fire alarms and other issues for inmates and staff. Total requested funding is programmed at \$30.4 million for FY 2026, \$15.0 million for FY 2027, and \$10.0 million for FY 2028. *The Governor recommended \$1.2 million less than approved for work at the Intake Services Center only. He subsequently requested an amendment to add \$1.7 million for FY 2027 to correct the understatement. The Assembly provided \$41.6 million, consistent with the amended recommendation, programmed at \$7.4 million in prior year spending, \$8.5 million for FY 2026, \$19.8 million for FY 2027, and \$5.9 million for FY 2028.*

Master Plan. The Department requested \$469.1 million from Rhode Island Capital Plan funds for a new project to support its master plan for new facilities, consisting of two subprojects. The first is \$93.2 million for improvements necessary to close the Minimum Security facility and consolidate its population into the Medium Security facility. Average July 2025 occupancy was 136 at Minimum; Medium averaged 802 inmates, 384 below capacity. The Department included similar proposals as part of its constrained requests for years. The Governor's FY 2026 recommendation included a consolidation proposal and \$1.0 million to outfit space to maintain separation between the inmate populations. The Assembly did not concur after a March 2025 feasibility study indicated minimum costs of \$67.1 million for requisite upgrades, including a new entrance, changes to the perimeter fence, and new structures. The current request is based on the study and adjusted for inflation and anticipated planning expenses. Funds are programmed at \$5.3 million for FY 2027, \$27.3 million for FY 2028, \$29.5 million for FY 2029, and \$31.1 million for FY 2030.

The second project is \$375.9 million to consolidate the Maximum and High Security facilities on the current High Security site, based on a 25-year master plan developed by CGL Industries in FY 2020. Average July 2025 occupancy was 299 at Maximum Security and 77 at High Security. The new facility would contain 512 maximum security beds, 108 high security beds, 100 mental health beds, and 56 beds for a medical infirmary. The Department has unsuccessfully submitted similar requests for the past four years. The current request is \$24.2 million more than last year, which reflects a 7.0 percent inflationary adjustment. Funds are programmed at \$21.3 million for FY 2027, \$171.3 million for FY 2028, and \$183.3 million for FY 2029. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Vehicle Fleet. The Department requested \$5.3 million from the State Fleet Replacement Revolving Loan Fund for vehicle purchases and replacements. The plan reflects 19 vehicles purchased in FY 2026 and anticipating replacing all existing 123 vehicles by 2036. The request is \$0.1 million less than its FY 2026 capital request. The Department's FY 2026 enacted budget includes \$0.8 million for payments to the Fund. FY 2026 was the first year the Department submitted a vehicle fleet replacement plan as part of its capital request. Previously, it replaced vehicles on an ad hoc basis using general revenues. The request programs funds at \$1.2 million each for FY 2026 and FY 2027, \$0.6 million for FY 2028, \$0.5 million for FY 2029, and \$0.6 million annually for FY 2030 through the post-FY 2031 period. Funds to pay back the loan would have to be included in operating budgets beginning with FY 2027. *The Governor's capital recommendation does not contemplate vehicle replacements.* **The Assembly concurred.**

Information Technology Projects. The Department requested \$19.1 million, including \$3.3 million from general revenues and \$15.8 million from information technology restricted receipts, for a new information technology project comprising three distinct subprojects. The request includes \$18.5 million to replace the Inmate Facility Tracking System, allowing it to produce full offender records from intake to release and community supervision that must currently be combined manually. It also includes \$0.4 million to transition medical records to a cloud-based program for modern operating systems. The Department noted that its fiber optic infrastructure cannot handle modern data requirements, and its request includes \$0.3 million to conduct a study on replacement. The request programs funds at \$0.8 million for FY 2026, \$10.1 million for FY 2027, \$5.1 million for FY 2028, \$1.6 million for FY 2029, and \$1.5 million for FY 2030. *The Governor did not recommend funding specifically for this project.* **The Assembly concurred.**

Behavioral Management Unit. The Department's request excludes \$10.8 million from Rhode Island Capital Plan funds for a new behavioral management unit at Maximum Security. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a cell for 22 hours a day or more. The 2022 Assembly provided \$250,000 for a feasibility study, the 2023 Assembly provided 32.0 new associated positions, and the 2024 Assembly added \$10.3 million to construct a 50-inmate unit at High Security. The pilot Behavioral Management Unit program began in January 2025 at the Intake Service Center and can support 12 inmates. The Department is updating requirements based on feedback from court monitors, and it excluded these funds because it is confident that the courts will deem the pilot program sufficient. *The Governor concurred.* **The Assembly concurred.**

Judicial Department

Projects	Status	5 Year Total	Project Total
Licht Limestone Cleaning and Pointing	New	\$ 2,639,000	\$ 2,639,000
Judicial Complexes Asset Protection	Ongoing	7,600,000	22,776,549
Judicial Complexes - HVAC	Ongoing	2,500,000	11,905,561
Judicial Complexes - Fan Coil Unit Replacements	Ongoing	3,100,000	6,600,000
Garrahy Judicial Complex - Asset Protection	Ongoing	1,125,000	4,510,614
Licht Window and Masonry Repairs	Ongoing	3,045,000	3,045,000
Total		\$ 20,009,000	\$ 51,476,724
Sources of Funds			
Rhode Island Capital Funds		\$ 20,009,000	\$ 51,476,724
Total		\$ 20,009,000	\$ 51,476,724

Summary. The Judiciary requested capital expenditures of \$23.6 million from Rhode Island Capital Plan funds, including \$20.0 million for the FY 2027 through FY 2031 period, for six projects, one of which is new. *The Governor recommended funding as requested for the five-year period, shifted \$49,768 from unspent FY 2025 funds for FY 2026, and included \$27.8 million more of historical spending. The Assembly concurred.*

Licht Limestone Cleaning and Pointing. The Judiciary requested \$2.6 million from Rhode Island Capital Plan funds for a new project to renovate the exterior of Licht Courthouse. Work primarily consists of masonry repointing and cleaning, as well as gutter repairs. These repairs are necessary as a result of normal weathering and decay, and extend the useful life of the building by preventing mold and water damage. The request is based on a professional cost estimate, and funds are programmed at \$1.3 million each for FY 2028 and FY 2029. Work appears to be identical to the separately requested Licht Windows and Masonry Repairs project, but covers different portions of the facility. *The Governor recommended funding as requested. The Assembly concurred.*

Judicial Complexes Asset Protection. The Judiciary requested \$9.1 million from Rhode Island Capital Plan funds for the FY 2025 through FY 2030 period. The request excludes \$13.0 million of prior year funds, adds \$0.6 million for ongoing support for FY 2031, and is otherwise consistent with the approved plan. Planned projects include upgrades for the elevators, fire suppression and alarm system, security system, LED lighting replacements, and interior restoration. Funds are programmed at \$1.5 million annually for FY 2026 through FY 2029 and \$1.6 million for each FY 2030 and FY 2031. The Judiciary indicated that its request inadvertently understates FY 2026 funds by \$22,618, reflecting unspent prior year carryover. *The Governor recommended funding as requested, corrected the inadvertent understatement, and included \$13.7 million more of historical spending. The Assembly concurred.*

Judicial Complexes - HVAC. The Judiciary requested \$3.0 million from Rhode Island Capital Plan funds for the FY 2026 through FY 2031 period, programmed at \$0.5 million annually, for the ongoing replacement or restoration of the heating, ventilation, and air conditioning systems at the Licht, Garrahy, Murray, McGrath, and Noel judicial complexes, the Traffic Tribunal, and the Fogarty Judicial Annex. The Judiciary utilizes this funding to address ongoing issues as they arise, requesting funding indefinitely. The request excludes \$8.9 million of historical spending, adds \$0.5 million for ongoing support for FY 2031, and is otherwise consistent with the approved plan. *The Governor concurred and added \$5,885 from*

unspent FY 2025 funds to FY 2026, and included \$8.9 million more of historical spending. The Assembly concurred.

Judicial Complexes - Fan Coil Unit Replacements. The Judiciary requested \$3.6 million from Rhode Island Capital Plan funds for the FY 2026 through FY 2031 period to replace the fan coil units at the various complexes. The request excludes \$2.5 million of historical funding, adds annual funding of \$0.5 million for FY 2031, and is otherwise consistent with the approved plan. Many of the current fan coil units are approximately 30 years old, five years beyond their useful life. The Judiciary notes that replacement of the units will result in energy savings. *The Governor concurred, shifted \$3,082 from unspent FY 2025 funds to FY 2026, and included \$3.0 million more of historical spending. The Assembly concurred.*

Garrahy Judicial Complex - Asset Protection. The Judiciary requested \$2.3 million from Rhode Island Capital Plan funds to restore the interior of the Garrahy Judicial Complex. This includes repairing tiles, removing and replacing floors and carpets, sealing and repainting walls and ceilings, woodwork refinishing, and employee bathroom upgrades. The request excludes \$2.3 million of historical spending and is otherwise consistent with the approved plan. The Judiciary indicated that its request inadvertently understates FY 2026 funds by \$18,183, reflecting unspent prior year carryover. *The Governor recommended funding as requested, corrected the inadvertent understatement, and included \$2.3 million more of historical spending. The Assembly concurred.*

Licht Window and Masonry Repairs. The Judiciary requested \$3.0 million from Rhode Island Capital Plan funds, including \$1.5 million each for FY 2028 and FY 2029, for window and masonry repairs to the Licht Judicial Complex. The Judiciary reports that this is decennial maintenance and distinguishes this work from asset protection based on anticipated cost, scope, and recurrence. The request excludes \$1.3 million of historical funding and is otherwise consistent with the approved plan. Work appears to be identical to the separately requested Licht Limestone Cleaning and Pointing project, but covers different portions of the facility. *The Governor recommended funding as requested. The Assembly concurred.*

Military Staff

Projects	Status	5 Year Total	Project Total
Air National Guard Asset Protection	Revised	\$ 4,428,000	\$ 12,967,038
Army National Guard Asset Protection	Revised	48,470,580	97,877,513
Repair Squadrons Operations Facility	Revised	2,800,000	3,400,000
Sun Valley Armory Addition	Revised	-	7,527,610
Aviation Readiness Center	Ongoing	33,687,551	61,953,068
Counter Drug Training Facility	Ongoing	-	8,449,766
Quonset Airway Runway Reconstruction	Ongoing	-	61,059,003
Quonset Air National Guard Headquarters Facility	Ongoing	-	39,880,297
Total		\$ 89,386,131	\$ 293,114,295
Sources of Funds			
Federal Funds		\$ 61,145,903	\$ 242,214,985
Rhode Island Capital Funds		28,240,228	50,899,310
Total		\$ 89,386,131	\$ 293,114,295

Summary. The Military Staff requested a total of \$295.7 million for eight projects. Funding in the five-year period includes \$57.6 million from federal funds and \$23.6 million from Rhode Island Capital Plan funds. This is \$2.2 million less than the approved plan over the five-year period, including \$1.6 million less from federal funds and \$0.6 million less from Rhode Island Capital Plan funds. *The Governor recommended \$289.0 million for the eight requested projects. This is \$6.7 million less than requested, including \$4.3 million less for the five-year period.*

He subsequently requested an amendment to increase federal funds by \$0.6 million for FY 2026 and \$3.5 million for FY 2027 for one asset protection project to reflect updated information. The Assembly shifted funding for two projects based on updated schedules and concurred with the remainder of the amended recommendation.

Air National Guard Asset Protection. The Military Staff requested \$4.4 million from federal funds for the five-year period for Air Force asset protection projects. The agency identified 14 items, including repairs and upgrades to existing infrastructure, energy efficiency projects, and a project to renovate a facility to support defense research through the University of Rhode Island. Compared to the approved plan, the request is \$1.2 million less, including \$4.6 million less for the five-year period, and adds \$0.5 million for the post-FY 2031 period. This decrease largely reflects the completion of some work, revisions to costs and priorities for others, and cancellations of certain projects. Annual asset protection funding is designed to be flexible for changing priorities without increases in any given year. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Army National Guard Asset Protection. The Military Staff requested \$47.4 million from all sources for the five-year period for Army asset protection projects, including \$31.3 million from federal funds and \$16.0 million from Rhode Island Capital Plan funds. The agency identified 11 distinct items, including repairs and upgrades to heating, ventilation, and air conditioning systems, interiors, roadways, and energy efficiency projects. Compared to the approved plan, the request is \$24.4 million more, including \$9.1 million more for the five-year period. It includes \$3.7 million less from prior year spending and adds \$7.0 million from all sources for FY 2026, as well as \$12.1 million from all sources for the post-FY 2031 period.

The Military Staff indicated that this increase primarily reflects the addition of two new projects, as well as the increased size and scope of prior planned work, including certain work for which no federal funding is available. Annual asset protection funding is designed to be flexible for changing priorities without increases in any given year. *The Governor recommended \$6.6 million less than requested from Rhode Island Capital Plan funds, including \$4.3 million for the five-year period, which largely reflects the omission of work for which no federal funding is available.*

*He subsequently requested an amendment to increase federal funds by \$0.6 million for FY 2026 and \$3.5 million for FY 2027 to replace water supply infrastructure at the Army National Guard Readiness Center in Coventry and to connect the facility to the Kent County Water Authority municipal water system. **The Assembly shifted \$1.9 million from Rhode Island Capital Plan funds from FY 2026 to FY 2027 to reflect the timing of expenses for certain projects and concurred with the remainder of the amended recommendation.***

Repair Squadron Operations Facility. The Military Staff requested \$3.4 million, including \$2.8 million from federal funds and \$0.6 million from Rhode Island Capital Plan funds, to renovate and upgrade the Air National Guard's Repair Squadron Operations Facility in Quonset. The request includes funding consistent with the approved plan but extends completion by two years to FY 2029 to reflect federal fund disbursement. The structure is designed to accommodate maintenance and mission control for C-130J transport planes. Work includes the replacement of the roof and exterior seals to address leaks, which are causing structural damage. Pending federal authorization, the project may also include a backup power source, interior renovations, and heating, ventilation, and air conditioning system repairs. *The Governor recommended funding consistent with the request. **The Assembly concurred.***

Sun Valley Armory Addition. The Military Staff requested \$7.6 million, including \$6.9 million from federal funds and \$0.8 million from Rhode Island Capital Plan funds, to construct additional armory and storage space at the Sun Valley Armory. The request is \$0.5 million more from federal funds than the approved plan and extends completion one year to FY 2026 to reflect a change order request to bring electrical and fire alarms into compliance with current codes. Construction began in 2024 and is expected to be complete in late summer 2025. The Military Staff indicated that the current facility lacks space for sensitive equipment and egress routes, currently doubling as additional storage space, posing a safety hazard. It further indicated that National Guard members do not have the necessary training space inside; outside training limits opportunities and exposes sensitive equipment to damage. State funds will be required for any unforeseen changes in construction and design costs above federal appropriations. *The Governor's recommendation excludes \$0.1 million from prior-year Rhode Island Capital Plan funds but is consistent with the remainder of the request. **The Assembly concurred.***

Aviation Readiness Center. The Military Staff requested \$62.0 million, including \$46.4 million from federal funds and \$15.6 million from Rhode Island Capital Plan funds, to construct a National Guard Readiness Center that supports the training, administrative, and logistical requirements of the 1-126 Aviation Unit of the Rhode Island Army National Guard. The request is \$5.4 million less from federal funds than the approved plan to reflect the updated federal share of construction costs, which are overstated in the enacted budget. The Military Staff currently utilizes three facilities that were not designed for military purposes, and two of the facilities do not meet minimum anti-terrorism and force protection requirements set by the Department of Defense. The new facility will be on state-owned land at Quonset Point Airport, and construction was scheduled to begin in FY 2026.

This project is included in the Department of Defense's five-year Future Year Defense Program for 75.0 percent of construction costs. The original plan assumed a federal share of 95.0 percent of construction costs; however, in July 2024, the National Guard Bureau changed the cost share of federal funds for construction costs to the current rate. The Governor's FY 2026 recommendation retained the old rate; subsequently, he requested an amendment to add \$11.9 million from Rhode Island Capital Plan funds to

reflect an increased cost estimate, as well as the increased state share. The 2025 Assembly concurred, but did not adjust federal funds. *The Governor recommended funding essentially consistent with the request. The Assembly shifted \$7.0 million from Rhode Island Capital Plan funds from FY 2026 to FY 2028 to reflect an updated project schedule.*

Counter Drug Training Facility. The Military Staff requested \$8.4 million through FY 2026, including \$3.0 million from Rhode Island Capital Plan funds and \$5.4 million from federal funds, to construct a new counter drug training facility at Camp Fogarty in East Greenwich, consistent with the approved plan. Federal funds are available from asset forfeitures generated from the Rhode Island National Guard's counter drug activities and are part of the state's overall Google settlement. The facility would provide administration, classroom, storage, and barracks space to support counter drug training activities. A construction contract was awarded in 2024; the project broke ground in spring 2025, with completion expected in spring 2026. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Quonset Airway Runway Reconstruction. The Military Staff requested \$61.1 million, including \$58.0 million from federal funds and \$3.1 million from Rhode Island Capital Plan funds, to upgrade runway 16-34 at Quonset State Airport. The request is \$3.0 million more from federal funds than the approved plan to reflect a change order submitted by the Rhode Island Airport Corporation for runway instrumentation. The agency utilizes the Quonset State Airport for military operations, including training and aviation operations. According to the Military Staff, the airport's runway requires repairs and does not currently meet military regulations for safety overruns, taxiway separation, pavement type, and taxiway width. The project would permit the runway to accommodate most military aircraft. State funds represent administrative costs of the Airport Corporation and a 5.0 percent required match for federal funds provided through the Air National Guard and the Federal Aviation Administration. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Quonset Air National Guard Headquarters Facility. The Military Staff requested \$39.9 million, including \$36.9 million from federal funds and \$3.0 million from Rhode Island Capital Plan funds, to construct an operations, training, medical, and dining facility on an empty lot at the Quonset Air National Guard Base. The request is \$1.3 million more than the approved plan from federal funds to demolish the current facility upon construction completion. Leadership, medical, and support staff will relocate from the current facility, which the Military Staff indicated will substantially lower energy, maintenance, and other costs.

Design work was fully funded by the National Guard Bureau and completed in FY 2023. Construction began in FY 2024 and was completed in August 2025. Demolition of the current facility was scheduled to begin in September 2025 and be completed in FY 2026. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Rhode Island Emergency Management Agency

Projects	Status	5 Year Total	Project Total
Mobile Command Post	New	\$ 3,218,908	\$ 3,218,908
Rhode Island Statewide Communications Network Infrastructure Upgrades	Revised	345,000	3,124,804
RISCON Tower Replacement	Revised	1,100,000	2,150,000
State Emergency Operations Center Upgrade	Ongoing	-	604,657
Total		\$ 4,663,908	\$ 9,098,369
Sources of Funds			
Rhode Island Capital Funds		\$ 4,663,908	\$ 9,098,369
Total		\$ 4,663,908	\$ 9,098,369

Summary. The Rhode Island Emergency Management Agency requested capital project expenditures totaling \$114.2 million, all from Rhode Island Capital Plan funds. The request includes five projects, of which two are new. The request programs \$113.2 million to be spent in the FY 2027 through FY 2031 period. *The Governor recommended \$9.1 million, including \$4.7 million over the five-year period for four projects, including the new Mobile Command Post.* **The Assembly concurred.**

Mobile Command Post. The Agency requested \$3.2 million from Rhode Island Capital Plan funds for a new Mobile Emergency Operations Center/Mobile Command Post vehicle. The request programs all funding for FY 2027. The Mobile Command Post unit has a variety of functions, including an on-scene command center, a communication nexus, a resource coordinator, and a training facility. The Agency states that the current vehicle, acquired in 2003, has reached the end of its operational lifespan, leading to significantly increased maintenance costs, persistent mechanical failures, and obsolete technology. Additionally, as the parts for the vehicle are no longer manufactured, custom replacement parts must be built. The agency stated that a new Mobile Command Post vehicle will improve capacity and functionality and create redundancies to avoid single points of failure. The new vehicle will have an expected operational lifespan of 20 years. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island Statewide Communications System Network Infrastructure Upgrades. The Agency requested \$1.1 million from Rhode Island Capital Plan funds to conduct equipment and hardware upgrades to increase the capabilities of the statewide communications system network. This request excludes \$2.4 million of pre-FY 2026 expenditures. Adjusting for this, the request is \$0.6 million more than the approved plan, which will be used to replace and upgrade approximately five miles of aging fiber optic, install new power supply units for redundancy at three tower sites, and acquire specialized equipment to integrate new and old systems. The new funding is proposed with \$0.3 million each in FY 2027 and FY 2028.

The network is a radio system used to expedite emergency phone calls and disaster-related communications throughout the state. This project includes replacing propane generators, adding generators to sites, providing more resilient fiber cable connections, adding repeaters to extend the range of communications, and hardening current security, lighting, and camera systems. The Agency has stated that some of these funds will be used for outfitting new towers built by the Rhode Island Statewide Communications System Network Tower Replacement project, but has not specified the amount. *The Governor recommended the \$0.3 million increase for FY 2027 only and showed \$2.4 million in prior spending that was excluded from the request.* **The Assembly concurred.**

RISCON Tower Replacement. The Agency requested \$1.8 million from Rhode Island Capital Plan funds to replace Rhode Island Statewide Communications System Network communication site towers. This request excludes \$0.5 million of FY 2024 expenditures. Adjusting for this, the request is \$1.3 million more than the approved plan, extends the project's end date to FY 2030, and adds funding for two more towers.

The \$0.6 million for FY 2026 will support construction of a tower in Westerly, while the two additional towers will be constructed in FY 2028 and FY 2030 for \$0.6 million and \$0.7 million, respectively, at sites to be determined. The Agency notes that the project is for the foundation and the tower structure only. Additional funding for the outfitting of the towers will be borne by a combination of Rhode Island Capital Plan funds through the Rhode Island Statewide Communications System Network Infrastructure Upgrades project and federal grants, which have not been identified by the Agency.

The Governor recommended \$0.2 million less than requested in the five-year plan and shows \$0.5 million in prior spending excluded from the request. His recommendation includes funding for new structures in FY 2028 and FY 2030 but assumes lower costs consistent with those programmed for the Westerly tower in FY 2026. The Assembly concurred.

State Emergency Operations Center Upgrade. The Agency requested \$64,000 from Rhode Island Capital Plan funds for FY 2026 to complete upgrades to the State Emergency Operations Center. This request shifts unspent FY 2025 funds to FY 2026. Funding for FY 2025 was intended to replace a generator and fuel tank. The remaining funding will be used to replace security system infrastructure, a glass wall and sliding door, conference room chairs, and to provide new operations center workstation batteries and hardware. *The Governor recommended funding as requested and showed \$0.5 million in prior spending that was excluded from the request. The Assembly concurred.*

Operations Building and Warehouse. The Agency requested \$108.0 million from Rhode Island Capital Plan funds to construct a new Rhode Island Emergency Management Agency facility on the Pastore Complex in Cranston. The request programs \$4.1 million for FY 2027, \$23.1 million for FY 2028, \$60.5 million for FY 2029, and \$20.3 million for FY 2030. This request comes in response to a feasibility study conducted by the Division of Capital Asset Management and Maintenance in 2025. The project seeks to address the current facility's inability to house staff in one location on a day-to-day basis and during an emergency, and improve emergency response capabilities. This new facility would include a State Emergency Operations Center, an E-911 Backup Public Safety Answering Point, and a Land Mobile Radio communication warehouse. This move would entail the agency vacating its current headquarters at 645 New London Avenue in Cranston. *The Governor did not recommend funding for this project. The Assembly concurred.*

Department of Public Safety

Projects	Status	5 Year Total	Project Total
Asset Protection	Ongoing	\$ 4,770,000	\$ 12,970,326
Microwave System Replacement	Ongoing	-	1,197,002
New Southern Barracks	Ongoing	-	41,355,535
Portsmouth Barracks	Ongoing	-	86,510
Training Academy Upgrades	Ongoing	2,935,000	7,137,391
Total		\$ 7,705,000	\$ 62,746,764
Sources of Funds			
Rhode Island Capital Funds		\$ 7,705,000	\$ 62,746,764
Total		\$ 7,705,000	\$ 62,746,764

Summary. The Department of Public Safety requested capital project expenditures totaling \$104.2 million, of which \$53.4 million will be used in the five-year period, FY 2027 through FY 2031. The request includes eight projects, of which two are new. Funding in the five-year period includes \$7.4 million from general revenues, \$1.2 million from restricted receipts, and \$44.8 million from Rhode Island Capital Plan funds. *The Governor recommended a total of \$50.3 million from Rhode Island Capital Plan funds, with \$7.7 million to be spent in the five-year period. This inadvertently omits \$12.5 million of unspent funds from FY 2025. The Governor subsequently requested an amendment to restore those funds for FY 2026. The Assembly concurred with the amended recommendation.*

Asset Protection. The Department requested \$7.9 million from Rhode Island Capital Plan funds for various asset protection projects. The request programs \$4.8 million from FY 2027 to FY 2031, and \$3.1 million for FY 2026, which includes \$1.8 million in carryforward funding from FY 2025. The request is \$1.8 million more than the approved plan. The increase includes a \$0.7 million Door Access Controls and Swipe System Maintenance subproject that has been shifted from the information technology project because the Office of Management and Budget considered the renovations part of existing structures, not separate equipment. The request also adds \$0.4 million for FY 2030 to match the approved amount for FY 2029 and adds an additional year of funding for FY 2031.

Projects include upgrades to communication towers, restoration and improvements to buildings at State Police Headquarters, and addressing health and safety issues at various barracks. The reappropriation of FY 2025 funding is to close out the Richard Rhode House, the Radio Bureau, roof asset protection, and the decommission reserve for the Hope Valley and Wickford Barracks. The request programs \$3.0 million for FY 2026, \$1.3 million for FY 2027, \$1.3 million for FY 2028, and \$0.7 million each for FY 2029 through FY 2031. *The Governor recommended funding as requested and added \$0.7 million for the post-FY 2031 period. He showed \$4.4 million in prior spending not reflected in the request. The Assembly concurred.*

Microwave System Replacement. Consistent with the approved plan, the Department requested \$1.2 million from Rhode Island Capital Plan funds for the Rhode Island Statewide Communications Network's microwave system replacement. Installation of the new system was completed in FY 2022, and the Department established a five-year payment plan with the project's contractor. The request reflects the remaining \$0.2 million payment for FY 2026. *The Governor's capital plan excludes the FY 2026 payment. The Governor requested an amendment on February 10 to add \$0.2 million for FY 2026. The Assembly concurred.*

New Southern Barracks. Consistent with the approved plan, the Department requested \$41.4 million from Rhode Island Capital Plan funds for the construction of a new Southern Barracks in West Greenwich. The project will establish a modern facility located in the southern part of the state and improve public access to State Police facilities. The Wickford and Hope Valley barracks' staff and activities will be reassigned to the new southern barracks, and the assets will revert to the Department of Administration. This project has undergone several cost and scope revisions since approval. As of July 30, 2025, construction is approximately one-third complete, with substantial completion estimated for June 6, 2026. *The Governor's capital plan is \$12.2 million less than approved, unintentionally omitting carryforward from FY 2025. The Governor requested an amendment on February 10 to correct the error.* **The Assembly concurred.**

Portsmouth Barracks. The Department requested \$12.4 million from Rhode Island Capital Plan funds to rehabilitate the Portsmouth Barracks. The project programs \$3.8 million for FY 2027, \$6.8 million for FY 2028, and \$1.6 million for FY 2029. The project also includes \$86,510 that was used to conduct a feasibility study prior to FY 2026. Funding was approved for this project as part of the FY 2025 enacted budget but was not requested by the Department for FY 2026. A needs assessment was completed in March 2025, which confirmed the need for the Portsmouth Barracks to be reopened. Renovating the Portsmouth Barracks will enable the State Police to reopen the facility and allow the Department to address its strategic goals of reestablishing a fixed presence on Aquidneck Island to deliver police services to residents of the East Bay area.

The cost per square foot is approximately twice that of the new Southern Headquarters and Training Academy Field House projects. The Department stated this is because of the increased costs associated with restoring a historic building, including compliance requirements such as removing hazardous materials, wastewater regulations, accessibility, and ligature risks. The Department further noted that gutting and renovating an older building to preserve its historic character is often less cost-effective than new construction. This is reflected in cost estimates the Department provided, along with a memo from the Rhode Island Historical Preservation and Heritage Commission. *The Governor did not recommend the project; his plan reflects the \$86,510 already spent.* **The Assembly concurred.**

Training Academy Upgrades. The Department requested \$4.6 million from Rhode Island Capital Plan funds for rehabilitation projects at the State Police Training Academy. The request includes \$3.0 million in the five-year plan and \$1.5 million for FY 2026. The request is essentially consistent with the approved plan and extends the project one year to FY 2031. This project includes classroom renovations, replacement of current storage facilities, upgrades to the firing range, and a feasibility study for an Emergency Vehicle Operators Course, as the current agreement with the Rhode Island Airport Corporation expired in FY 2023. Currently, the Department uses facilities in Massachusetts for this training. Although this course is free to reserve, the Department spends an average of \$4,702 per week on housing, and additional costs for instructor overtime and transportation. Furthermore, the location does not allow the Department to meet the required training speeds. *The Governor recommended funding as requested for the five-year period and added \$150,000 for the post-FY 2031 period.* **The Assembly concurred.**

Information Technology. The Department requested \$2.0 million from all sources to upgrade technology. This includes \$0.3 million from general revenues and \$1.7 million from restricted receipts. The request is \$0.4 million less than the approved plan, including \$0.7 million less from general revenues and \$0.3 million more from restricted receipts. The request moves the video walls upgrade from FY 2025 to FY 2026 and reallocates \$0.7 million from the Door Access Controls and Swipe System Maintenance subproject to the asset protection project. This was done in consultation with the Office of Management and Budget, which determined that, since the components are within the building's structure and are not separate equipment replacements, they fall under asset protection. The remaining subprojects are consistent with the approved plan. The request includes \$0.6 million for FY 2026, \$0.2 million for FY 2027, \$0.3 million for FY 2028, \$0.3 million for FY 2029, \$0.5 million for FY 2030, and \$0.3 million for FY 2031. Expenses over the five-

year period total \$1.5 million. *The Governor did not include this project in his capital plan, but his operating budget includes funding for the video wall upgrade in FY 2026.* **The Assembly concurred.**

Training Academy Field House. The Department requested \$24.8 million from Rhode Island Capital Plan funds for a new project to build a State Police Training Academy Field House. The request programs \$2.9 million for FY 2027, \$17.0 million for FY 2028, and \$4.9 million for FY 2029. The scope and funding for the Field House are consistent with the 2025 feasibility study and would provide adequate space to conduct State Police, Municipal Training Academy, Capitol Police, Division of Sheriffs, and National Guard trainings and classes, in addition to acting as a climate-controlled storage space for equipment and ammunition, and providing a dedicated firearms simulator room. The facility will be constructed on the State Police Training Academy property.

The Department states that the current facility lacks sufficient space to accommodate the number of recruits who use it, and that the lack of climate-controlled storage has led to ongoing ammunition issues that have ultimately caused misfires and jams. All but two structures on the academy's grounds will remain or be repurposed at headquarters. *The Governor did not recommend funding.* **The Assembly concurred.**

State Police Body-Worn Cameras and Vehicle Cameras. The Department requested \$10.0 million, including \$0.3 million from federal funds and \$9.7 million from general revenues, for body and vehicle cameras, and replacement tasers. The revised request is \$6.5 million more than the approved plan and extends the project by four years to FY 2031. The project includes the existing contract for 155 body-worn and vehicle cameras issued to the State Police, the additional 40 cameras for Trooper Trainees who attended the 2024 State Police Training Academy, and a new bundled contract for body-worn and vehicle cameras, as well as replacement tasers.

The new contract, based on the Axon Taser contract, which expires in April 2026, will cost approximately \$6.4 million and reduce the total cost by approximately \$0.2 million. Tasers have not previously been included in the project and account for approximately \$3.5 million of the requested funding increase. The Department stated that it could still use the bundled contract if funding was included in the operating budget. *The Governor did not recommend funding in the capital plan but did include \$600,000 from general revenues in the FY 2027 operating recommendation for a new five-year bundled taser and body-worn camera contract.* **The Assembly concurred.**

Department of Environmental Management

Projects	Status	5 Year Total	Project Total
Brownfields Remediation	Revised	\$ 11,802,739	\$ 26,000,000
Galilee Piers	Revised	40,376,594	99,371,059
Facilities Asset Protection	Revised	3,160,000	7,320,926
Farmland Development Rights Acquisition	Revised	7,501,355	17,500,000
Local Recreation Development Grants	Revised	7,882,015	22,000,000
Marine Infrastructure/Pier Development	Revised	3,090,000	7,529,382
Narragansett Bay and Watershed Restoration	Revised	9,287,381	22,500,000
Natural Resource Offices and Visitor's Center	Revised	4,186,709	5,215,909
Recreational Facility Improvements	Revised	47,582,058	104,721,352
State Land Acquisition - Open Space	Revised	4,594,365	38,000,000
Big River Management Area	Ongoing	2,916,000	2,916,000
Coastal Resiliency	Ongoing	2,419,332	7,000,000
Dam Repair	Ongoing	21,511,030	26,296,129
Fish and Wildlife Facilities	Ongoing	2,600,000	3,966,403
Flood Prevention	Ongoing	845,226	3,000,000
Forest Conservation and Habitats	Ongoing	4,650,000	8,000,000
Fort Adams Trust	Ongoing	2,500,000	5,574,263
Local Land Acquisition Grants	Ongoing	1,110,519	4,000,000
Natural and Working Lands	Ongoing	1,223,987	3,000,000
Newport Cliff Walk	Ongoing	2,000,000	3,000,000
Newport Piers	Ongoing	1,387,328	2,320,119
Roger Williams Park and Zoo	Ongoing	5,000,000	12,000,000
State Bikeway Development	Ongoing	1,796,576	15,000,000
Stormwater Pollution Prevention	Ongoing	334,010	3,000,000
Wastewater Treatment Facility Resilience Improvements	Ongoing	720,170	5,000,000
Woonasquatucket River Watershed Council	Ongoing	859,221	2,000,000
Total		\$ 191,336,615	\$ 456,231,542
Sources of Funds			
Federal Funds		\$ 10,742,256	\$ 27,186,727
General Obligation Bonds - New		30,000,000	30,000,000
General Obligation Bonds		57,431,896	207,000,000
Rhode Island Capital Funds		93,162,463	192,044,815
Total		\$ 191,336,615	\$ 456,231,542

Summary. The Department of Environmental Management requested a total of \$378.5 million, of which \$204.4 million will be used from FY 2027 through FY 2031 for 26 capital projects. The request includes one new project and revisions to ten existing projects. Funding in the five-year period includes \$10.7 million from federal funds, \$57.0 million from approved general obligation bonds, \$45.0 million from general obligation bonds for a future ballot, and \$91.7 million from Rhode Island Capital Plan funds. *The Governor recommended \$442.3 million, including \$174.8 million in the five-year period.*

The Governor requested an amendment to transfer part of the Big River Management Area project to the Department from the Department of Administration, consistent with his proposed transfer of that management authority. The Assembly added \$10.0 million for three additional projects to be placed on the November 2026 ballot. It also revised some programming based on updated plans and concurred with the remainder of the amended recommendation.

Brownfields Remediation. The Department requested \$26.5 million from all sources to provide 80.0 percent matching grants to public, private, and nonprofit entities for brownfields remediation projects at abandoned industrial sites. Brownfields include any property that cannot be developed, expanded, or reused due to the presence of an environmental hazard. Funding is used to investigate the types of hazardous materials present and to assist in the remediation of new sites. The request includes \$23.0 million from general obligation bonds previously approved by the voters, and \$3.5 million from new bonds to be approved by the voters in November 2026. The \$5.0 million allocated from the 2024 referendum remains unissued, and no active projects are using these funds. Of the \$23.0 million authorized in the past decade, \$7.5 million remains available. *The Governor recommended \$3.0 million from general obligation bonds to go before voters in November 2026, \$0.5 million less than the request. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.2 million; the total cost would be \$4.8 million. The Assembly concurred.*

Galilee Piers. The Department requested \$66.4 million for pier replacements and infrastructure improvements for the Port of Galilee, including a new request for the replacement of State Pier 4. Other ongoing asset protection projects include routine maintenance of piers, bulkheads, utilities, and landslide improvements to maintain the working order of the Port. The request includes \$51.3 million from Rhode Island Capital Plan funds and adds \$15.0 million from new federal funds. Adjusted for the exclusion of pre-FY 2026 spending, the request is \$6.2 million more than the approved plan from Rhode Island Capital Plan funds, mostly for Pier 4. *The Governor recommended funding consistent with the Department's request and added \$5.1 million from Rhode Island Capital Plan funds for post-FY 2031 expenditures. The Assembly concurred.*

Facilities Asset Protection. The Department requested \$4.4 million from Rhode Island Capital Plan funds for asset protection and emergency repair projects at its facilities, including recreational facilities, visitor centers, office spaces, and marine infrastructure. When adjusted for the exclusion of pre-FY 2026 expenditures, the request is \$0.6 million more than the approved plan. It includes an additional \$0.1 million beginning in FY 2026 through FY 2031 to address asset protection needs for the National Estuarine Research Reserve on Prudence Island. Funds are generally provided for indoor climate control projects, improving building windows and envelopes, and addressing state and federal accessibility and fire code regulations. *The Governor recommended funding consistent with the approved plan through FY 2029. He recommended increasing FY 2030 expenditures by \$15,000 and added \$100,000 for FY 2031 and post-FY 2031 expenses. The Assembly concurred.*

Farmland Development Rights Acquisition. The Department requested \$16.5 million from general obligation bonds to provide farmland acquisition grants. The Agricultural Land Preservation Commission accepts and scores farmland applications for these funds. The goal is to eliminate economic pressures on farmers to sell land for residential or commercial development. The request includes \$14.5 million in bonds approved by voters in four previous referenda, and \$2.0 million to be put before the voters in November 2026. If approved, annual debt service would be \$0.2 million for the new bonds, assuming a 5.0 percent interest rate and a 20-year term; total debt service would be \$3.2 million. The 2024 bond amount of \$5.0 million remains unissued, and no active projects are using these funds. Of the \$14.5 million in authorized funds since 2012, \$5.4 million remains available. *The Governor recommended funding consistent with the approved plan. The Assembly authorized \$3.0 million to be placed on the November 2026 ballot.*

Local Recreation Development Grants. The Department requested \$24.0 million from general obligation bonds for local recreation development grants that provide up to 50.0 percent of the eligible project costs for acquisition and up to 80.0 percent of project costs for development. The request includes \$21.0 million from bonds approved by the voters in five previous elections and \$3.0 million from new bonds for the November 2026 ballot. The request excludes \$9.5 million of older bonds. Of the \$21.0 million currently authorized, \$6.0 million remains available, including the full \$5.0 million approved in 2024. *The Governor recommended \$1.0 million from new general obligation bonds to be placed on the November 2026 ballot. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.1 million; the total cost would be \$1.6 million. His recommendation programs the new bonds for FY 2028.* **The Assembly concurred.**

Marine Infrastructure/Pier Development. The Department requested \$4.7 million from all sources to support the redevelopment of Chase Marina in Tiverton, engineering repairs of a failing seawall in Fort Wetherill, and the renovation and repair of boat ramps and floating dock facilities, among other developments. It includes \$2.4 million from Rhode Island Capital Plan funds, \$1.5 million from new general obligation bonds to go before the voters in November 2026, and \$0.8 million from federal funds. When adjusted for the exclusion of pre-FY 2026 expenditures, the request is \$0.6 million more than the approved plan, including \$1.0 million more from Rhode Island Capital Plan funds, \$1.8 million less from federal funds, and \$1.5 million from the new general obligation bonds. According to the Department, \$2.6 million assumed to be available from the Federal Emergency Management Agency and included in the approved plan, was never realized.

The Governor recommended \$7.5 million from all sources, including \$1.0 million from new general obligation bonds, to be placed on the November 2026 ballot. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.1 million; the total cost would be \$1.6 million. He programmed new bonds from FY 2028 through FY 2030. The Governor reduced federal funds as requested and added \$2.0 million from Rhode Island Capital Plan funds, with \$0.5 million annually through FY 2030. **The Assembly concurred.**

Narragansett Bay and Watershed Restoration. The Department requested \$22.5 million from general obligation bonds to continue restoring and protecting water quality in Narragansett Bay. The project provides matching grants to state and local agencies, nonprofit organizations, and for-profit businesses to improve water quality in Narragansett Bay and other watersheds. Projects focus on improving stormwater management, reducing the adverse impacts of nutrient pollution, mitigating the growth of aquatic invasive plants, and restoring riparian buffers. The request includes \$15.5 million from general obligation bonds approved by the voters in three previous elections, which is nearly all spent or committed, and \$7.0 million to be approved in November 2026. *The Governor recommended funding as requested. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.6 million for the new bonds; the total cost would be \$11.2 million.* **The Assembly concurred.**

Natural Resource Offices and Visitor's Center. The Department requested \$4.4 million from Rhode Island Capital Plan funds for renovations and asset protection work at the University of Rhode Island's Alton Jones Campus to house a visitor center, along with other offices. Alton Jones, which closed five years prior, comprises thousands of acres of land and several spaces that can house offices, events, and other recreational activities. In June 2025, the Department and the University reached an agreement for a 10-year, no-cost lease, with the Department promising to improve the campus through capital projects.

The request is \$13.4 million less than the approved plan, when adjusted for the exclusion of pre-FY 2026 expenditures, including \$13.8 million less from federal funds that never materialized and \$0.4 million more from Rhode Island Capital Plan funds. This represents a significant change in the scope from the original project. The Department plans to relocate several offices, including the Fish and Wildlife Headquarters located in the Great Swamp Management Area, the Forest Environment Headquarters in Arcadia, and the

Snake Den Offices to Alton Jones. It also intends to house a Visitor's Center, allowing greater public access to departmental offices. Current facilities have exceeded their useful life and generally require significant rehabilitation to meet universal accessibility, safety, and health codes.

Funds will be used for renovations and improvements to office and recreational facilities, including the maintenance of existing spaces and the remediation of potential contaminants. *The Governor recommended funding as requested, adjusted for pre-FY 2026 expenditures, and added \$0.1 million from Rhode Island Capital Plan funds for post-FY 2031 expenses.* **Based on a revised project schedule, the Assembly shifted \$1.7 million from FY 2026 to later years, including \$1.0 million to FY 2027 and \$0.7 million to FY 2028.**

Recreational Facility Improvements. The Department requested \$93.2 million from all sources for major capital development projects at state parks, beaches, and campgrounds. This includes \$31.6 million from Rhode Island Capital Plan funds, \$30.6 million from general obligation bonds approved by the voters in November 2020, \$22.0 million from new general obligation bonds to go before the voters in November 2026, and \$9.0 million from federal funds. Adjusted for the exclusion of pre-FY 2026 spending, the request is \$25.4 million more than the approved plan, including \$22.0 million more from the new bonds, \$12.1 million more from Rhode Island Capital Plan funds, and \$9.8 million less from federal funds.

The Department reports that its reduction from federal funds is caused by the lack of confidence in federal funds materializing, thus reflecting a need to adopt a more conservative approach for future projects. Existing projects include sanitation facility improvements at Burlingame State Park and Fort Wetherill, master planning at Beavertail, Fort Adams, and Goddard state parks, and demolitions in the Buck Hill, Durfee Hill, and Roundtop Management Areas. New projects include envelope repairs of the Harbor Entry Command Post and the demolition and site restoration of the Burdickville Canoe Portage.

The Governor recommended \$100.7 million from all sources, including \$8.0 million from new general obligation bonds, to go before voters on the November 2026 ballot. He also adjusted the programming of Rhode Island Capital Plan funds for FY 2026 through FY 2031, allocating \$7.3 million of unspent funds from FY 2025 through FY 2029, and continued annual funding at \$3.0 million through the post-FY 2031 period. **The Assembly increased the proposed new general obligation bonds by \$4.0 million to a total of \$12.0 million to be placed on the November 2026 ballot. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$1.0 million; the total cost would be \$19.2 million.**

State Land Acquisition - Open Space. The Department requested \$15.5 million from general obligation bonds for the acquisition of open space, including forested land, open fields, river access sites, shoreline access areas, farmlands, trail connections, and water supply protection areas. The request includes \$12.5 million approved by the voters in four previous elections, as well as \$3.0 million to go before the voters in November 2026. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.2 million for the new bonds; the total cost would be \$4.8 million. Of the \$12.5 million in bonds approved since 2012, \$4.0 million remains available, including the full \$3.0 million from 2024. *The Governor recommended funding consistent with the approved plan.* **The Assembly authorized \$3.0 million to be placed on the November 2026 ballot.**

Big River Management Area. The Big River Management Area comprises 8,319 acres of nature preserve in West Greenwich. The area is primarily forest land, wetlands, and agricultural land, and is the largest publicly owned land parcel in the state. The area is operated as Open Space under the Department of Administration's Water Resources Board, which established guidelines in 1996 to monitor the water supply, ensuring its continued sustainability for local wildlife, environmental education, and passive recreation. This project demolishes vacant homes to protect the area for future development as a source of potable water and improves culverts to address flooding and other environmental concerns.

The Governor recommended a total project cost of \$7.5 million from Rhode Island Capital Plan funds, including \$3.9 million in the five-year period and \$0.8 million in post-FY 2031. He also proposed legislation granting the Department of Environmental Management authority over the land and natural resources of the Big River Management Area and transferring a position from the Department of Administration to the Department of Environmental Management as part of this change.

*The Governor requested an amendment on February 10 to transfer the project as well, but later requested to adjust the project total to \$2.9 million, retaining some funding within the Department of Administration's budget. **The Assembly concurred with the amended recommendation.***

Coastal Resiliency. Consistent with the approved plan, the Department requested \$7.0 million from general obligation bonds to reduce or eliminate the flooding risk in coastal and inland areas and promote green infrastructure and climate resilience. Grants provide up to 75.0 percent of project costs that work to improve access and public safety in the face of increased flooding, major storm events, and environmental degradation. The request includes \$5.0 million from general obligation bonds approved by the voters in 2018, which has all been committed to projects, as well as \$2.0 million approved in November 2024, all of which is available. The request programs funding through FY 2027. *The Governor concurred. **The Assembly concurred.***

Dam Repair. The Department requested \$24.9 million from Rhode Island Capital Plan funds to repair “high hazard” state-owned dams at various recreational and management areas operated by the Department. Adjusted for the exclusion of pre-FY 2026 expenditures, the request is \$1.0 million less than the approved plan as a result of savings from the J.L. Curran Lower Rehabilitation and Browning Mill Pond projects. Two new projects, funded with savings from the reduced costs, address the Barberville Dam and the Simmons Pond Dam, two significant hazard dams. It programs \$0.4 million for FY 2026, \$5.6 million for FY 2027, \$7.5 million for FY 2028, \$2.6 million for FY 2029, and \$8.8 million for FY 2030. The Department notes that updated project costs account for both contingency and inflation. It is expected that many projects will be completed later than initially anticipated, stemming from delays in permitting and design approvals. *The Governor recommended funding as requested, but programmed \$5.6 million for FY 2029, \$1.8 million for FY 2030, \$1.0 million for FY 2031, and included post-FY 2031 expenses of \$3.0 million. **The Assembly concurred.***

Fish and Wildlife Facilities. The Department requested \$3.8 million from all sources for repairs and renovations to the Division of Fish and Wildlife facilities. Funding includes \$2.4 million from federal funds and \$1.4 million from Rhode Island Capital Plan funds. According to an update provided by the Department in October 2025, the federal funding requested was never realized. When adjusted for the exclusion of pre-FY 2026 expenditures, the request is \$3.2 million less than the approved plan, including \$0.4 million more from Rhode Island Capital Plan funds and \$3.6 million less from federal funds. *The Governor's recommendation reduces Rhode Island Capital Plan funds by \$0.1 million in each year from FY 2026 to FY 2029 and adds \$0.1 million to post-FY 2031 expenses. **The Assembly concurred.***

Flood Prevention. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved in 2014 to reduce flood risks, enhance public safety, and improve the resiliency of vulnerable habitats and floodplains. The program provides grants related to dam repairs and restoration of coastal habitats, rivers, and stream floodplains to public and nonprofit entities. The request extends completion by two years to FY 2028. Of the \$3.0 million in authorized bonds, \$0.2 million remains available. *The Governor recommended funding as requested. **The Assembly concurred.***

Forest Conservation and Habitats. Consistent with the approved plan, the Department requested \$8.0 million from general obligation bonds approved in 2018 and 2022 to improve wildlife habitats on Department property, including improving trails and other infrastructure, removing dead trees, and

improving habitats to benefit non-game wildlife species. *The Governor recommended funding as requested. The Assembly concurred.*

Fort Adams Trust. The Department requested \$2.2 million from Rhode Island Capital Plan funds to restore and repair historic structures at Fort Adams State Park in Newport. The state operates the fort and is responsible for conducting programs, developing restoration plans, and raising funds from public and private sources. The request is intended to be consistent with the approved plan, but omits \$0.5 million approved for FY 2030 in error. *The Governor recommended funding as requested, adjusted for pre-FY 2026 expenditures. This retains the omission of FY 2030 funding. He subsequently requested an amendment to restore the omitted funding. The Assembly concurred and added \$500,000 to FY 2031.*

Local Land Acquisition Grants. The Department requested \$4.0 million from general obligation bonds approved by voters in November 2018 and November 2022, which provides grants to municipalities, local land trusts, and non-profit organizations for the purpose of acquiring titles, development rights, or conservation easements on open spaces and rural and urban parklands. The request extends completion by one year to FY 2027. Of the \$4.0 million in authorized bonds since 2018, \$0.6 million remains available. *The Governor recommended funding as requested. The Assembly concurred.*

Natural and Working Lands. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved by voters in March 2021. The Department protects Rhode Island's farmlands from development that would shift its use away from agriculture by purchasing the land and development rights and selling it back to farmers. The Agricultural Land Preservation Commission is a quasi-governmental commission that works with the Department to oversee applications for the purchase of farmland development rights through the State Farmland Access Program. The request advances \$0.8 million to FY 2026 and FY 2027 from FY 2028 and FY 2029. *The Governor recommended funding as requested. The Assembly concurred.*

Newport Cliff Walk. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved in November 2024 as the state match to \$16.0 million from federal grants awarded in April 2024. The City of Newport was awarded \$11.0 million from the Department of Transportation's Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation grant and a \$5.0 million earmark approved in the federal FY 2024 Consolidated Appropriations Act. *The Governor recommended funding as requested. The Assembly concurred.*

Newport Piers. Consistent with the approved plan, the Department requested \$1.5 million from Rhode Island Capital Plan funds to complete infrastructure improvements to Newport Piers programmed through FY 2027. The project will support asset protection work, facility repairs and renovations, and the construction of a wave attenuation system to reduce the physical forces that cause wear on the infrastructure. *The Governor recommended funding as requested. Based on a revised schedule, the Assembly shifted \$0.9 million from FY 2026 to FY 2028.*

Roger Williams Park and Zoo. Consistent with the approved plan, the Department requested \$12.0 million from general obligation bonds approved in November 2022 for renovations and improvements to Roger Williams Park and Zoo, including the construction of a 21,000-square-foot, state-of-the-art, carbon-neutral education center and event pavilion. The request programs \$6.6 million for FY 2026 and \$5.0 million for FY 2027, delaying completion one year. *The Governor recommended funding as requested. The Assembly concurred.*

State Bikeway Development. Consistent with the approved plan, the Department requested \$15.0 million from general obligation bonds approved in November 2016 and November 2018 for new bikeway design and construction, including continued work on the Blackstone bikeway and an extension of the Trestle Trail

facility. The request programs funds through FY 2027. *The Governor recommended funding as requested.*
The Assembly concurred.

Stormwater Pollution Prevention. Consistent with the approved plan, the Department requested \$3.0 million from general obligation bonds approved in November 2016 for grants to reduce stormwater pollution. The funds provide up to 75.0 percent matching grants for public, private, and/or nonprofit entities for projects that reduce stormwater pollution. Funds for this program are administered through the existing Narragansett Bay and Watershed Restoration Fund. The request programs funding through FY 2027. Of the \$3.0 million in authorized bonds, \$0.3 million remains available. *The Governor concurred.* **The Assembly concurred.**

Wastewater Treatment Facility Resilience Improvements. Consistent with the approved plan, the Department requested \$5.0 million from general obligation bonds approved in 2018 to improve sanitary treatment facilities prone to flooding, storm events, and environmental degradation, providing up to 50.0 percent matching funds. The request extends completion by two years to FY 2027. The project currently has a remaining balance of \$1.7 million. *The Governor concurred.* **The Assembly concurred.**

Woonasquatucket River Watershed Council. Consistent with the approved plan, the Department requested \$2.0 million from general obligation bonds approved in 2021. These projects will result in the development of various recreational projects and infrastructure along the Woonasquatucket River. The Woonasquatucket River watershed is in communities including North Smithfield, Glocester, Smithfield, North Providence, Johnston, Cranston, and Providence. There are seven miles of green space, which are maintained by the Woonasquatucket Watershed Council, a nonprofit organization dedicated to restoring the Woonasquatucket River and providing recreational infrastructure along the greenway. The request programs \$0.6 million for FY 2026, \$0.5 million for FY 2027, and \$0.4 million for FY 2028. *The Governor concurred.* **The Assembly concurred.**

Diesel Emissions Reduction. The Department requested \$3.0 million from new general obligation bonds to go before the voters in November 2026 to cover a voluntary state match associated with federal grants made through the Diesel Emissions Reduction Act Program. Funds are used to make grants available to municipalities, private entities, and other public entities for projects that reduce global emissions, including retrofitting, replacing, or repowering vehicles and equipment such as school buses, fire engines, boats, and trains. The Environmental Protection Agency, which administers the grant, encourages states to contribute a voluntary match equal to or exceeding the base amount of the award, thereby making more federal funds available. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$0.2 million for the new bonds; total debt service would be \$4.6 million. *The Governor did not recommend funding.* **The Assembly concurred.**

Coastal Resources Management Council

Projects	Status	5 Year Total	Project Total
Point Street Creosote Pilings Removal	New	\$ -	\$ 2,594,000
Winnapaug Land Conservation	New	-	1,578,389
Coastal and Estuary Habitat Restoration Program and Trust Fund	Ongoing	1,250,000	1,500,000
Confined Aquatic Dredged Material Disposal Cells	Ongoing	116,080,000	116,700,000
Dredging at Waterplace Park	Ongoing	-	5,750,000
Pawcatuck Resiliency Elevation	Ongoing	-	50,000
South Coast Restoration Project	Ongoing	-	8,498,827
Total		\$ 117,330,000	\$ 136,671,216
Sources of Funds			
Certificates of Participation		\$ 23,000,000	\$ 23,000,000
Federal Funds		81,700,000	85,622,389
General Obligation Bonds		-	6,000,000
Restricted Receipts		1,250,000	1,500,000
Rhode Island Capital Funds		11,380,000	19,928,827
Other Funds		-	620,000
Total		\$ 117,330,000	\$ 136,671,216

Summary. The Coastal Resources Management Council requested \$133.1 million, of which \$120.7 million would be used in FY 2027 through FY 2031 for seven projects, two of which are new. Funding in the five-year period includes \$23.0 million of debt through Certificates of Participation, \$68.4 million from federal funds, \$0.5 million from general obligation bonds, \$1.0 million from restricted receipts, and \$27.9 million from Rhode Island Capital Plan funds. *The Governor recommended \$136.7 million, including \$117.3 million for the five-year period.* **The Assembly concurred.**

Point Street Creosote Pilings Removal. The Council requested \$2.3 million from newly awarded federal funds for a new project to remove the Point Street Bridge pilings on the Providence River in Downtown Providence in FY 2026. The pilings are covered with a wood preservative containing harmful and carcinogenic substances, which the Council reports are negatively impacting the wildlife of the Providence River and Narragansett Bay. The river running north of the Point Street Bridge has benefited from a multi-year dredging project completed by the Council in 2023, and as a result, navigational use is expected to increase. It unsuccessfully requested \$3.2 million from Rhode Island Capital Plan funds for this project as part of its FY 2026 capital request. *The Governor recommended \$2.6 million from all sources, including \$2.3 million from federal funds and \$250,000 from general obligation bonds approved by voters in 2021 for dredging the Providence River. It appears that these bonds may be used to remove the pilings, as they complicate safe navigation in the Providence River.* **The Assembly concurred.**

Winnapaug Land Conservation. The Council requested \$1.6 million from newly awarded federal funds for FY 2026 for a new project to acquire three parcels of privately-owned coastal wetland habitat along Atlantic Avenue in Westerly. All three parcels abut publicly owned land, and, if acquired, would connect to a larger 15-acre continuous salt marsh complex owned by the Department of Environmental Management. The Council envisions that this land acquisition be used for public shoreline access to

Winnapaug Pond for passive recreation opportunities, including swimming, canoeing, kayaking, and birdwatching. *The Governor recommended funding as requested.* **The Assembly concurred.**

Coastal and Estuary Habitat Restoration Program and Trust Fund. Consistent with the approved plan, the Council requested \$250,000 annually from the Oil Spill Prevention, Administration and Response Fund for the Coastal and Estuary Habitat Restoration Program and Trust Fund for FY 2026 through FY 2031. The 2004 Assembly mandated \$250,000 annually from the Fund to the Program and Trust Fund. The Fund awards applicants who meet specific criteria to complete restoration projects that preserve or restore coastal wetlands, fish runs, eelgrass beds, and other coastal ecology. *The Governor concurred.* **The Assembly concurred.**

Confined Aquatic Dredged Material Disposal Cells. The Council requested \$103.4 million, including \$23.0 million borrowed through Certificates of Participation, \$11.4 million from Rhode Island Capital Plan funds, and \$0.6 million from dredge funds as the state match to \$68.4 million of federal funds to construct a new confined aquatic disposal cell with the Army Corps of Engineers. This is \$13.2 million less than the approved plan from federal funds. Cells allow for the management of dredged materials unsuitable for open-water disposal. The project is currently on schedule; funding is programmed through FY 2027. The 2025 Assembly authorized \$23.0 million through Certificates of Participation and raised the minimum dredge fees to support debt service. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred.**

Dredging at Waterplace Park. Consistent with the approved plan, the Council requested \$1.0 million from general obligation bonds approved in 2021 for dredging sections of the Providence River in the vicinity of downtown Providence and Waterplace Park in two components. The request excludes \$12.0 million from general obligation bonds approved by voters in 2018, spent prior to FY 2026. The Council notes that most of the work has been completed; however, the basin at Waterplace Park is already showing signs of sediment shoaling that will require removal in the very near future. *The Governor recommended funding consistent with the approved plan and programmed \$4.1 million in unspent bonds to complete the project a year early, in FY 2026.* **The Assembly concurred.**

Pawcatuck Resiliency Elevation. The Council requested \$16.5 million from Rhode Island Capital Plan funds to construct non-structural floodproofing projects on residential structures in Narragansett, South Kingstown, Charlestown, and Westerly. The project assumes a partnership with the Army Corps of Engineers with a 65.0 percent federal cost share. The approved plan contains \$50,000 for a study only. This request reflects last year's unsuccessful proposal. *The Governor recommended the approved \$50,000.* **The Assembly concurred.**

South Coast Restoration Project. Consistent with the approved plan, the Council requested \$7.0 million from Rhode Island Capital Plan funds for FY 2026 for the restoration of the west wall of the Ninigret Breachway, damaged by previous winter storms, and dredging work. The Council later noted that it intended to request an additional \$2.0 million for FY 2028 for ongoing maintenance of the breachway. Sedimentation basins require regular dredging, about every three to five years, to preserve previous habitat restoration work completed with federal funds. *The Governor concurred.* **The Assembly concurred.**

Little Narragansett Bay Study. The Council's request omits the \$50,000 placeholder from Rhode Island Capital Plan funds in the approved plan to study how dredging in Little Narragansett Bay can be accomplished. Shifting sands and a strong current have caused the only entrance and exit in Rhode Island waters to become difficult to navigate, requiring dredging to expand access. The study will be conducted in partnership with the Army Corps of Engineers, which will provide a 50.0 percent match for an estimated \$3.2 million project. The Council reports that the project is currently on hold pending its ability to secure the \$1.5 million cost-share. *The Governor did not include funding.* **The Assembly concurred.**

Rhode Island Infrastructure Bank

Projects	Status	5 Year Total	Project Total
Resilient Rhody Infrastructure Fund	New	\$ 25,000,000	\$ 25,000,000
Drinking Water State Revolving Fund	Revised	218,807,420	822,613,320
Municipal Road and Bridge Revolving Fund	Revised	130,000,000	251,272,654
Efficient Buildings Fund	Revised	37,500,000	63,500,000
Clean Energy Fund	Ongoing	90,000,000	118,000,000
Clean Water State Revolving Fund	Ongoing	317,480,001	799,566,913
Water Pollution Control Revolving Fund	Ongoing	1,250,000	1,500,000
Water Quality Protection Charge Fund	Ongoing	5,000,000	7,500,000
Total		\$ 825,037,421	\$ 2,088,952,887
Sources of Funds			
Agency Funds		\$ 30,000,000	\$ 47,500,000
Agency Revenue Bonds		332,008,375	672,948,644
Bond Premiums		-	70,922,654
Federal Funds		197,157,039	650,108,482
General Obligation Bonds - New		25,000,000	25,000,000
General Revenues		16,622,007	47,170,107
Interest Earnings		250,000	300,000
Other Funds		130,000,000	160,000,000
Revolved Capital		94,000,000	415,003,000
Total		\$ 825,037,421	\$ 2,088,952,887

Summary. The Rhode Island Infrastructure Bank requested a total of \$2,243.6 million, of which \$952.5 million would be used in the five-year period. As requested, the five-year period includes \$152.5 million from new general obligation bonds, \$30.0 million from the Bank's funds, \$332.0 million from the Bank's revenue bonds, \$197.2 million from federal funds, \$16.6 million from general revenues, \$0.3 million from interest earnings, \$94.0 million from revolved capital, and \$130.0 million from other funds. The request is for eight projects, one of which is new. *The Governor recommended total project costs of \$2,084.0 million for eight projects, one of which is new. This includes \$20.0 million from new general obligation bond funds to go before the voters in November 2026.* **The Assembly provided total project costs of \$2,089.0 million, including \$25.0 million for the November 2026 ballot.**

Resilient Rhody Infrastructure Fund. The Infrastructure Bank requested \$167.0 million from general obligation bond funds to support a new project that will capitalize the Resilient Rhody Infrastructure Fund, which was established by the 2025 Assembly. The request for FY 2026 appears to include \$10.0 million from general obligation bond funds approved by the voters in 2024 to provide financial assistance to municipalities to support the resiliency of infrastructure, vulnerable coastal habitats, and floodplains. It also assumes the use of \$157.0 million from new general obligation bond funds to go before voters in a future referendum. Of that, the request programs \$20.0 million for FY 2026, and \$137.0 million for the five-year period. It should be noted that the next referendum would occur during FY 2027, meaning no new bond funds would be available for FY 2026.

On June 24, 2025, the Governor signed 2025-H 6252, which established the Resilient Rhody Infrastructure Fund to enable the issuance of Infrastructure Bank bonds, providing technical, administrative, and financial assistance to municipalities for resiliency and stormwater abatement projects. The Infrastructure Bank may also leverage existing resources to support the Fund. The Municipal Resiliency Program has historically provided municipal support for climate resiliency projects; the Fund is intended to create a replenishing source of revenue to finance projects. *The Governor recommended \$20.0 million from new general obligation bond funds to go before the voters in November 2026. While his capital budget does not show the \$10.0 million from general obligation bond funds previously approved by the voters in 2024, these funds have been transferred to the Infrastructure Bank and are available to support the Fund.* **The Assembly increased the new bond allocation to \$25.0 million. Annual debt service on \$25.0 million would be \$2.1 million, assuming 5.0 percent interest and a 20-year term. Total debt service would be \$44.0 million.**

Drinking Water State Revolving Fund. The Infrastructure Bank requested \$226.8 million from all sources for the five-year period for the Drinking Water State Revolving Fund. Funding amounts in the five-year period are essentially consistent with the approved plan; however, the request includes \$8.0 million from new general obligation bond funds to be placed on the November 2026 ballot, with spending spread over three years beginning in FY 2027. The request also adds \$4.3 million for FY 2026, and programs \$40.0 million from all sources for FY 2031.

The Assembly provided \$50.4 million from general revenues to reflect the required state match from FY 2022 through FY 2024. When including prior expenses, the request assumes the use of \$59.8 million, or \$9.4 million more than appropriated, between the clean and drinking water programs. This appears to reflect the state match assumed to be necessary for an additional year of programming. The Infrastructure Bank provides financing to eligible water suppliers for planning, design, and construction of safe water supply, treatment, and transmission infrastructure projects. *The Governor's recommendation does not include the \$8.0 million from new general obligation bond funds, but is consistent with the remainder of the request.* **The Assembly concurred.**

Municipal Road and Bridge Revolving Fund. The Infrastructure Bank requested \$248.4 million, including \$130.0 million for the five-year period, for the Municipal Road and Bridge Revolving Fund, which subsidizes loans to mitigate underinvestment in local roads. Funding in the five-year period includes \$40.0 million from revenue bonds, \$10.0 million from revolved capital, and \$80.0 million from other funds. Funding for the five-year period includes \$20.0 million more from other funds from FY 2027 through FY 2030, with \$32.0 million from all sources programmed for FY 2031. This program is distinct from the Municipal Road Repair program, which was capitalized with \$20.0 million from American Rescue Plan Act funds as authorized by the 2023 Assembly.

The Fund was initially capitalized using \$7.0 million of bond premium proceeds transferred from the Rhode Island Capital Plan Fund. The intent was to provide appropriations or some future premiums to meet the \$60 million to \$70 million estimated for the Fund to become self-sustaining. The state exceeded the commitment to further capitalize the Fund with a combination of bond premium proceeds and tobacco settlement funds, primarily from bond premiums dedicated from referenda approved from 2014 through 2018. *The Governor's recommendation is consistent with the request, adjusted for \$2.9 million of prior-year funding.* **The Assembly concurred.**

Efficient Buildings Fund. The Infrastructure Bank requested \$63.5 million from all sources, including \$37.5 million for the five-year period, for the Efficient Buildings Fund. The program provides technical, funding, and administrative support to public entities for energy-efficient and renewable energy upgrades to public buildings and infrastructure. Compared to the approved plan, the request excludes \$2.0 million per year from utility system benefits charges and Regional Greenhouse Gas Initiative receipts from FY 2026 through FY 2030 to align funding with the program's current demand and adds \$7.5 million from all

sources for FY 2031. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Clean Energy Fund. The Infrastructure Bank requested \$118.0 million, including \$100.0 million from demand-side management gas and electric funds available to the Bank by statute, \$17.4 million from agency revenue bonds, and \$0.6 million from revolved capital for the Clean Energy Fund established by the 2021 Assembly to provide technical, administrative, and financial support to individuals, businesses and governments for renewable energy, energy efficiency, or demand-side projects. Funding in the five-year period is consistent with the approved plan, with \$18.0 million added for FY 2031.

The request also shifts \$10.0 million from unspent gas and electric funds and \$3.0 million from unspent revenue bond funds from FY 2025. The Bank indicated that underspending in FY 2025 reflects projects that were delayed subsequent to the elimination of federal tax credits. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Clean Water State Revolving Fund. The Infrastructure Bank requested \$325.0 million from all sources for the five-year period for the Clean Water State Revolving Fund, to maintain a subsidized loan program for local governmental units to finance wastewater infrastructure projects. Funding in the five-year period is essentially consistent with the approved plan, with \$70.0 million added for FY 2031.

As previously noted, the Assembly provided \$50.4 million from general revenues to reflect the required state match from FY 2022 through FY 2024. When including prior expenses, the request assumes the use of \$59.8 million, or \$9.4 million more than appropriated, between the clean and drinking water programs. This appears to reflect the state match assumed to be necessary for an additional year of programming. *The Governor's recommendation does not include the \$7.5 million from new general obligation bond funds, but is consistent with the remainder of the request. The Assembly concurred.*

Water Pollution Control Revolving Fund. The Infrastructure Bank requested \$1.5 million from revolved capital and interest earnings for the Water Pollution Control State Revolving Fund; it programmed \$250,000 annually from FY 2026 through FY 2031. The request is consistent with the approved plan and extends funding by one year. Historically, this fund has received capital funding from general obligation bond proceeds and has transferred the appropriate state match to the Clean Water and Drinking Water State Revolving Funds. It has also been used to fund loans that do not meet those federal requirements. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Water Quality Protection Charge Fund. The Infrastructure Bank requested \$5.0 million for the five-year period from the water quality protection surcharges to provide funding for watershed protection and other projects requested by water suppliers. The request programs \$1.0 million annually, consistent with the approved plan, and extends funding by one year to FY 2031. Rhode Island General Law, Section 46-15.3-5, sets the water quality protection surcharge at 2.92 cents per one hundred gallons. The surcharge is collected from the 29 major water suppliers in the state; 6.9 percent is retained by the individual suppliers for administrative costs, and the remaining funds are distributed, with 57.0 percent allocated to state general revenues and 36.1 percent allocated to the Infrastructure Bank. *The Governor recommended funding consistent with the request. The Assembly concurred.*

Narragansett Bay Commission

Projects	Status	5 Year Total	Project Total
Wastewater Treatment Facilities	Revised	\$ 71,279,900	\$ 103,288,940
Infrastructure Management	Revised	5,317,900	10,820,265
Combined Sewer Overflow Phase III Facilities	Ongoing	139,339,781	1,342,889,904
Fields Point Resiliency Improvements	Ongoing	89,562,100	119,589,928
Bucklin Point Resiliency Improvements	Ongoing	5,003,800	37,403,679
Sewer System Improvements	Ongoing	21,388,600	39,833,843
Interceptor Inspection, Cleaning, Restoration, and Construction	Ongoing	13,993,000	20,046,323
Total		\$ 345,885,081	\$ 1,673,872,882
Sources of Funds			
Other Funds		\$ 345,885,081	\$ 1,673,872,882
Total		\$ 345,885,081	\$ 1,673,872,882

Summary. The Narragansett Bay Commission requested a total of \$1,673.9 million, of which \$345.9 million would be used in the five-year period, for seven previously approved projects. Funding for all projects comes from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. *The Governor recommended funding as requested. The Assembly concurred.*

Wastewater Treatment Facilities. The Commission requested \$103.3 million in project costs, including \$71.3 million over the five-year period, for wastewater treatment improvement projects to be funded from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. The request is \$37.6 million more than the approved plan, which reflects the addition of two new subprojects. Improvements include projects such as long-range biosolids disposal, data communications upgrades, electrical improvements, upgrades to digesters, and building improvements. The new subprojects within the request include upgrades to the biosolids management facility and a stormwater education resource center. *The Governor recommended funding as requested. The Assembly concurred.*

Infrastructure Management. The Commission requested project costs of \$10.8 million, including \$5.3 million over the five-year period, for ongoing infrastructure management funded from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. The request is \$2.2 million more than the approved plan. The project includes wastewater treatment in compliance with state regulations, analysis of collection systems to comply with new permits and mandates, and evaluation and monitoring of the flow conditions and measurements. Project activities also include the purchasing, installation, and maintenance of all equipment for the flow monitoring system. One new subproject focused on testing and monitoring of per- and polyfluoroalkyl substances has been added to the project. The estimated completion date is FY 2030. *The Governor recommended funding as requested. The Assembly concurred.*

Combined Sewer Overflow Phase III Facilities. Consistent with the approved plan, the Commission requested \$1,342.9 million, including \$139.3 million over the five-year period, for the Combined Sewer Overflow Phase III facilities funded from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. This project is the final phase of a federally mandated initiative aimed at protecting public health by preventing potentially harmful pollutants from entering

community water bodies. The project will reduce stormwater inflow through stormwater infiltration projects, including an 11,600-foot rock tunnel in Pawtucket, a funnel pump station, drop shafts, and consolidation conduits. This will be followed by the construction of interceptors and a stub tunnel that will convey the flow to the Pawtucket tunnel. The design of Phase B is also included in the cost of Phase A. Phase A is expected to be completed in FY 2028. *The Governor recommended funding as requested. The Assembly concurred.*

Fields Point Resiliency Improvements. The Commission requested \$119.6 million in project costs, including \$89.6 million over the five-year period, for ongoing improvements to ensure the resilience of the Field's Point sewer system, funded from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds. The Commission received a \$55.0 million Environmental Protection Agency Water Infrastructure Finance and Innovation Act loan in July 2022, which finances 49.0 percent of project resiliency improvements. The request includes upgrades to the Field's Point wastewater treatment facility, building modifications at the Ernest Street pump station, construction of new maintenance buildings, installation of standby power capabilities, and construction of a solar carport. *The Governor recommended funding as requested. The Assembly concurred.*

Bucklin Point Resiliency Improvements. The Commission requested a total project cost of \$37.4 million, of which \$5.0 million will be programmed over the five-year period for various improvements to the Bucklin Point wastewater treatment facility, funded from the Rhode Island Infrastructure Bank's revolving funds, the Environmental Protection Agency's Water Infrastructure Finance and Innovation Act program loan funds, and Commission revenue bonds. *The Governor recommended funding as requested. The Assembly concurred.*

Sewer System Improvements. The Commission requested \$39.8 million in project costs, consistent with the approved plan, with \$21.4 million allocated over the five-year period for maintenance and upgrades to sewers, as well as easement restorations, funded from the Rhode Island Infrastructure Bank's revolving funds and Commission revenue bonds. *The Governor recommended funding as requested. The Assembly concurred.*

Interceptor Inspection, Cleaning, Restoration, and Construction. The Commission requested \$20.0 million in total project costs, \$1.7 million less than the approved plan, for interceptor improvements, funded from the Rhode Island Infrastructure Bank's revolving funds, Commission revenue bonds, and federal funds, including \$14.0 million over the five-year period. The purpose of this project is to restore, replace, and provide interceptor relief when at high capacity, and to replace sewer lines and increase sewer line diameter as necessary. The Commission allocates \$0.5 million annually during and after the five-year period to ensure resources for future inspection and cleaning of interceptors, as well as at least \$1.5 million annually for improvements to interceptors. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Resource Recovery Corporation

Projects	Status	5 Year Total	Project Total
Materials Recycling Facility Construction	Revised	\$ 63,000,000	\$ 90,000,000
Materials Recycling Facility Roof	Revised	50,000	100,000
Materials Operating Facility Building Improvements	Revised	1,315,000	1,795,000
Main Scale Replacement	Revised	3,000,000	3,000,000
Phase VI Construction	Revised	37,039,000	171,718,567
Materials Recycling Facility Design	Ongoing	2,250,000	3,000,000
Total		\$ 106,654,000	\$ 269,613,567
Sources of Funds			
Resource Recovery Corporation General Revenue		\$ 106,654,000	\$ 269,613,567
Total		\$ 106,654,000	\$ 269,613,567

Summary. The Rhode Island Resource Recovery Corporation requested a total of \$269.6 million from its general revenues for six projects, of which \$106.7 million would be used in the five-year period. *The Governor recommended funding as requested. The Assembly concurred.*

Materials Recycling Facility Construction. The Corporation requested \$90.0 million from its general revenues to reconstruct the materials recycling facility. The request is 63.6 percent more than the approved plan of \$55.0 million, and the completion has been delayed two years to FY 2029. The Corporation reported that the project is necessary to continue its operations as the sole residential and commercial recycling processing facility in the state. In prior year requests, design and construction plans had been repeatedly delayed. In recent requests, the Corporation had scheduled the construction project for the post-five-year period due to tentative project undertakings, recent and continual upward trends in construction costs, as well as deliberations on constructing a new facility. There is a separate \$3.0 million project for the design of the new facility. *The Governor recommended funding as requested. The Assembly concurred.*

Materials Recycling Facility Roof. The Corporation requested \$100,000 from its general revenues to repair the roof of the current materials recycling facility. The request programs \$50,000 for FY 2026 and \$50,000 for FY 2027. The request is \$100,000 lower than the approved amount, and no funds were spent in FY 2025. The reduced request is due to the plans to replace the building, resulting in a reduced scope of repairs to the existing structure. The Corporation reported that the roof has surpassed its operating life and is deteriorating. The Corporation plans to construct a new materials recycling facility between fiscal years 2026 and 2029, which it is requesting as a separate project. The roof repairs for the existing facility are intended to keep the building in working condition until the new facility is built. *The Governor recommended funding as requested. The Assembly concurred.*

Materials Operating Facility Building Improvements. The Corporation requested \$1.8 million from its general revenues to provide building improvements and repairs to the materials operating facility. The request programs \$0.5 million for FY 2026, \$0.4 million for FY 2027, \$0.1 million for FY 2028, \$0.1 million for FY 2029, \$0.4 million for FY 2030, and \$0.3 million for FY 2031. This is \$1.6 million more than the approved plan of \$200,000, and delays project completion by one year to FY 2031. It should be noted that the FY 2025 approved plan included \$1.8 million, and last year's request was for \$0.2 million, based on a revised scope. The goal of this project is to provide building improvements and repairs to keep the building functional until the construction of the new materials recycling facility has been completed. The request specifies only \$50,000 for asphalt repairs and \$25,000 for elevator and other miscellaneous

facility improvements. The remainder appears to be for potential renovations to minimally maintain the facility until the new one is operational. *The Governor recommended funding as requested. The Assembly concurred.*

Main Scale Replacement. The Corporation requested \$3.0 million from its general revenues for FY 2027 and FY 2028 to replace its main scale and the building that houses it. The request programs \$1.5 million in FY 2027 and \$1.5 million in FY 2028 and is considerably higher than the approved plan, which has a total of \$1.3 million. The project has also been delayed one year and reflects a more updated scope and design. The Corporation reported that the main scale house is over 30 years old and in need of replacement. The building is not up to current code and is in poor shape. The new total is based on an engineering estimate and reflects the updated scope and design. *The Governor recommended funding as requested. The Assembly concurred.*

Phase VI Construction. The Corporation requested \$171.7 million from its general revenues to continue the eastward expansion of the central landfill, of which \$37.0 million will be spent during the five-year period to design, excavate, and incrementally construct the baseliner for several planned cells. The project is expected to provide solid waste disposal capacity for the state through 2043. This is higher than the approved plan, which programs \$153.3 million for the project.

Each year, the Corporation revises its budget and updates project estimates in accordance with construction costs and waste generation volumes. These estimates are made in coordination with the Rhode Island Department of Environmental Management. The increased cost of this request reflects the most recent scope, design, and build characteristics. As projects get closer to implementation, estimates become more realistic. *The Governor recommended funding as requested. The Assembly concurred.*

Materials Recycling Facility Design. The Corporation requested \$3.0 million of its general revenues to commence the layout and design process and construction oversight of a new materials recycling facility, consistent with the approved plan. The request programs \$0.8 million each for fiscal years 2026 through 2029. The Corporation reported that the project is necessary to continue operating as the sole residential and commercial recycling processing facility in the state. A separate project contains the current \$90.0 million estimate for the construction of the facility. *The Governor recommended funding as requested. The Assembly concurred.*

Department of Transportation

Projects	Status	5 Year Total	Project Total
Highway Improvement Program	Revised	\$ 3,964,021,730	\$ 8,171,670,624
Municipal Roads Grant Program/RhodeRestore	Revised	36,000,000	76,000,000
Train Station Asset Protection	Revised	10,850,000	13,795,717
Welcome Center Improvements	Revised	1,350,000	5,211,347
Bike Path Asset Protection	Ongoing	2,000,000	4,346,003
Capital Equipment Replacement	Ongoing	47,653,437	119,074,904
Maintenance Facility Improvements	Ongoing	3,675,000	9,270,524
Mass Transit Hub Infrastructure	Ongoing	-	35,000,000
Salt Storage Facilities	Ongoing	17,150,000	32,590,130
State Funded Capital Improvements	Ongoing	150,000,000	335,394,520
Information Technology Investment Strategy	IT	12,838,197	29,395,066
Total		\$ 4,245,538,364	\$ 8,831,748,835
Sources of Funds			
Federal - ARP - SFRF		\$ -	\$ 62,000,000
Federal Funds		3,380,617,963	6,697,133,753
Federal GARVEE Bonds		120,930,000	253,540,000
Gasoline Tax		108,688,861	193,232,332
General Obligation Bonds		8,870,000	106,700,000
Highway Maintenance Account		458,106,540	688,351,060
Other		2,600,000	2,600,000
Rhode Island Capital Funds		165,725,000	828,191,690
Total		\$ 4,245,538,364	\$ 8,831,748,835

Summary. The Department of Transportation requested \$4,706.6 million from all sources to be used from FY 2027 through FY 2031 for projects totaling \$6,133.0 million. The request is for 16 projects, five of which are new. It includes \$439.9 million for the new projects and assumes use of \$333.3 million from a source not yet identified. It is \$2,935.6 million less than the approved plan, primarily reflecting the exclusion of prior year expenses.

Federal law requires that a statewide transportation improvement plan covers a period of no less than four years. In June 2021, the Department proposed its ten-year FY 2022 through FY 2031 plan, which went through the planning process and was adopted in September 2021. Annually, the Department will propose changes to the plan to make sure that projects are coordinated and that communities and constituents can have input. Subsequent to adopting the plan, on November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act into law that authorized the Federal-Aid Highway Program for federal FY 2022 through FY 2026, which contained increased funding for surface transportation and established new grant programs. Rhode Island will receive an average of \$354 million annually. Funding is also provided through 25 competitive grant programs, earmarks, and discretionary grants for which a match would be required. The 2022 and 2023 Assemblies provided the Department a total of \$163.0 million from Rhode Island Capital Plan funds to match additional federal funds.

The Governor recommended \$8,810.0 million from all sources for 11 approved projects. This includes \$4,222.8 million programmed for the five-year plan, which averages \$844.6 million annually. Adjusted for the inclusion of prior year expenses, it is \$768.7 million less than requested; it does not fund new projects and decreases federal funds by \$271.7 million in FY 2026 for the Interstate 95 15 Bridges project, based on current cash flow of the project. The recommendation includes \$51.9 million less from the Highway Maintenance Account, reflecting the Governor's proposal to annually allocate an additional \$9.3 million of the Department's share of the funds to the Rhode Island Public Transit Authority.

The Governor also recommended reducing the gas tax by two cents, effective July 1, 2026. This is estimated to reduce the Department of Transportation's share of proceeds by \$8.6 million. Supporting documents link this decrease to the two cents that have been supporting recently defeased bonds that served as the state match for projects financed through the Grant Anticipation Revenue Vehicle Program.

The Assembly maintained the gas tax at the current law amount and revised the Highway Maintenance Account to annually allocate 25.0 percent of the available funds to the Rhode Island Public Transit Authority, instead of the current 10.0 percent, with fixed-amount provisions. It provided a total of \$4,245.5 million from all sources in the five-year period, which is \$22.7 million more than the Governor's recommendation. This includes \$43.5 million more from gas tax proceeds and \$22.5 million less from highway maintenance funds. Reflecting project delays, it shifted \$0.9 million from Rhode Island Capital Plan funds for the Train Station Asset Protection project from FY 2026 to FY 2030.

Highway Improvement Program. The Department requested \$4,001.0 million from all sources for Highway Improvement Program expenditures to be used in the five-year period, for project costs of \$5,150.8 million. This assumes an average annual outlay of \$800.2 million. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. The program utilizes state funds for matching purposes in the form of proceeds from general obligation bonds, Rhode Island Capital Plan funds and resources from the Highway Maintenance Account.

The request includes \$412.6 million for debt service costs from federal funds for debt issued through the Grant Anticipation Revenue Vehicle (GARVEE) Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. While these costs are shown in the Transportation Improvement Program, they do not represent capital expenditures. The use of the debt proceeds constitutes the capital project expense, including the debt service as well results in double-counting the expense.

Accounting for the exclusion of \$4,112.1 million of prior year expenses, the request is \$836.8 million more than the approved plan, including annual funding of \$787.6 million for FY 2031. Expenditures in the previously approved period were increased by \$49.1 million, including increases of \$45.5 million from the Highway Maintenance Account and \$164.2 million from federal funds, primarily reflecting the inclusion of expenses for the Commuter Rail/Fixed Guideway project, which was previously a standalone project. It also includes an additional \$51.9 million to be issued through the GARVEE Program for the Washington Bridge project, reflecting the awarded contract.

These increases are partially offset by the exclusion of toll revenues, for which the approved plan had included \$210.0 million. In December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Department is in the process of obtaining a condition assessment of the gantry equipment, which will determine what equipment would need to be fixed and/or replaced before toll collections resume. A contract for the assessment was signed on April 30, and as of August 15, it is not yet complete. The Department noted that it is difficult to project toll revenues without the assessment, and the rate structure has not been determined.

The Governor recommended \$3,943.0 million in the five-year period for project costs of \$8,150.7 million. The recommendation retains debt service expenses. Adjusting for the exclusion of prior year expenses, it is \$295.4 million less than requested, including \$271.7 million less from federal funds in FY 2026 for the Interstate 95 15 Bridges project, based on current cash flow of the project; however, there were no corresponding increases to reflect the expenses. It also includes \$42.0 million less from the Highway Maintenance Account, reflecting his proposal to allocate more of the funds to the Rhode Island Public Transit Authority, effective FY 2027. These are partially offset by the inclusion of \$8.6 million from approved general obligation bonds and \$7.1 million from gas tax proceeds, which were made available from a recent debt defeasance.

Consistent with the Department's request, the capital budget does not assume any toll revenues; however, \$20.0 million is assumed in the FY 2027 operating budget.

The Assembly maintained the gas tax at the current law amount and revised the Highway Maintenance Account to annually allocate 25.0 percent of the available funds to the Rhode Island Public Transit Authority, instead of the current 10.0 percent, with fixed-amount provisions. It provided a total project cost of \$8,171.7 million, including \$3,964.0 million in the five-year period. This is \$21.0 million more than recommended, including \$43.5 million more from gas tax proceeds and \$22.5 million less from highway maintenance funds.

Municipal Roads Grant Program/RhodeRestore. The 2024 Assembly provided the Department with a total of \$27.0 million from State Fiscal Recovery funds, including \$20.0 million for FY 2024 and \$7.0 million 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 2025 Assembly concurred with the Governor's recommendation to make this grant program permanent and provided \$6.5 million from gasoline tax proceeds for FY 2026. The Assembly also maintained the current match requirement and required that 25.0 percent of the funds be distributed equally, and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department.

The Department's request was revised to include annual expenses of \$6.5 million from the Highway Maintenance Account, in lieu of gasoline tax proceeds, for a total project cost of \$72.5 million. The Department noted that the FY 2026 program has started, and final participation will be known in the fall. It should be noted that the approved plan did not include this as a capital project; it is a grant program. Additionally, the infrastructures are municipally owned, not state projects.

*The Governor recommended a total project cost of \$75.2 million from all sources; the intended recommendation is for \$76.0 million, or \$3.5 million more than requested, reflecting a one-time increase for FY 2027. **The Assembly provided a total project cost of \$76.0 million.***

Train Stations Asset Protection. The Department requested \$14.4 million from all sources, including \$2.6 million from other funds from the Office of Energy Resources for efficiency improvement projects, and \$11.8 million from Rhode Island Capital Plan funds for repairs at five train stations: Woonsocket, Kingston, Wickford Junction, Westerly, and Pawtucket/Central Falls, which became operational in January 2023. Four of the stations are currently active, while the Woonsocket station serves as a bus depot. The Woonsocket, Kingston, and Westerly stations are all listed on the National Register of Historic Places, and the Department noted that, as such, they require specialized preservation contractors to conduct any restoration or renovation projects required to maintain the buildings.

The request is \$9.3 million more than approved, reflecting new expenses for roof and window replacements; heating, ventilation and air conditioning upgrades; and exterior painting and gutter repairs. The request understates prior year expenses by \$1.5 million, and subsequently, the Department indicated that it

inadvertently omitted annual asset protection funding of \$0.5 million for each FY 2031 and the out-years. It should be noted that the Department has historically underspent appropriated funds; expenses averaged \$185,748 annually in the last five fiscal years.

The Governor recommended project costs of \$13.8 million from all sources; adjusting for the inclusion of \$1.4 million of prior-year expenses, it is \$2.0 million less than requested from Rhode Island Capital Plan funds for FY 2029. It did not correct for omitted expenses. The Assembly concurred with the total project cost; however, it shifted \$0.9 million from FY 2026 to FY 2030, reflecting project delays.

Welcome Center Improvements. The Department requested \$5.1 million from all sources from FY 2026 through FY 2031 to renovate the Welcome Center facility in Richmond. The Department reopened the facility in May 2016 with portable restrooms and subsequently opened the indoor facilities. The reported project cost of \$5.3 million is \$2.6 million more than the approved plan. It includes an additional \$3.4 million in FY 2026, of which \$2.9 million is from the Highway Maintenance Account, reflecting the Department's updated estimates to renovate several restrooms and to replace the well system, which it indicated is not in compliance with Department of Health standards. This is partially offset by the exclusion of prior-year expenses. Subsequently, the Department indicated that it inadvertently omitted Rhode Island Capital Plan funding of \$150,000 each for FY 2031 and the out-years.

The Governor recommended total funding of \$5.2 million, essentially as requested; it assumes use of available gas tax proceeds in lieu of highway maintenance funds to renovate the facility. The Assembly concurred.

Bike Path Asset Protection. The Department requested annual funding of \$0.4 million from Rhode Island Capital Plan funds in the five-year period to repave bike paths. It noted that no major replacement has occurred since some of the bike paths were constructed more than 20 years ago. Through an agreement, the Department of Environmental Management maintains the bike paths and performs minor repairs; larger-scale improvements, such as repaving, are the responsibility of the Department of Transportation. Certain sections of the paths are deteriorating. The request of \$2.8 million is \$1.1 million less than the approved plan; it excludes \$1.5 million of prior year expenses and adds \$0.4 million for FY 2031. *The Governor recommended a total of \$4.3 million, \$1.5 million more than requested, reflecting the inclusion of prior year expenses. The Assembly concurred.*

Capital Equipment Replacement. The Department requested \$81.2 million from all sources in the five-year period for capital equipment, including heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing equipment. The request of \$165.7 million is \$56.8 million more than the approved plan. The project was revised to include new funding of \$49.5 million from a source not yet identified, including \$16.0 million for FY 2026. All remaining expenses are \$7.3 million more, primarily reflecting annual funding for FY 2031. The approved plan includes average annual outlays of \$9.5 million; the request assumes \$18.2 million. The increase is also reflective of increased costs for electric vehicles and the impact of tariffs; the Department notes that manufacturers rely heavily on imported components, such as steel, engines, and electronics. It should be noted that prior to the pandemic, some equipment required a six-month lead time to obtain. Since then, the lead time has increased to two years. The Department also noted that it will be conducting an analysis of its equipment.

The Governor recommended project costs of \$119.1 million. This is \$46.6 million less than requested, primarily to exclude expenses for which a source was not identified. The recommendation is \$10.1 million more than the approved plan, primarily for an additional year of funding. The Assembly concurred.

Maintenance Facility Improvements. The Department requested \$7.2 million from Rhode Island Capital Plan funds to make repairs to its headquarters, maintenance facilities, and field offices throughout the state. Improvements include replacement and repairs of the roof and heating, ventilation, and air conditioning

systems, and improvements to windows and garage doors at several facilities. In FY 2024, the Department conducted a condition assessment at its seven maintenance facilities; they received an average rating of 2.8 out of 5. The request adds \$3.1 million in the five-year period, reflecting the Department's updated project costs, and excludes \$3.7 million of prior year expenses. It should be noted that the Department also requested a standalone project for \$15.1 million to renovate the Gloucester maintenance facility.

The Governor recommended project costs of \$9.3 million from Rhode Island Capital Plan funds, \$0.9 million more than the approved plan, primarily reflecting annual funding for FY 2031 and post-FY 2031. The Assembly concurred.

Mass Transit Hub Infrastructure. In 2014, the voters approved a \$35.0 million general obligation bond referendum to be used to expand and improve the state's transit hubs located at the Providence Amtrak station, Kennedy Plaza, and the Garrahy Courthouse parking complex. The approved plan sets aside \$21.1 million from the proceeds to create a new intermodal transit facility to include restrooms, interior waiting space, a customer service center, ticket vending machines, and retail and dining space. That project is under the purview of the Rhode Island Public Transit Authority. Its capital budget request includes the approved amount; \$16.9 million has been obligated for a study, which is ongoing.

The remaining \$13.9 million has been allocated to various transit-related projects and expenses under the purview of the Department of Transportation. This includes \$5.2 million as state match for the Providence Train Station, \$3.0 million for land acquisition for a parking lot for the Pawtucket/Central Falls Train Station, and \$5.7 million for all remaining expenses, including legal and engineering studies. The Department's request includes \$23.9 million from the bond proceeds, which is \$11.1 million less than approved. It subsequently noted that it had intended to only include expenses for projects under its purview. *The Governor concurred with the total approved amount. It assumes \$22.0 million for the Providence Transit Center, \$0.9 million more than the previous allocation, reflecting available funds. The Assembly concurred.*

Salt Storage Facilities. The Department requested \$17.2 million from all sources, including \$7.1 million from Rhode Island Capital Plan funds, to be used from FY 2026 through FY 2030 for the construction of salt storage facilities at various locations where salt is stored uncovered. There are 23 salt storage facilities; 4 remain without an enclosed facility, resulting in a negative impact on both the environment and operational efficiency. Originally developed to address the significant number of uncovered facilities, this project has evolved to include building numerous covered structures to house road salt, with the eventual goal of eliminating all open area storage facilities; five sites have been closed.

The request is consistent with the approved plan, adjusted for the exclusion of prior-year expenses. Subsequently, the Department indicated that it inadvertently omitted annual expenses of \$3.5 million for each FY 2031 and the out-years. *The Governor recommended total project costs of \$32.6 million, which is \$15.4 million more than requested, which corrects for omitted funding and reflects prior-year expenses. The Assembly concurred.*

State Funded Capital Improvements. The request includes a total of \$204.0 million from highway maintenance funds for project expenses without a federal match, including \$60.0 million for highway drainage improvements pursuant to a consent decree with the U.S. Department of Justice. The Department is required to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways. The request also includes \$144.0 million for road and bridge repairs. Historically, these capital expenses were shown as part of the Highway Improvement Program; however, the Governor's FY 2022 budget presented this as a stand-alone project, which is intended to separate them from projects that do qualify for federal match. The reported project cost is \$119.1 million less than the approved plan. It adds annual funding of \$29.0 million for FY 2031, offset by the exclusion of prior-year expenses. *The*

*Governor's recommendation is \$131.4 million more than requested, including \$125.4 million of prior-year expenses, and \$1.0 million annually from FY 2027 through post-FY 2031. **The Assembly concurred.***

Information Technology Investment Strategy. The Department requested \$29.4 million from all sources, of which \$17.5 million will be used from FY 2026 through FY 2031 to fund information technology projects. Projects include ongoing replacement of personal computers, server blades, and maintenance agreements for its asset management system. It also includes annual software maintenance expenses for several projects, including e-construction and upgrading the Performance and Registration Information Systems Management program to allow the automation of prompt payment. The reported project cost is \$1.2 million more than the approved plan, primarily for FY 2031 annual expenses. The request reflects updated project costs for construction bidding software, which will replace the Project Management Program. The Department notes that the current system is not addressing its needs for construction bids; the new system will include planning, design, and construction. It also includes new expenses of \$1.3 million to replace the oversized and overweight permitting system. *The Governor recommended funding as requested. **The Assembly concurred.***

Additional State Match and Discretionary Grant Match. The request includes \$278.9 million from a source not yet identified, to be used as the match requirement for additional federal funds. This reflects all of the Department's projected state match shortfall, not limited to discretionary grants. Discretionary grant funds allow the Department to advance and/or enhance a project by adding traffic improvements, transit features, or security measures. The request includes \$37.1 million for FY 2028, \$79.6 million for FY 2029, \$68.6 million for FY 2030, and \$93.6 million for FY 2031. One of the major factors for the Department's projected shortfall is related to its request to also exclude the approved amount of \$210.0 million from toll revenues, as the condition of the gantry equipment is not known.

The Infrastructure Investment and Jobs Act, authorized in November 2021, provided the Department with an additional \$574.6 million of formula funds through federal FY 2026, which would require \$115.0 million of matching funds. The act authorized several competitive grant programs for which a match would also be required. The Department noted the state would be more competitive when applying for such grants if the match were already available. It should be noted that there have been fewer opportunities to apply for discretionary grant funds as the timeframe for the act is winding down. The Department is in the process of rewriting the transportation improvement plan; the federal FY 2022 through FY 2031 plan was adopted in September 2021. Federal law requires that a statewide transportation improvement plan covers a period of no less than four years. Federal regulations also require that the first four years of the plan must be fiscally constrained, whereby the projects in the plan may not exceed the anticipated funding that is reasonably expected to be available over the four-year timeframe.

The 2021 Assembly required the Department to report quarterly all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. The Department must also identify if the state's match is available under currently authorized funding. The July 2025 Quarterly RhodeWorks Report identified three grant applications pending for projects totaling \$2.3 million. The required match would be \$0.5 million, which the Department indicated is partially available under currently authorized funding. The discretionary grant applications include \$1.6 million for a bicycle and pedestrian improvement project. The report did not identify any upcoming grant opportunities. *The Governor did not recommend funding this project. **The Assembly concurred.***

Block Island Facility and Salt Storage. The request includes \$5.0 million from a source not yet identified, including \$0.5 million for FY 2026 to rebuild the Block Island maintenance facility and for new salt storage. The current maintenance facility is more than 90 years old, and a condition assessment conducted in 2017 revealed many deficiencies, including the automatic fire suppression system. The Department also noted that the current salt storage does not meet Department of Environmental Management requirements. Through a memorandum of agreement, the state transferred all maintenance responsibilities of state-owned

roads on Block Island to the Town of New Shoreham. A new ten-year agreement is in effect through June 30, 2034. The Department pays the town \$0.6 million annually for services, including snow removal, de-icing, litter removal, mowing grass, and cleaning sidewalks.

The Department has requested funding for this project in the last three budgets. The FY 2024 approved plan included \$80,000 from Rhode Island Capital Plan funds as part of the Salt Storage Facilities project for a salt storage shed, which the Department subsequently indicated would not be sufficient given mobilization expenses. *The Governor did not recommend funding this project. The Assembly concurred.*

Colorado Avenue Storage Facility. The Department requested \$975,000 from Rhode Island Capital Plan funds, including \$250,000 for FY 2026 and \$725,000 for FY 2027, to construct a new storage facility at its headquarters in Warwick to house vehicles and equipment that the Department has and will acquire. In addition to the headquarters, the Department has seven maintenance facilities throughout the state. The Maintenance Division is responsible for the maintenance of over 1,100 miles of state highways, 779 bridges, winter operations, safety and civil defense maintenance, litter control, sweeping, mowing, roadside repairs, drainage system cleaning and repair, and weed control.

In 2023, the Department purchased a new facility on Allens Avenue in Providence to house equipment. It should be noted that the Department's request also includes \$81.2 million in the five-year period for capital equipment, including heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing equipment. *The Governor did not recommend funding this project. The Assembly concurred.*

Glocester Highway Maintenance Facility. The Department requested new expenses of \$15.1 million from Rhode Island Capital Plan funds to be used in the five-year period to renovate the Glocester Highway Maintenance Facility, which services the northwest part of the state. The current facility was built in 1966. The Department notes that it is in a state of disrepair, and the building does not support its current staffing level. In FY 2024, the Department conducted a condition assessment at its seven maintenance facilities; the Glocester facility received an average rating of 2.9 out of 5. It should be noted that the Department's request includes a total of \$510,000 as part of the Maintenance Facility Improvements project for the Glocester facility for garage door replacements, electrical, and heating, ventilation and air conditioning upgrades. *The Governor did not recommend funding this project. The Assembly concurred.*

Statewide Pavement. The Department requested \$20.0 million annually beginning in FY 2026 from Rhode Island Capital Plan funds for a statewide pavement program. Work would include pavement resurfacing, crack sealing, and micro surfacing of state-owned roads. The Department previously requested this project; however, neither the Governor nor the Assembly concurred. Provided that the Governor recommends funding and the Assembly approves this project, the timing of such approval makes it unlikely that this expense would begin in the current fiscal year as requested.

It should be noted that the total requested amount of \$140.0 million is in addition to \$775.1 million of pavement projects included in the amended ten-year Transportation Improvement Program. When the plan was adopted in September 2021, it included \$649.5 million for pavement projects. The federal Infrastructure Investment and Jobs Act, adopted in November 2021, authorized additional funding for transportation; the Transportation Improvement Program has been amended several times to include an additional \$125.6 million for pavement projects. This includes \$27.0 million from State Fiscal Recovery funds that the 2023 Assembly and the 2024 Assembly provided for the Municipal Roads Grant Program. The 2025 Assembly concurred with the Governor's recommendation to make the program permanent and provided \$6.5 million for FY 2026; the request maintains that funding. *The Governor did not recommend funding this project. The Assembly concurred.*

Rhode Island Public Transit Authority

Projects	Status	5 Year Total	Project Total
Bus Shelter Renovation and Replacement	New	\$ 15,000,000	\$ 15,000,000
Bus Purchases	Revised	153,947,389	336,137,060
Land and Buildings Enhancements	Revised	22,301,250	134,691,604
Paratransit Vehicles	Revised	29,460,311	58,859,444
Pawtucket Bus Hub and Transit Corridor	Revised	317,139	6,714,218
Providence Transit Center	Revised	41,698,246	42,698,246
Kingston Station Mobility Hub	Ongoing	4,200,000	5,708,067
Pawtucket Bus Hub Passenger Facility	Ongoing	-	5,000,000
Providence High-Capacity Transit Corridor Study	Ongoing	-	1,700,000
Total		\$ 266,924,335	\$ 606,508,639

Sources of Funds			
Federal Funds	\$	221,879,117	\$ 507,629,354
Highway Maintenance Account		-	7,628,187
Local Funds		-	149,186
Paratransit Revolving Fund		5,892,062	11,771,889
Rhode Island Capital Funds		20,363,678	37,642,479
RIPTA Capital Funds		-	4,993,912
RIPTA Operating Funds		18,789,478	32,493,632
State Fleet Replacement Revolving Loan Fund		-	4,200,000
Total	\$	266,924,335	\$ 606,508,639

Summary. The Rhode Island Public Transit Authority requested \$388.7 million for the FY 2027 through FY 2031 period for 13 projects, for project costs of \$760.6 million. Funding in the five-year plan includes \$283.8 million, or 73.0 percent from federal funds; \$70.7 million for the required match is included from Rhode Island Capital Plan funds and the Department of Transportation's share of highway maintenance funds. The request includes \$30.0 million from new general obligation bonds to be submitted to the voters on the 2026 ballot for bus shelters.

The request is \$73.4 million more than the approved plan, primarily from new and previously approved general obligation bonds of \$21.1 million for the Providence Transit Center. The approved plan included the expense in the Department of Transportation's budget to avoid double-counting them. The request assumes an additional \$41.2 million from Department of Transportation sources for matching funds in lieu of Authority sources. The 2022 Assembly provided the Authority with a total of \$24.7 million from Rhode Island Capital Plan funds, including \$24.5 million for the Land and Buildings Enhancements project to be used as the state match for additional transportation projects authorized under the federal Infrastructure Investment and Jobs Act. The request reallocates a total of \$22.7 million of these funds to eight other projects.

The Governor recommended \$269.4 million in the five-year period for eight approved projects for total project costs of \$610.1 million. This is \$150.5 million less than requested, including \$126.3 million for new projects, and expenses of \$22.0 million from general obligation bonds are included in the Department of Transportation's capital budget. The recommendation includes \$17.5 million from Rhode Island Capital

Plan funds as a match for bus replacement. Historically, Rhode Island Capital Plan funds have not been used for vehicle purchases. The Governor subsequently requested an amendment correcting for overstated expenses for the Kingston Station Mobility Hub project.

The Assembly concurred with the requested amendment and provided \$266.9 million from all sources in the five-year period. This is \$2.5 million less from Rhode Island Capital Plan funds than recommended, including new funding of \$15.0 million for bus shelter renovation and replacement. It did not provide Rhode Island Capital Plan funds for bus purchases. It adopted legislation in Article 2 of 2026-H 7127, Substitute A, as amended, authorizing the Office of Energy Resources to annually consult with the Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of the agreed-upon amount, 50.0 percent each shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds. The Assembly also amended the allocation of the Highway Maintenance Account, increasing the Authority's share of the funds to 25.0 percent instead of 10.0 percent and the fixed amount provisions.

Bus Shelter Renovation and Replacement. The Authority requested \$40.9 million from all sources, including \$30.0 million from new general obligation bonds to go before voters in 2026, to add and replace 600 bus shelters statewide. This equates to \$50,000 per bus shelter. The Authority has 300 shelters that are more than 20 years old; the Federal Transit Administration's standard is 15 years. It noted that replacing these shelters would provide enhanced amenities for passengers to make transit more attractive. Assuming a 5.0 percent interest rate and a 20-year term, annual debt service would be \$2.4 million; the total cost would be \$46.7 million. This request expedites the existing plan to replace shelters over time if the bond referendum is not approved. It maintains approved funding of \$7.8 million, previously included in the Land and Buildings Enhancements project for bus shelters for this standalone project, and additional funding of \$3.2 million for FY 2030 and post-FY 2031. *The Governor's recommendation did not fund this project.*

The Assembly provided \$3.0 million annually, for a total of \$15.0 million from Rhode Island Capital Plan funds in the five-year period.

Bus Purchases. The Authority requested \$200.9 million from all sources for FY 2026 through FY 2031 to purchase 152 buses. This includes \$160.7 million from federal funds and \$40.2 million from the Department of Transportation's share of the Highway Maintenance Account, for the required match. Funds would replace 64 percent of the Authority's current fleet of 238 fixed-route buses and 15 flex vehicles. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle.

The total request of \$352.7 million is \$10.8 million more than the approved plan, including annual funding of \$34.2 million for FY 2031, partially offset by forgoing the FY 2025 purchase, and previously approved expenses were revised based on updated costs. The project was revised to assume use of an additional \$35.3 million from Department of Transportation sources. The Authority noted that it will not be able to replace its fleet without another state funding source as match. It should be noted that the 2025 Assembly increased the Authority's share of the Highway Maintenance Account and increased the gasoline tax by two cents, and dedicated that to the Authority to help with its operating deficit. Previous approved capital plans have fluctuated between the use of Authority and Department of Transportation sources for match. Last year's plan includes \$4.8 million for FY 2025 from the Department, which was not used and is requested to be reappropriated.

The Governor recommended \$353.6 million from all sources, \$1.0 million more than requested, reflecting updated estimates. He included \$17.5 million from Rhode Island Capital Plan funds and \$23.6 million from the Authority's operating funds for the match, including \$4.8 million for FY 2026 and \$3.7 million for FY 2027. It is unclear how this was factored in solving the Authority's projected deficit. Rhode Island

Capital Plan funds were previously allowed to be used for debt service in the early 1990s. The voters approved a constitutional amendment in 2006 to allow the funds to be used solely for capital projects beginning in FY 2008.

The Assembly provided \$153.9 million in the five-year period, which is \$17.5 million less than recommended from Rhode Island Capital Plan funds; it maintained the use of these funds for direct, specific capital project costs. It adopted legislation in Article 2 of 2026-H 7127, Substitute A, as amended, authorizing the Office to annually consult with the Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of the agreed-upon amount, 50.0 percent each shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds.

Land and Buildings Enhancements. The Authority requested \$22.3 million in the five-year period to make improvements to its facilities, including heating, ventilation, and air conditioning, lighting, garage, and fuel tank upgrades and replacements. It also included security upgrades and a new roof for the Chafee Building. The total project cost of \$129.3 million is \$128.3 million less than the approved plan, primarily reflecting the reallocation of \$126.3 million for the requested new standalone projects, previously described. The Infrastructure Investment and Jobs Act of 2021 authorized funding for transportation for federal FY 2022 through FY 2026. The act also authorized funding for various discretionary grant programs, which would be awarded on a competitive basis. Under the prior federal authorization, the Authority received \$2.5 million annually for this project. The request essentially assumes level funding in the later years.

The Governor recommended funding as requested in the five-year period for project costs of \$134.7 million. The total recommendation is \$5.4 million more than requested, to primarily reflect expenses for the Safe Streets for All project, which was requested as a standalone project. This is \$16.2 million below the prior approved level. Most of the Authority's requests to reallocate the state funds to other projects were not recommended. The Assembly concurred.

Paratransit Vehicles. The Authority requested \$29.5 million from all sources, including \$23.6 million from federal funds, to be used in the five-year period to purchase 105 paratransit vehicles. Its fleet includes 104 vehicles, including spare vehicles, to allow for unscheduled repairs and preventive maintenance. These vehicles have a useful life of five years, as determined by the Federal Transit Administration; however, the Authority decides which vehicle to retire and when based on mechanical condition. In FY 2024, it purchased 25 vehicles. The total request of \$58.9 million is \$12.0 million more than the approved plan, including annual funding of \$6.2 million for FY 2031, and previously approved expenses were revised based on updated costs. The project was also revised to include the required match of \$5.9 million from the Department of Transportation's share of highway maintenance funds, in lieu of funds from the Paratransit Revolving Fund. *The Governor concurred with the requested project cost; the recommendation assumes use of the Paratransit Revolving Fund for the match. The Assembly concurred.*

Pawtucket Bus Hub and Transit Corridor. A prior approved plan included \$7.0 million, including \$1.3 million from Rhode Island Capital Plan funds, \$0.1 million from other funds, and \$5.6 million from federal funds to build a transit hub adjacent to the new commuter rail station on the Pawtucket/Central Falls border. The project included bus berths, shelters, real-time bus information, ticket vending machines, and waiting space. It was completed in FY 2024, at approximately \$1.1 million less than budgeted, including a surplus of \$0.4 million from Rhode Island Capital Plan funds. The Authority requested that the remaining funds be used to further enhance the project to include new bus shelters, paint, and other improvements. A similar request was made last year; neither the Governor nor the Assembly concurred. *The Governor recommended \$6.7 million from all sources, \$0.3 million less than requested to exclude prior year expenses. The Assembly concurred.*

Providence Transit Center. In 2014, the voters approved a \$35.0 million general obligation bond referendum to be used to expand and improve the state's transit hubs located at the Providence Amtrak station, Kennedy Plaza and the Garrahy Courthouse parking complex. The approved plan allocated \$21.1 million of the bond funds to the Rhode Island Public Transit Authority to create a new intermodal transit facility. On January 17, 2023, the Authority submitted a request for proposals for the design, construction, financing, operation, and maintenance of the new transit center. It received one bid and awarded a \$16.9 million contract to start the design; net of that, \$4.2 million from the bond proceeds would remain. The design is in the preliminary phase, and the Authority is coordinating with the Department of Transportation on a public-private partnership for the development of the project. The Authority noted that this structure would ensure the long-term viability, including maintenance and daily operations of the facility.

The Authority requested a project cost of \$74.0 million from all sources; this is \$52.9 million more than the approved plan, reflecting the inclusion of construction costs. The Authority noted that this is a preliminary estimate and the location of the project has still not been determined. The request includes new funding of \$42.7 million from federal funds and \$10.2 million from Rhode Island Capital Plan funds for the match repurposed from the land and buildings project. It should be noted that of the federal funds, \$22.4 million was assumed from a discretionary grant awarded for the Newport/Middletown Garage Electrification project. The Authority submitted a request to the U.S. Department of Transportation to repurpose the funds toward this project. As of January 19, the federal government has not rendered a decision.

*The Governor recommended the requested federal fund expenses of \$42.7 million, and no state match. The recommendation also included \$22.0 million from approved general obligation bonds in the Mass Transit Hub Infrastructure Project in the Department of Transportation's budget. **The Assembly concurred.***

Kingston Station Mobility Hub. Consistent with the approved plan, the request includes \$5.7 million from all sources, including \$1.1 million from Rhode Island Capital Plan funds for a transit hub at the Kingston Station. A prior approved plan had assumed a location at the University of Rhode Island's Kingston campus. The Authority noted that the new location would better serve passengers and encourage multi-modal transit from the Kingston Station. The Federal Transit Administration has approved the change in location, and the Authority is in the process of conducting an environmental assessment. *The Governor recommended project costs of \$6.8 million, which is \$1.1 million more from Rhode Island Capital Plan funds than approved and included in error. He requested an amendment on February 10 to correct the error. **The Assembly concurred with the amended recommendation.***

Pawtucket Bus Hub Passenger Facility. Consistent with the approved plan, the Authority requested \$5.0 million from Rhode Island Capital Plan funds for the Pawtucket Bus Hub Passenger Facility. Funds will be used to enhance a transit hub project that is being constructed adjacent to the new commuter rail station on the Pawtucket/Central Falls line. The project was completed in January 2026. *The Governor concurred. **The Assembly concurred.***

Providence High-Capacity Transit Corridor Study. Consistent with the approved plan, the request includes \$1.7 million from all sources, including \$1.4 million from federal funds and \$0.3 million from Rhode Island Capital Plan funds, to conduct a study for the construction of a Providence High-Capacity Transit Corridor. This project is part of the Authority's Transit Forward RI 2040 Plan, which is designed to enhance mobility and help reduce greenhouse gas emissions. The plan was adopted by the State Planning Council in December 2020. The project is envisioned to connect Downtown Providence with low-income and high-minority neighborhoods. The Authority indicated that the study will also assess the costs, benefits, and design concepts and anticipates a project completion in spring 2026. *The Governor concurred. **The Assembly concurred.***

265 Melrose Rehabilitation. The Authority requested \$27.8 million from all sources to rehabilitate the facility on Melrose Street, which houses a vehicle maintenance garage and office space. The facility has

remained largely unoccupied since administrative functions were relocated to the Elmwood Avenue building in 2010. The project will include a new employee training facility, exterior finishes, electrical upgrades, plumbing and drainage systems, and replacing elevators. It includes \$22.2 million from federal funds and \$5.6 million from Rhode Island Capital Plan funds, which reflects funding reallocated from the approved Land and Buildings Enhancements project. In July 2024, the Authority was awarded a \$7.4 million discretionary grant toward the total project costs. The project will be done in phases; phase I will use the newly awarded funds to abate asbestos, repair the building shell, and upgrade the heating, ventilation, and air conditioning system. The Authority noted that it will continue to apply for grant funds for the remaining phases and use federal formula funds if new grants are not secured. *The Governor did not recommend funding for this project.* **The Assembly concurred.**

Newport/Middletown Garage Electrification. The Authority requested \$40.8 million, including \$32.6 million from federal funds and \$8.2 million of matching funds from Rhode Island Capital Plan funds to electrify the Newport/Middletown garage; \$22.4 million from federal discretionary funds has been secured. The match is from a reallocation of funds previously approved for the Land and Buildings Enhancements project. The project includes infrastructure improvements, including 12 charging stations in the garage, two stations at the Newport Transportation Center on America's Cup Avenue, and two stations at the University of Rhode Island. The approved plan includes \$32.5 million in FY 2027 to purchase 25 electric buses as part of the Bus Purchases project. The current request delays the purchase to FY 2028, as the Authority is in the process of formalizing the discretionary grant application with the Federal Transit Administration.

Subsequently, the Authority submitted a request to the U.S. Department of Transportation to repurpose the discretionary funds toward the Providence Transit Center project, for which the current request includes \$74.0 million. *The Governor's recommendation did not separately fund this project; the recommendation reflects that the discretionary grant funds are repurposed for the Providence Transit Center project.* **The Assembly concurred.**

Rapid Bus Network. The Authority requested \$10.6 million from all sources, including \$8.5 million from federal discretionary grant funds and \$2.1 million from Rhode Island Capital Plan funds for project planning, development, and engineering costs to establish a Rapid Bus Network system. The match is from a reallocation of funds previously approved for the Land and Buildings Enhancements project. This type of system is designed to avoid delays because dedicated lanes are provided for buses. Specifically, the Authority is looking at its six highest-use routes in order to increase ridership. Future implementation costs, including land acquisition, would be determined once planning is complete. *The Governor did not recommend funding this project.* **The Assembly concurred.**

Safe Streets for All. The Infrastructure Investment and Jobs Act established the Safe Streets and Roads for All discretionary grant program, which is aimed at preventing roadway deaths and injuries. The Authority received a \$5.0 million grant to develop a comprehensive safety action plan for 31 municipalities. It does not include the following municipalities: Charlestown, Coventry, Exeter, Jamestown, North Smithfield, Providence, Scituate, and Tiverton. Providence submitted its own application and received a \$27.2 million grant. The request includes \$1.3 million from Rhode Island Capital Plan funds for the required 20.0 percent match, which is from a reallocation of funds previously approved for the Land and Buildings Enhancements project. *The Governor's recommendation did not separately fund this project; funding is included in the Land and Buildings Enhancements project.* **The Assembly concurred.**

Rhode Island Airport Corporation

Projects	Status	5 Year Total	Project Total
Rhode Island T.F. Green International Airport			
General Improvements	Revised	\$ 645,169,431	\$ 882,051,442
Outlying General Airports Improvements	Ongoing	49,380,000	141,341,000
Total		\$ 694,549,431	\$ 1,023,392,442
Sources of Funds			
Agency Funds		\$ 519,453,671	\$ 575,339,570
Federal Funds		127,704,751	285,417,943
Other Funds		39,891,009	98,528,203
Passenger Facility Charges		7,500,000	64,106,726
Total		\$ 694,549,431	\$ 1,023,392,442

Summary. The Rhode Island Airport Corporation requested capital expenditures of \$1,023.4 million from all sources, including \$694.5 million from FY 2027 through FY 2030 for two existing projects. This is \$681.9 million more than the approved plan, primarily for new projects at the Rhode Island T.F. Green International Airport. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island T.F. Green International Airport General Improvements. The Corporation requested \$882.1 million from all sources, of which \$827.0 million would be used from FY 2026 through FY 2030 for general improvement projects at Rhode Island T.F. Green International Airport. The request is for 59 projects, which are grouped into three categories. It includes \$666.4 million for terminal renovations, roof replacement, and security projects; and \$186.8 million for airside projects such as the reconstruction of runway 5-23, taxiway rehabilitation, and the Southside Site Work and Grading project, which includes new utility connections and grading improvements to ready a parcel at the airport for future development. It also includes \$28.8 million for all remaining projects, including noise mitigation, master plan, information technology, environmental assessments, and garage elevator renovations.

The request is \$663.0 million more than the approved plan, primarily from agency funds programmed in FY 2030 for new projects. This includes \$250.0 million to construct a parking garage, \$235.7 million for an apron, \$30.0 million for a taxiway, and \$88.5 million for terminal renovations. Previously approved projects were also revised, reflecting updated estimates. *The Governor concurred.* **The Assembly concurred.**

Outlying General Airports Improvements. The Corporation requested project costs of \$141.3 million from all sources, of which \$95.9 million will be used from FY 2026 through FY 2030 to make improvements at its five general aviation airports, including rehabilitation of runways, taxiways, and aircraft parking aprons. Consistent with the approved plan, the request includes \$63.0 million for the joint project with the Rhode Island Air National Guard for the reconstruction of runway 16-34, and \$25.0 million to realign the taxiway at the Quonset State Airport. The request is \$18.9 million more than the approved plan, including new expenditures of \$15.0 million for the reconstruction of runway 5-23 at the Quonset State and North Central airports, and \$2.5 million for a master plan.

The request does not include any expenditures beyond FY 2030. The Corporation indicated that the capital budget is based on a “tentative plan.” *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island Turnpike and Bridge Authority

Projects	Status	5 Year Total	Project Total
Jamestown Verrazzano Bridge	Revised	\$ 12,210,000	\$ 19,010,000
Mount Hope Bridge	Revised	99,511,000	151,351,000
Administrative Facilities Asset Protection	Ongoing	169,000	3,188,000
Minor Bridges	Ongoing	1,760,000	1,834,000
Newport Pell Bridge	Ongoing	51,092,000	142,091,000
Route 138 Connector Highway	Ongoing	3,150,000	3,850,000
Sakonnet River Bridge	Ongoing	1,108,000	1,883,000
Total		\$ 169,000,000	\$ 323,207,000
Sources of Funds			
Federal Funds		\$ 93,100,000	\$ 173,604,000
Revenue Bonds		75,900,000	149,603,000
Total		\$ 169,000,000	\$ 323,207,000

Summary. The Rhode Island Turnpike and Bridge Authority requested \$169.0 million from revenue bonds and federal funds in the FY 2027 through FY 2031 period, for project costs of \$323.2 million. The request is \$44.8 million more than the approved plan, primarily reflecting the Authority's updated project costs for the Mount Hope Bridge. *The Governor recommended funding as requested. The Assembly concurred.*

Jamestown Verrazzano Bridge. The Authority's request includes \$12.2 million from revenue bonds from FY 2027 through FY 2030 for asset protection work on the Jamestown Verrazzano Bridge, including box girder repairs, joint repairs and replacements. Of the requested amount, \$10.0 million will be used to rehabilitate the main span of the bridge. The total request of \$19.0 million is \$5.9 million more than the approved plan, reflecting updated estimates, primarily for joint repairs. *The Governor concurred. The Assembly concurred.*

Mount Hope Bridge. The Authority requested \$99.5 million from all sources from FY 2027 through FY 2030 to make structural improvements to the Mount Hope Bridge, which connects Portsmouth with Bristol. The total request of \$151.4 million is \$63.0 million more than the approved plan, primarily from federal funds programmed in FY 2030; these funds have not been secured. As with most transportation projects, a match is required. In the event federal funds are not awarded, the Authority would have to issue revenue bonds.

The scope of the project was revised to assume a full-depth deck replacement instead of rehabilitation, which increases the project cost from \$29.2 million to \$80.0 million. The request also includes \$50.3 million or \$15.0 million more than approved, reflecting bids received to install a dehumidification system to deter corrosion in the wires of the main cables that support the bridge. Remaining expenses of \$21.0 million for other projects, including painting and steel repair of the suspended span and painting the tower of the bridge are essentially consistent with the approved plan. *The Governor recommended funding as requested. The Assembly concurred.*

Administrative Facilities Asset Protection. The Authority's request includes \$2.9 million from revenue bonds from FY 2026 through FY 2031 for various projects for asset protection work at its administrative facilities. This includes \$2.3 million for a new back-office system, which holds customer information, and

the Authority's billing and recording of E-ZPass transactions. The total request of \$3.2 million is \$0.7 million more than approved, reflecting updated estimates. *The Governor concurred. The Assembly concurred.*

Minor Bridges. The Authority requested a total of \$1.8 million from revenue bonds for asset protection projects for ten minor bridges under its purview. Generally, these structures lead up to one of the four main bridges. The request includes \$1.6 million for FY 2027 to repair the Hummocks Avenue Bridge in Portsmouth. The request is \$1.5 million less than the approved plan, reflecting the exclusion of prior year expenses for completed projects. *The Governor recommended funding as requested. The Assembly concurred.*

Newport Pell Bridge. The Authority requested \$51.1 million from revenue bonds and federal funds to be used in the five-year period to upgrade the Newport Pell Bridge. In September 2022, the Authority was awarded an \$82.5 million federal grant to rehabilitate the bridge, including deck replacement or rehabilitation, dehumidification to deter corrosion in wires of the main support cables, security improvements, and repairs to the tower elevators. That project cost is \$137.5 million; the awarded amount funds 60.0 percent of the project cost. The total request of \$142.1 million is \$21.5 million less than the approved plan, primarily reflecting the exclusion of prior year expenses for completed projects, including \$17.4 million for the all-electronic tolling system. *The Governor recommended funding as requested. The Assembly concurred.*

Route 138 Connector Highway. The Authority requested \$3.5 million from revenue bonds from FY 2026 through FY 2029 for asset protection work, including replacement and rehabilitation of guardrails on the Route 138 Connector Highway in Jamestown. Other projects include drainage repair, restriping and crack sealing. The total request of \$3.9 million is \$0.4 million more than the approved plan, reflecting updated estimates. *The Governor recommended funding as requested. The Assembly concurred.*

Sakonnet River Bridge. The Authority requested \$1.1 million from revenue bonds to be used in the five-year period for asset protection of the Sakonnet River Bridge. Construction was completed in 2012 and the 2012 Assembly transferred responsibility for the Sakonnet River Bridge to the Authority. The project cost of \$1.9 million is \$2.0 million less than the approved plan, reflecting updated cost estimates. *The Governor recommended funding as requested. The Assembly concurred.*

Section V

FY 2026

Revised Budget

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FY 2026 Revised Budget

	FY 2025		FY 2026		FY 2026		FY 2026	
	Reported		Enacted		Revised		Final	
Expenditures by Function*								
General Government	\$	2,259.3	\$	2,301.5	\$	2,679.7	\$	2,647.2
Human Services		6,065.1		6,476.6		6,509.9		6,479.2
Education		3,448.5		3,616.8		3,636.7		3,621.1
Public Safety		776.7		879.5		960.6		945.7
Natural Resources		140.2		179.3		178.8		177.7
Transportation		860.5		882.8		1,202.3		1,200.0
Total	\$	13,550.2	\$	14,336.4	\$	15,168.1	\$	15,070.9
Expenditures by Category*								
Salaries and Benefits	\$	2,108.2	\$	2,259.3	\$	2,358.9	\$	2,359.6
Contracted Services		582.2		525.8		993.7		571.5
Subtotal	\$	2,690.4	\$	2,785.1	\$	3,352.7	\$	2,931.1
Other State Operations		991.8		1,228.6		1,334.7		1,298.2
Aid to Local Units of Government		2,098.5		2,133.7		2,133.0		2,128.1
Assistance, Grants, and Benefits		6,321.5		6,772.3		6,951.8		6,887.1
Capital		915.9		882.3		871.3		1,306.8
Capital Debt Service		264.9		284.8		273.9		273.9
Operating Transfers		267.1		249.6		250.8		245.7
Total	\$	13,550.2	\$	14,336.4	\$	15,168.1	\$	15,070.9
Sources of Funds*								
General Revenue	\$	5,535.5	\$	5,809.4	\$	5,825.0	\$	5,837.5
Federal Aid		5,045.2		5,108.5		5,508.9		5,454.6
Restricted Receipts		365.6		458.5		557.1		550.4
Other		2,603.9		2,960.0		3,277.1		3,228.4
Total	\$	13,550.2	\$	14,336.4	\$	15,168.1	\$	15,070.9
FTE Authorization**		15,772.8		15,921.8		15,937.8		15,946.8
FTE Average		14,268.0						

*Data in millions

**The Governor proposed exempting URI from the FTE limit in Article 1 eff. FY 2026. For comparability, the recommended total is adjusted to include the enacted value of 2,671.0 for URI.

The Governor's revised budget recommendations for FY 2026 are contained in 2026-H 7126, introduced on January 15, 2026. The Governor recommended total revised expenditures of \$15,168.1 million for FY 2026, which is \$831.7 million or 5.8 percent more than enacted by the 2025 Assembly.

Total expenditures would increase by \$1,617.9 million, or 11.9 percent, over FY 2025 expenditures, based on draft data. General revenue expenditures are \$15.6 million, or 0.3 percent more than the FY 2026 budget adopted by the 2025 Assembly, and \$289.5 million, or 5.2 percent more than FY 2025. Expenditures from federal funds are \$400.4 million above enacted levels and \$463.7 million above FY 2025 levels.

Expenditures from restricted receipts are \$98.5 million more than enacted and \$191.5 million more than FY 2025. This relates to information technology, energy resources and housing programs. Those from other funds, including transportation resources, Rhode Island Capital Plan funds, and unemployment trust funds, are \$317.1 million or 10.7 percent more than enacted, and \$673.2 million more than spent in FY 2025, most of which is delayed capital projects and other transportation-related spending.

The Assembly provided total expenditures of \$15,070.9 million, which is \$97.2 million less than the Governor recommended. The final budget adopted in Article 13 of 2026-H 7127, Substitute A, as amended, contains \$5,837.5 million from general revenues, \$12.5 million more than the Governor recommended.

FY 2026 Revised	General Revenue	Federal	Restricted	Other	All Funds
FY 2025 Final	\$ 5,597.6	\$ 5,612.7	\$ 491.6	\$ 3,065.7	\$ 14,767.6
FY 2025 Draft Audit*	5,535.5	5,045.2	365.6	2,603.9	13,550.2
Difference	\$ (62.1)	\$ (567.5)	\$ (126.1)	\$ (461.8)	\$ (1,217.4)
FY 2026 Enacted	\$ 5,809.4	\$ 5,108.5	\$ 458.5	\$ 2,960.0	\$ 14,336.4
Governor's FY 2026 Revised	5,825.0	5,508.9	557.1	3,277.1	15,168.1
Governor's Change to Enacted	\$ 15.6	\$ 400.4	\$ 98.5	\$ 317.1	\$ 831.7
Percent Change	0.3%	7.8%	21.5%	10.7%	5.8%
FY 2026 Final	\$ 5,837.5	\$ 5,454.6	\$ 550.4	\$ 3,228.4	\$ 15,070.9
Change to Enacted	28.1	346.1	91.8	268.4	734.5
Percent Change	0.5%	6.8%	20.0%	9.1%	5.1%
Change to Governor	\$ 12.5	\$ (54.3)	\$ (6.7)	\$ (48.7)	\$ (97.2)
Change to FY 2025	\$ 302.0	\$ 409.4	\$ 184.8	\$ 624.5	\$ 1,520.7
Percent Change to FY 2025	5.5%	8.1%	50.5%	24.0%	11.2%

*\$ in millions; *reflects surplus table in Executive Summary; differs from totals reported in same document*

The FY 2025 final budget projected \$230.2 million would be available for FY 2026. Preliminary closing data showed a \$20.0 million increase to that, attributed to lower spending. Draft data, incorporated into the Governor's budget assumptions, showed a surplus of \$241.6 million or \$11.4 million more than anticipated when the budget was finalized. It is also \$8.6 million lower than the preliminary statements issued in mid-October, several weeks past the statutory deadline.

FY 2025 Closing	Enacted	Draft/Final**	Variance
Open: Free Surplus	\$ 326,355,037	\$ 326,355,037	\$ -
Plus: Adjustment to Opening Surplus*	-	21,649,978	21,649,978
Plus: Reappropriated Surplus	34,569,423	34,569,423	-
Equals: Total Surplus	\$ 360,924,460	\$ 382,574,438	\$ 21,649,978
Plus: Revenues	5,624,275,831	5,612,012,441	(12,263,390)
Plus: Adjustment to Fund Balance (FEMA)	-	703,083	703,083
Minus: Transfer to Budget Stabilization Fund	(178,518,926)	(178,800,524)	(281,598)
Equals: Total Available	\$ 5,806,681,365	\$ 5,816,489,438	\$ 9,808,073
Minus: Expenditures	(5,597,598,073)	(5,535,537,980)	62,060,093
Minus: Transfers*	21,129,766	(520,212)	(21,649,978)
Equals: Closing Surplus	\$ 230,213,058	\$ 280,431,246	\$ 50,218,188
Minus: Reappropriations	-	(38,796,839)	(38,796,839)
Equals: Free Surplus	\$ 230,213,058	\$ 241,634,407	\$ 11,421,349

**Repeal of FY 2024 transfer to supplemental RDF is the same value; shown differently in table than FY 2025 final*

***Audited closing not complete as of budget enactment; values represent the draft data used in the Governor's budget*

The State Controller had not yet finalized the closing statements as of mid-June when the budget became law. The Governor's budget assumptions are maintained pending completion and issuance of audited financials.

Revenues were \$12.3 million, or 0.2 percent below estimates. Total taxes were \$1.3 million, a tiny fraction above amounts budgeted, and other revenues were \$13.6 million, or 1.3 percent below. Departmental receipts missed the estimates by \$14.7 million, accounting for most of the non-tax variance. Overperformance of income taxes offset lower receipts for business and sales taxes.

Complicating closing expenditure data in the past few years has been how accounting rules for reimbursements from the Federal Emergency Management Agency work. This process is nearly complete, and the FY 2025 closing recognizes \$0.7 million from these reimbursements.

Excluding underspending reappropriated for use in FY 2025, general revenues were otherwise underspent by about \$23.2 million. Medicaid caseloads were also \$8.9 million less than budgeted, and there was underspending for staffing and services through the Department of Human Services and the Veterans Home. Teacher retirement costs and other aid categories were about \$4.0 million less than expected. There was also overspending on services to those with developmental disabilities.

The preliminary results were significantly late again this year. This delay was attributed to the conversion of the state's accounting system as part of a long-planned upgrade to several back-office functions. As a result, the Auditor General is not expected to have his work done on time.

Expenditures from all other sources of funds were \$1,155.3 million below the final enacted level, or 12.6 percent. While the budget attempts to account for expenses when they are expected, there has recently been a considerable volume of federal grant funding budgeted in full even though the expectation was that the spending would take place over multiple years. There was also lower spending for capital projects because of project delays and other programs supported by non-federal sources. In most cases, those funds are available for use in FY 2026.

The November consensus estimate showed a \$29.2 million revenue increase, and the caseload estimate lowered general revenue expenses by \$9.1 million. The Governor's revised budget made further revisions to spending and revenue assumptions, based on updated information or policy choices, that increased available resources for FY 2027.

The May revenue conference noted a combined revenue increase of \$233.4 million compared to November. The concurrent caseload conference also reflected expenditure changes in both years. These changes, in concert with items already included in the Governor's budget, meant there would be about \$220 million more in available resources over the two-year period.

Also, information provided through required quarterly reporting and requested amendments from the Governor highlighted other needed changes, including significant increases for updated education aid data, unbudgeted 2026 blizzard costs, and spending at the Department of Corrections and some human services departments that substantially exceeded budgeted amounts.

The Assembly adjusted current-year spending to account for these issues and declined to adopt the Governor's recommended transfers from quasi-public agency balances. It also transferred \$24.0 million to the supplemental budget reserve account to restore the \$18.0 million withdrawn in February to support the CharterCARE hospital sale and \$6.0 million to restore the account to about one percent of usable revenues for a total of \$61.0 million.

The following pages include full analyses of expenditure changes by agency. The tables in those analyses contain comparisons to draft spending data, as does the first table in this report.

The revised budget, as recommended by the Governor, would have left a \$96.2 million surplus for use in FY 2027. The final FY 2026 budget has a \$222.7 million surplus. The FY 2027 enacted budget has a \$1.3 million ending surplus, which is presented as part of the overview of the FY 2027 budget in that section of this publication.

	Enacted	Final	Difference
Opening Surplus			
Free Surplus	\$ 230,213,058	\$ 241,634,407	\$ 11,421,349
Reappropriated Surplus	-	38,796,839	38,796,839
Adjustment to Opening Surplus	-	18,000,000	18,000,000
Subtotal	\$ 230,213,058	\$ 298,431,246	\$ 68,218,188
Revenues			
Enacted	\$ 5,766,583,094	\$ 5,766,583,094	\$ -
Governor	-	56,316,906	56,316,906
Assembly	-	150,100,000	150,100,000
Revenues	\$ 5,766,583,094	\$ 5,973,000,000	\$ 206,416,906
Budget Stabilization and Cash Reserve Fund	\$ (179,903,885)	\$ (186,979,032)	\$ (7,075,147)
Total Available Resources	\$ 5,816,892,267	\$ 6,084,452,214	\$ 267,559,947
Expenditures			
Enacted	\$ 5,809,363,121	\$ 5,809,363,121	\$ -
Reappropriations	-	38,796,839	38,796,839
Governor	-	(23,149,050)	(23,149,050)
Assembly	-	12,495,936	12,495,936
Total Expenditures	\$ 5,809,363,121	\$ 5,837,506,846	\$ 28,143,725
Total Surplus	\$ 7,529,146	\$ 246,945,368	\$ 239,416,222
Transfers	(6,500,000)	(24,203,200)	(17,703,200)
Free Surplus	\$ 1,029,146	\$ 222,742,168	\$ 221,713,022
<i>Operating Surplus/(Deficit)</i>	<i>(222,683,912)</i>	<i>(12,689,039)</i>	<i>209,994,873</i>
Budget Stabilization and Cash Reserve	\$ 299,839,808	\$ 310,731,720	\$ 10,891,913
Percent of Revenues	5.2%	5.2%	0.0%

Department of Administration

	FY 2025	FY 2026	FY 2026	FY 2026
	Reported	Enacted	Revised	Final
Expenditures by Program				
Central Management	\$ 34,135,897	\$ 37,553,059	\$ 29,977,164	\$ 18,421,357
Accounts & Control	6,746,843	8,495,913	7,347,628	7,347,628
Office of Management & Budget	11,961,542	14,660,841	15,212,858	14,572,344
Purchasing	5,654,422	5,908,473	6,260,228	6,260,228
Human Resources	849,758	889,580	976,255	976,255
Personnel Appeal Board	85,982	160,838	150,947	150,947
General	102,158,645	87,056,885	272,942,194	269,337,129
Debt Service	192,780,365	211,883,983	198,293,113	198,293,113
Legal Services	2,581,765	2,872,990	2,870,696	2,780,696
Information Technology	1,774,657	3,000,571	38,755,776	38,755,776
Library Programs	3,354,951	3,767,543	3,779,966	3,779,966
Planning	5,969,682	7,151,473	7,288,520	7,218,520
Energy Resources	(435,873)	-	-	-
Statewide	359,909	3,872,370	2,640,091	1,940,091
Health Benefits Exchange	30,656,515	29,946,673	32,022,313	32,022,313
Equity, Diversity & Inclusion	1,825,897	2,417,447	2,425,556	1,925,556
Capital Asset Mgmt. & Maint.	9,818,862	10,990,302	11,838,536	11,838,536
Total	\$ 410,279,819	\$ 430,628,941	\$ 632,781,841	\$ 615,620,455
Expenditures by Category				
Salaries and Benefits	\$ 37,162,682	\$ 43,179,479	\$ 42,465,772	\$ 40,515,258
Contracted Services	27,563,228	15,058,574	151,434,688	15,240,882
Subtotal	\$ 64,725,910	\$ 58,238,053	\$ 193,900,460	\$ 55,756,140
Other State Operations	16,603,060	21,662,832	83,572,612	58,709,100
Aid to Local Units of Government	13,298,751	15,022,328	14,210,650	14,210,650
Assistance, Grants, and Benefits	61,286,885	21,491,143	113,979,046	100,623,981
Capital	37,587,284	69,430,602	10,538,598	163,295,916
Capital Debt Service	192,554,141	211,783,983	198,193,113	198,193,113
Operating Transfers	24,223,788	33,000,000	18,387,362	24,831,555
Total	\$ 410,279,819	\$ 430,628,941	\$ 632,781,841	\$ 615,620,455
Sources of Funds				
General Revenue	\$ 219,518,820	\$ 249,311,650	\$ 234,330,541	\$ 249,430,541
Federal Aid	54,287,278	47,598,341	124,317,667	100,306,281
Restricted Receipts	22,868,915	24,124,275	62,736,351	62,736,351
Other	113,604,806	109,594,675	211,397,282	203,147,282
Total	\$ 410,279,819	\$ 430,628,941	\$ 632,781,841	\$ 615,620,455
FTE Authorization	667.6	684.6	683.6	683.6
FTE Average	615.2			

FY 2026 Revised Request. The Department's revised request is \$207.5 million more than enacted from all sources, primarily reflecting unspent FY 2025 funds. This includes \$69.2 million from federal funds, \$37.4 million from restricted receipts, and \$103.5 million from other funds, primarily Rhode Island Capital Plan funds. General revenues are \$2.7 million less, including \$0.8 million for the distribution of one-time expenses and new statewide savings of \$1.7 million. The Department requested staffing authorization of 683.6 full-time equivalent positions, 1.0 fewer than enacted, reflecting the transfer of an Enterprise Technology Strategy and Services internal service fund position to the Department of Public Safety.

The Governor recommended \$5.3 million less from all sources than requested, including \$12.3 million less from general revenues, primarily reflecting savings from debt service. The Governor subsequently requested several amendments, aligning federal expenses with available funds, adjusting Rhode Island Capital Plan funds for two projects, and including \$0.7 million less from general revenues based on the anticipated need for the Federal Emergency Management Agency contingency reserve. The Assembly concurred with the amended recommendation and provided \$615.6 million from all sources, including \$249.4 million from general revenues. This is \$17.2 million less than the original recommendation, including \$15.1 million more from general revenues.

After the Governor submitted his budget, the Assembly adopted 2026-H 7408, Substitute A, as amended, authorizing the State Controller to transfer \$18.0 million from the Supplemental State Budget Reserve Account to general revenues for FY 2026. The funds were appropriated to the Rhode Island Health and Educational Building Corporation to fund a debt service reserve as financing support to assist in the sale of the Roger Williams Medical Center and Our Lady of Fatima Hospital. That appropriation is also incorporated into the FY 2026 final totals.

Staffing. The revised request includes \$0.5 million less than enacted from all sources for salary and benefit expenses; this includes savings of \$0.2 million each from additional turnover and medical benefits. It also reflects the removal of \$0.1 million for two policy interns in the Office of Regulatory Reform, which the Department indicated is not needed. The request includes \$0.9 million less from general revenues, primarily reflecting updated staffing costs and allocations to other sources.

The revised request includes the authorized allocation of 250.6 full-time equivalent positions to support non-internal service fund programs. This includes several intradepartmental changes that appear to align currently filled positions by division; it eliminates two positions in the Office of Accounts and Control and adds one each in HealthSource RI and the Division of Purchases. It assumes turnover savings equivalent to 6.7 positions, 1.0 more than enacted. As of late November, the aforementioned programs had 23.0 vacancies. The authorization for the remaining 433.0 positions is supported with internal service fund charges, which appear as operating costs in the agencies billed. This is 1.0 fewer than enacted, reflecting the transfer of an information technology internal service fund position to the Department of Public Safety.

The 2025 Assembly concurred with the Governor's subsequent amendment, creating a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. This excludes positions that are part of a collective bargaining agreement. It temporarily authorized the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor. It further requires that the job specifications be reviewed annually. The Department expected the positions to be filled in March, reflecting a delay with the implementation of the new human resources system.

The Governor recommended \$374,034 more than requested from all sources, including \$429,940 more from general revenues. The recommendation corrects for overstated expenses and adds \$105,246 for updated turnover, staffing costs and allocations, and \$54,367 to reflect statewide adjustments to health benefit rates. The recommendation assumes 683.6 full-time equivalent positions, consistent with the

request. The Assembly reduced expenses by \$2.0 million from general revenues to reflect ongoing vacancies above revised budget assumptions.

Centralized Services/Utilities. The revised request includes \$0.4 million more than enacted from all sources, including \$0.3 million more from general revenues for the Department's share of centralized services for FY 2026. This includes \$0.2 million for human resources support, which the Department subsequently indicated was in error; it had intended to request funding as enacted. The request also includes \$0.2 million for information technology services for Statewide Planning, and HealthSource RI's share of specialized information technology positions that the 2025 Assembly created.

It includes the enacted amount of \$7.5 million for facilities management. Adjusting for the error and expenses of \$0.7 million for the implementation of new systems management software, the revised request is \$0.2 million more than FY 2025 spending. Through the first quarter of FY 2026, it appears expenses are \$2.5 million. Annualized, they would be \$10.0 million, or \$1.6 million less than enacted; maintenance and operations for the new software system have not been billed. The Department is working on the methodology for billing, which it expects to start in January. Consistent with the enacted budget, the revised request includes \$1.2 million for utilities.

The 2023 Assembly provided \$1.8 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The study was completed and cost \$1.6 million, leaving a balance of \$0.2 million. In October 2025, the Governor requested to reclassify these funds and \$0.4 million from the Municipal Planning project, for a total of \$0.6 million for operating support for the Enterprise Resource Planning System.

The Governor recommended \$11.5 million from all sources, including the \$0.6 million from federal State Fiscal Recovery funds. It is \$0.2 million more than enacted, of which \$0.4 million less is from general revenues; \$0.2 million is to reflect the allocation of budgeted general revenue savings to these expenses. The recommendation includes adjustments to information technology and facilities management billings based on updated data. The Assembly concurred.

On June 8, after the House passed the budget, the Governor requested to reclassify an additional \$1.1 million of unspent funds to operating support for the Enterprise Resource Planning System.

Statewide

Reappropriation - FEMA Contingency Reserve. The 2025 Assembly provided a total of \$4.0 million from general revenues as a contingency reserve for COVID-19-related expenses, in the event that reimbursements from the Federal Emergency Management Agency differ from budgeted assumptions. This included \$1.5 million for FY 2025 and \$2.5 million for FY 2026. It also required that unspent funds be automatically reappropriated. In April 2025, the Department submitted management costs to the Agency for review, which is ongoing. FY 2025 expenses were \$0.4 million, and \$1.1 million was reappropriated to FY 2026. The Department omitted this and requested the enacted amount of funding, noting that if the reappropriation is needed, it will be included in the Governor's revised budget. Through the first quarter of FY 2026, \$0.3 million in expenses have been incurred.

The Governor recommended \$2.6 million, which reduces available funds by \$1.0 million. He subsequently requested an amendment, further reducing funds by \$0.7 million, reflecting anticipated need. The Assembly concurred with the amended recommendation and included \$1.9 million for FY 2026.

ARPA - Public Health Response Warehouse Support. The revised request includes \$1.2 million from FY 2025 unspent State Fiscal Recovery funds for lease expenses to store COVID-19 supplies, including

personal protective equipment. Through FY 2025, \$3.2 million has been spent; the revised request inadvertently includes \$0.2 million more than the \$4.2 million approved allocation. It should be noted that the enacted budget also includes \$0.8 million from general revenues in the Rhode Island Emergency Management Agency's budget, and its revised request includes \$0.6 million for FY 2026 total funding of \$1.5 million. *The Governor recommended the remaining \$1.0 million from State Fiscal Recovery funds. His revised budget also includes \$0.6 million from general revenues, essentially as requested in the Rhode Island Emergency Management Agency's budget.* **The Assembly concurred.**

On June 8, after the House passed the budget, the Governor requested to reclassify \$16,011 of unspent funds to operating support for the Enterprise Resource Planning System.

ARPA - Municipal Public Safety Infrastructure. The FY 2025 final budget included \$7.3 million from State Fiscal Recovery funds provided as a pool of matching funds for municipal public safety infrastructure projects. Funding priority must be based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality will be limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others. Through FY 2025, \$6.6 million has been spent, resulting in a balance of \$4.4 million, for a total project cost of \$11.0 million. The revised request does not include the unspent funds, which will automatically be reappropriated. *The Governor recommended the remaining \$4.4 million.* **The Assembly concurred.**

CPF - Community Learning Center Municipal Grant Program. The Capital Projects Fund provides funds to cities and towns seeking to renovate or build community learning centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. Currently, 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. Through FY 2025, \$12.5 million has been spent, and the revised request includes the unspent funds of \$69.3 million from FY 2025; the total of \$81.8 million is consistent with the approved allocation.

The revised request inadvertently omits the \$2.0 million from State Fiscal Recovery funds to support the operation of approved community learning centers; unspent funds are automatically reappropriated. The funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026.

The revised budget includes \$83.2 million from the Capital Projects Fund, combined with prior year expense, it is \$14.0 million more than the approved allocation of \$81.7 million. He also included \$2.0 million from FY 2025 unspent State Fiscal Recovery funds. The Governor subsequently requested an amendment to correct overstated expenses and added \$1.5 million in funding that subsequently became available. **The Assembly concurred with the amended recommendation.**

Rent and Utilities Assistance. The state received a total of \$352.0 million from two federal stimulus acts for rent and utilities assistance. Expenses for the RI Housing Rent Relief and Eviction Prevention programs were \$295.0 million; both programs have been completed and closed. At the end of FY 2025, a balance of \$6.8 million remains and will be used for housing stability services, including housing navigation, legal work, and funding for the Center for Justice. The revised request maintains the enacted amount of \$33.0 million for FY 2026, which is \$26.2 million more than available funding. Authority to incur expenses ends on December 31, 2025.

The Governor recommended \$14.6 million less than enacted, which is \$11.6 million more than available funds; it did not appear to have accounted for expenses reported in the Executive Office of Housing's budget. He subsequently requested an amendment, further reducing expenses to align with available funds. **The Assembly concurred with the amended recommendation.**

Primary Care Health Assessment - Distributed. The 2025 Assembly established an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The assessments are based on a per-member per-month fee applied to all covered lives, including self-insured. The FY 2026 enacted budget included \$1.4 million from all sources, including \$0.8 million from general revenues for the estimated cost for the state, as an employer. The revised request reflects the distribution of these funds, which were included in the Department of Administration for later distribution. These expenses are now included in medical benefit costs. *The Governor concurred.* **The Assembly concurred. It also adopted legislation to sunset the assessment, effective October 1, 2026. This is because federal legislation contained in H.R. 1, adopted after this assessment, restarts the imposition of new provider taxes.**

Weight Management Program. The state's health benefit plans currently cover anti-obesity medications; however, a doctor's prescription and prior authorization are required. Effective January 2026, the administration is proposing two changes to the program. It will require individuals on the anti-obesity medications to enroll in a weight management program in order to maintain drug copay coverage. If an individual refuses to enroll in the program, they would be responsible for 100 percent of the drug cost. This requirement will not be in place for individuals who take the anti-obesity medications for diabetes. It will also offer a prevention weight management program as an alternative to avoid medications or explore lower-cost alternatives to anti-obesity medications. The state will amend its contract with the pharmacy benefits manager CVS Caremark, which will administer the programs.

The revised request assumes \$1.7 million in general revenue savings; the estimated all funds savings are \$2.3 million for FY 2026; the annualized savings are \$4.6 million, net of \$1.3 million for annual program costs. The savings are included in the Department of Administration's budget for later distribution. The medical rates for calendar year 2026 have already been set; the Budget Office is looking at how best to apportion the savings to agencies. *The Governor concurred with the proposal; the savings are included as part of statewide medical benefit rates.* **The Assembly concurred.**

Debt

General Obligation Bonds. The revised request includes the enacted amount of \$160.8 million from all sources, including \$127.9 million from general revenues for general obligation debt. This includes \$32.9 million, primarily from gasoline tax proceeds for transportation debt.

The Governor's recommendation lowers expenses by \$13.5 million, including \$13.2 million from general revenues, reflecting an updated issuance and savings from refunding. Combined with the \$2.8 million increase in debt service for Higher Education institutions, the statewide savings are \$10.7 million, of which \$9.2 million is from general revenues. **The Assembly concurred.**

Central Falls School District. The 2021 Assembly authorized the Rhode Island Health and Educational Building Corporation to issue revenue bonds to construct a new high school for the City of Central Falls. The project cost is \$144.0 million, with a state share of \$138.2 million. The legislation also authorized the City to issue general obligation bonds up to \$5.8 million to fund construction, renovation, improvement, alteration, repair, furnishing, and equipping schools and school facilities throughout the district. The state will issue all the debt, and the City will reimburse it for its share of the debt, in lieu of the traditional process used by districts, in order to achieve lower costs. Of the authorized amount, \$93.5 million was issued in FY 2024, and the remaining \$50.5 million was issued in July 2025. The revised request includes the enacted amount of \$10.7 million. *The Governor included \$65,583 in savings, reflecting the actual issuance schedule.* **The Assembly concurred.**

HealthSource RI

Health Reform Assessment Receipts. The Department of Administration is authorized to charge a health reform assessment to support the operations of HealthSource RI. The 2019 Assembly concurred with the Governor's proposal and adopted legislation to decouple the state's premium assessment upon those insurers offering products on the Exchange from the rate charged for federally facilitated marketplaces and established a 3.5 percent fee in statute, effective January 1, 2020. The federal rate decreased from 3.5 percent to 3.0 percent on January 1, 2020.

The revised request assumes receipts of \$13.1 million, \$2.0 million more than enacted, reflecting higher than projected enrollments. The enacted budget assumed enrollments of 31,334 in the individual/family group and 9,284 in the small business group. Enrollments as of November 30, 2025, were 49,126 in the individual/family group and 8,885 in the small business group. At the end of FY 2025, there was \$1.4 million available from assessment receipts, \$0.7 million more than the final budget had assumed. *The Governor concurred. The Assembly concurred.*

Health Insurance Market Integrity Fund. The 2019 Assembly established a Reinsurance Program to provide stability in the individual insurance market, partially supported by a Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The penalty is collected by the tax administrator and deposited into a restricted account and is used to provide reinsurance or payments to health insurance carriers as a means of ensuring that premiums do not increase drastically and for program administrative costs. Remaining funds can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services. Current law prohibits the use of general revenues for reinsurance payments.

The revised request of \$15.3 million is \$1.2 million less than enacted from all sources, primarily from federal funds for reinsurance payments to health insurance carriers. Federal funds are determined by the Centers for Medicare and Medicaid Services based on enrollment levels, insurance claim trends, market, and other factors. The request includes \$4,530 more for salaries and benefits, reflecting updated staff time dedicated to reviewing and/or granting exemptions from the penalty payment, as allowed by law.

The Governor concurred with the requested reduction from federal funds and added \$2.3 million from available restricted penalty payment receipts. At the end of FY 2025, the account had an \$8.0 million balance. The Assembly concurred.

UHIP and Other Expenses (1.0 FTE). The revised request includes \$0.9 million more from all sources than enacted for all remaining expenses for HealthSource RI. This includes savings of \$0.8 million from general revenues, offset by \$1.7 million more from restricted receipts, reflecting available resources; the account balance at the end of FY 2025 was \$1.4 million. HealthSource RI is also assuming additional revenues, reflecting higher than projected enrollments for FY 2026.

The revised request includes \$144,243 more for salary and benefit expenses. This includes \$101,705 for a new chief position for the office of special projects; a repurposed authorization from the Office of Accounts and Control is requested. HealthSource RI noted that the position would replace contracted employees and would allow HealthSource RI to manage more contracts in-house. This initiative is cost-neutral, and HealthSource RI is not anticipating any savings. The total cost of the position is \$174,153; \$72,448 is from Medicaid funds within the Executive Office of Health and Human Services' budget.

It should be noted that the 2023 Assembly concurred with a similar proposal and the 2025 Assembly concurred with the Governor's recommendation to authorize a new position, for staffing of 16.0 full-time equivalent positions. As of mid-November, HealthSource RI had no vacancies.

The request includes an additional \$400,000 from restricted receipts, for total funding of \$650,000 to provide individuals with assistance with premium payments. FY 2025 spending was \$557,363, including \$166,065 from State Fiscal Recovery funds, which have been exhausted. All remaining expenses are \$0.4 million more for marketing, data and analytics, and information technology support. *The Governor concurred and included \$1,432 from restricted receipts to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Information Technology

Reappropriation - RIBridges Cyberattack. In December 2024, the state was notified of a cybersecurity attack on the human services eligibility and enrollment system known as RIBridges. HealthSource RI extended the open enrollment period from January 31 to February 28 and extended the call center hours. It also offered direct enrollment through Blue Cross Blue Shield, and Neighborhood Health Plan, with a no-cost option for January and February. Deloitte provided the state with \$5.0 million to help pay for expenses related to the attack. The 2025 Assembly provided \$700,000 from general revenues to cover some of the direct expenses identified in the Department's FY 2025 third quarter report that exceeded the allocation from Deloitte. It appears that the Department spent \$28,000. The Governor reappropriated \$700,000, and the revised request includes this amount. *The Governor recommended funding as requested. The Assembly concurred.*

Cybersecurity Federal Grant Match. The state has been awarded a total of \$11.0 million from a federal cybersecurity grant made available through the Infrastructure Investment and Jobs Act. The act requires states to distribute at least 80 percent of funds to local governments and to provide a state match, starting at 10.0 percent and increasing to 40.0 percent, totaling \$3.4 million. The 2025 Assembly provided \$1.4 million from general revenues, including \$300,000 for FY 2025 and \$1.1 million for FY 2026. The Department did not incur any expenses for FY 2025, and its revised request for FY 2026 includes \$243,370 more than enacted, reflecting an updated expenditure plan. *The Governor concurred. The Assembly concurred and required that unspent funds be automatically reappropriated to FY 2027.*

Information Technology Project Expenses. The revised request includes an additional \$35.0 million from restricted receipts for information technology expenses. This includes \$0.3 million for salaries and benefits, reflecting updated staffing costs and allocations. It also includes \$34.7 million for the Enterprise Resource Planning system. This is essentially consistent with the capital budget request. The Department did not submit revenue projections for the account; it does not appear that there are sufficient funds to support FY 2026 expenses.

The request is based on the Department using funds approved for the Department of Labor and Training Mainframe Legacy Modernization project to support cost increases for the Enterprise Resource Planning system. Pursuant to current law, "after the completion of any project, the chief digital officer shall inform the state controller of unexpended sums previously transferred to the Large Systems Initiatives Fund for that project and the state controller shall subsequently transfer any such unexpended funds to the information technology restricted receipt account." The Wi-Fi and Technology project at the Adult Correctional Institution was completed at a cost of \$1.8 million. The Department noted that the remaining balance of \$1.3 million will be transferred to the account, pursuant to current law. *The Governor recommended funding essentially as requested. The Assembly concurred.*

Other Programs

Office of Management and Budget. The revised request includes an additional \$91,790 from all sources for all remaining expenses in the Office of Management and Budget. This includes \$50,000 less from general revenues, offset by increases of \$75,659 from federal funds and \$66,131 from other funds. Salary and benefit expenses are \$0.3 million less than enacted, including the removal of \$0.1 million for two policy

interns in the Office of Regulatory Reform, which the Department indicated is not needed. It also includes \$0.2 million less, reflecting updated staff costs and allocations, and medical benefit savings. Consistent with the enacted budget, it assumes \$0.6 million in turnover savings, equivalent to approximately three vacancies. As of mid-November, there were 14.0 vacancies.

Operating expenses are \$406,371 more, including \$172,962 from federal funds for administration of the State Fiscal Recovery Fund. Reflecting FY 2025 expenses, it adds \$149,401 from general revenues for the Office of Internal Audit and Program Integrity for contracted accounting and auditing services. It also adds \$84,008 from general revenues for various expenses in the State Budget Office. The total revised request of \$1.1 million from general revenues is \$0.3 million more than FY 2025 expenses.

The Governor recommended \$0.4 million more than requested from all sources, including decreases of \$66,953 from general revenues and \$137,509 from other funds, and \$0.6 million more from Capital Projects and State Fiscal Recovery federal funds. Salary and benefit expenses are \$30,628 more than requested to reflect statewide adjustments to health benefit rates. The Governor requested an amendment to reduce expenses by \$514, reflecting available federal funds.

The Assembly concurred with the subsequent amendment and provided \$0.6 million less from general revenues. This includes \$1.4 million in turnover savings, reflecting ongoing vacancies above revised budget assumptions. This is partially offset by adding \$0.8 million for contracted services identified in the Department's third quarter report, including \$0.5 million for expenses associated with the development of the Rural Health Transformation Program.

Risk Management (-2.0 FTE). The 2025 Assembly concurred with the Governor's proposal to transfer functions of the Office of Risk Management from the Division of Capital Asset Management and Maintenance to the State Controller. The Department noted that the Office of Risk Management is more aligned with the Office of State Controller; its work on insurance coverage is primarily a financial issue rather than facility management.

The FY 2026 enacted budget includes expenses of \$1.1 million from restricted insurance proceeds, including \$0.4 million to support two positions, and \$0.7 million for building claims-related expenses. The revised request reflects the elimination of the positions; staffing authorizations were repurposed for HealthSource RI and the Division of Purchases. The request adds \$0.5 million for a third-party vendor and a contractor to manage the program. The Department noted that the vendors reviewed the program and identified savings, for which its FY 2027 request assumes \$0.5 million. The request also adds \$0.4 million for building repairs, largely reflecting FY 2025 expenses of \$1.3 million. *The Governor recommended funding as requested. The Assembly concurred.*

Office of Accounts and Control. The revised request includes \$260,828 less from restricted receipts for all remaining expenses in the Office of Accounts and Control. Salary and benefit expenses are \$56,002 less, primarily reflecting additional turnover and medical benefit savings. It assumes turnover savings equivalent to 1.6 positions; the enacted budget assumed 0.7 positions. As of mid-November, the office had one vacancy. All other expenses are \$204,826 less from all sources, of which \$211,000 is from restricted receipts for the Federal Grants Management Office, reflecting updated resources. The 2021 Assembly authorized an assessment on federal funds received in order to support the office. The percent of the assessment is determined annually by the Controller and is in proportion to budgeted expenditures. Agencies are billed quarterly, and \$1.8 million is anticipated for FY 2026.

The Governor recommended \$1.1 million less from all sources than requested, including \$5,033 more from general revenues. The recommendation reflects updated staffing costs and allocations, and statewide adjustments to health benefit rates. The recommendation includes \$1.3 million from restricted receipts for

the Federal Grants Management Office, which is \$1.1 million less than requested, based on anticipated receipts. The Assembly concurred.

Wrongful Conviction Awards. Consistent with the enacted budget, the revised request includes \$1.0 million from general revenues for wrongful conviction awards. The 2021 Assembly adopted legislation to compensate individuals who were wrongfully convicted of crimes and incarcerated. Compensation for each year served is up to \$50,000. A claimant can get an additional award for reasonable costs incurred for services such as housing, transportation, and other services, attorneys' fees, and release from outstanding child support obligations. Through FY 2025, \$1.2 million in payments have been made. The Office of the Attorney General subsequently noted that these expenses will be \$0.9 million in FY 2026, \$0.1 million less than requested. *The Governor recommended \$0.1 million less, reflecting the updated estimates.*

The Assembly included \$0.9 million in savings; the Office of the Attorney General does not anticipate any expenses for FY 2026.

Tort Court Awards – Settlements. Consistent with the enacted amount, the FY 2026 revised request includes \$1.8 million from general revenues for settlements and legal fees relating to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities. The Office of the Attorney General subsequently noted that these expenses will be \$1.5 million in FY 2026, \$250,000 less than requested. *The Governor recommended \$250,000 less, reflecting the updated estimates. The Assembly concurred.*

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when it is allowed under the particular federal grant. In fall 2024, the federal rate increased from 10.0 percent to 15.0 percent. The enacted budget included undefined general revenue savings of \$0.2 million from applying a 15.0 percent indirect cost recovery on federal grants that the Department receives. The revised request retains these savings. *The recommended budget assigns the savings to centralized services expenses. The Assembly concurred.*

Other Salaries and Benefits (1.0 FTE). The revised request includes \$0.2 million less from all sources than enacted for remaining salary and benefit expenses in the Department for the following programs: Central Management; Human Resources; Legal Services; Purchases; Library and Information Services; Division of Equity, Diversity and Inclusion; Statewide Planning; and Division of Capital Asset Management and Maintenance. It includes \$0.6 million less from general revenues, primarily reflecting updated staffing costs and allocations to available restricted assessment receipts on state contracts.

Subsequently, the Department indicated that \$214,421 from general revenues for a position was inadvertently omitted. Adjusting for this, the request is \$40,769 more than enacted, primarily for a new position in the Division of Purchases; authorization is repurposed from the risk management staffing reduction. The Department noted that the position will be reviewing purchasing contracts. The revised request assumes turnover savings essentially as enacted for approximately three positions. As of mid-November, the aforementioned programs had 6.0 full-time equivalent positions vacant. *The Governor recommended \$243,150 more than requested, including \$236,527 from general revenues. The recommendation corrects for omitted expenses and adds \$28,729 for statewide adjustments to health benefit rates.*

The Assembly concurred with the exception of including \$0.5 million in turnover savings, reflecting ongoing vacancies above revised budget assumptions.

Capital Projects. The revised request includes \$171.9 million from Rhode Island Capital Plan funds for 37 approved projects. This is \$103.7 million more than enacted, primarily reflecting unspent funds from

FY 2025. This is \$0.6 million less than the capital budget request, which inadvertently omits the reappropriation for the Big River Management Area project.

The Governor recommended \$170.7 million from Rhode Island Capital Plan funds, which is consistent with the capital budget. Adjusting for omitted expenses for the Big River Management Area, the recommendation is \$1.8 million less than requested.

The recommended capital budget includes \$1.3 million from federal funds awarded to the Historical Preservation and Heritage Commission for the Old State House. The operating budget assumes the total project cost; however, it budgets \$0.8 million in the Department, and the remaining \$0.5 million is budgeted in the Historical Preservation and Heritage Commission. The Governor subsequently requested two amendments, including savings of \$750,000 from the Pastore Center Buildings Demolition project, and adding a like amount of expenses for the Office of State Medical Examiners' facility.

The Assembly concurred with the amended recommendation and provided a total of \$162.5 million, which is \$8.3 million less than the original recommendation, reflecting project delays and updated project costs. A detailed description of the projects is included in the Capital Budget Section of this publication.

Other Expenses. The revised request includes \$170,876 more from all sources, including \$7,169 from general revenues for all remaining expenses in the Department. This includes \$160,000 from gas tax proceeds to support municipalities in the transportation project planning process. *The Governor concurred and added \$7,207 from all sources, including \$13,964 from general revenues, primarily for computer supplies. The Assembly provided \$150,000 less from general revenues, reflecting savings identified in the Department's third quarter report, and concurred with the remainder of the recommendation.*

Office of Energy Resources

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 2,619,611	\$ 2,967,224	\$ 2,817,133	\$ 2,817,133
Contracted Services	1,910,098	2,432,964	4,196,191	3,196,191
Subtotal	\$ 4,529,709	\$ 5,400,188	\$ 7,013,324	\$ 6,013,324
Other State Operations	19,236,751	2,532,263	5,824,234	5,824,234
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,840,384	60,770,010	50,352,795	42,852,795
Capital	513,482	3,039,566	42,566	1,042,566
Capital Debt Service	-	-	-	-
Operating Transfers	-	4,570,000	14,352,617	6,852,617
Total	\$ 34,120,326	\$ 76,312,027	\$ 77,585,536	\$ 62,585,536
Sources of Funds				
General Revenue	\$ 224,687	\$ -	\$ 275,313	\$ 275,313
Federal Aid	17,734,075	31,554,214	24,035,259	16,535,259
Restricted Receipts	14,659,955	39,089,028	37,704,824	37,704,824
Other	1,501,609	5,668,785	15,570,140	8,070,140
Total	\$ 34,120,326	\$ 76,312,027	\$ 77,585,536	\$ 62,585,536
FTE Authorization	16.0	17.0	17.0	17.0
FTE Average	14.4			

FY 2026 Revised Request. The revised request is \$3.2 million more from all sources than enacted, including the required FY 2025 reappropriation of \$275,313 from general revenues. *The Governor recommended \$1.2 million more than enacted from all sources, which is \$1.9 million less than requested, primarily reflecting available federal funds.*

The Assembly provided \$62.6 million from all sources, which is \$15.0 million less than recommended, reflecting projected spending and delays.

Reappropriation - E-Bikes Rebate Program. The revised request includes the required reappropriation of \$56,111 from FY 2025 unspent general revenues for the electric bikes rebate program, which provides a rebate of up to \$750 on the purchase of an e-bike. Each household is limited to two rebates; the e-bike must be purchased from a retail store in the state, and applicants must apply for the rebate within 180 days of purchase. Of the \$250,000 appropriated in FY 2025, \$193,889 was spent, resulting in a surplus balance of \$56,111. *The Governor concurred.* **The Assembly concurred and required unspent funds be automatically reappropriated to FY 2027.**

Reappropriation - Electric Leaf Blower Rebates. The FY 2025 final budget included one-time funding of \$250,000 from general revenues provided for an electric leaf blower rebate program aimed at commercial landscapers. An eligible applicant can receive up to \$1,500 or 75.0 percent of the cost of an electric leaf blower and related batteries, whichever is less. Applicants located in municipalities with the highest asthma rates can receive an additional \$250. The program launched on November 21, 2024, which the Office

indicated was off-season and only incurred expenses of \$30,798 for FY 2025. The revised request includes the required reappropriation of \$219,202 for the program. *The Governor concurred. The Assembly concurred and required unspent funds be automatically reappropriated to FY 2027.*

ARPA – Electric Heat Pump Grant Program. The revised request includes \$1.6 million from unspent FY 2025 State Fiscal Recovery funds provided to support low- and moderate-income households, and community organizations to purchase and install energy efficient electric heat pumps. Combined with prior year spending of \$23.7 million, the request is \$0.9 million more than the approved amount of \$24.4 million. *The Governor recommended the remaining \$0.7 million, \$0.9 million less than requested, reflecting the approved amount. The Assembly concurred.*

On June 8, after the House passed the budget, the Governor requested to reclassify \$14,355 of unspent funds to operating support for the Enterprise Resource Planning System.

Salaries and Benefits. The revised request includes \$0.4 million more than enacted for salary and benefit expenses for the authorized 17.0 full-time equivalent positions. Subsequently, the Office noted that \$0.3 million of the increase was requested in error; it inadvertently added \$0.1 million for policy interns and restored turnover savings of \$0.3 million for the Commissioner position, which is currently vacant. Through late October, the Office had approximately two more vacancies than the enacted budget assumed. It should be noted that the Office downgraded a vacant administrator of energy position to a legal counsel, resulting in additional savings. Adjusting for the errors, the request is \$0.1 million more, reflecting updated staffing costs and allocations. *The Governor recommended \$0.2 million less than enacted, primarily reflecting continued vacancies. He also added \$679 to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Solar for All. In April 2024, the state was awarded a \$49.3 million federal grant for the Solar for All program to reduce greenhouse gas and air pollutants. These funds were made available as part of the Inflation Reduction Act of 2022. The Office noted that seven financial assistance programs would be made available, including single and multi-family housing, and community solar projects. In FY 2025, \$0.1 million was spent on program implementation. In August 2025, the Office received a termination of funding notice, which it is disputing. The revised request excludes enacted funding of \$10.0 million, as the status of the grant is uncertain. It retains \$7,549 for expenses incurred prior to the notice. *The Governor concurred. The Assembly concurred.*

National Electric Vehicle Infrastructure Program. The Infrastructure Investment and Jobs Act allocated \$22.9 million to the Department of Transportation for an Electric Vehicle Charging Infrastructure Program, with the goal of deploying 500,000 electric vehicle chargers nationwide by 2030. The state's plan is administered by the Department of Transportation and the Office, with consultation from the Department of Environmental Management. Subsequently, the state was awarded another \$15.0 million from the Charging and Fueling Infrastructure Grant. Federal funds and the state's match are included in the Department of Transportation's budget; however, the federal funds are passed through to the Office.

Excluding salaries and benefits, the revised request of \$14.4 million is \$9.8 million more than enacted, reflecting an updated spending plan. Phase II, which will address public and private entities, was initially launched in November 2024; however, the Federal Highway Administration rescinded guidance and funding for the program in February 2025. A coalition of states sued and prevailed and the Office has since relaunched the program; however, litigation for the subsequent award is ongoing. Phase I was completed in July 2024; two level-three fast chargers were installed each in Warwick and Hopkinton. *The Governor recommended funding as requested. The Assembly provided \$7.5 million less than recommended, reflecting projected spending.*

Home Energy Rebate Programs. The Inflation Reduction Act of 2022 authorized funding for two home energy rebate programs. The state will receive \$63.8 million, which can be expended through September 30, 2031. This includes \$32.0 million for home efficiency rebates and \$31.8 million for home electrification and appliance rebates. Excluding salaries and benefits, the revised request includes \$5.6 million, or \$0.7 million more than enacted, for the appliance rebate program, which launched in September 2024. The rebate amount varies by appliance type, with a maximum of \$14,000. It also includes the enacted amount of \$7.8 million for the home efficiency rebate program, which must include one major improvement, such as upgrading the building envelope or a cooling or water heating system. The Office is awaiting clearance from the U.S. Department of Energy to launch the program. *The Governor concurred.*

The Assembly provided \$7.5 million less than recommended for the home efficiency rebate program; the Office has not received approval to launch the program.

Executive Climate Change Coordinating Council Projects. The 2023 Assembly authorized an annual transfer of up to \$1.5 million from Regional Greenhouse Gas Initiative funds to the Executive Climate Change Coordinating Council for its projects. The revised request includes \$797,000 less than enacted from restricted receipts, reflecting funds allocated to other state agencies for the Council's projects. The Council approved the FY 2026 plan in September and allocated that amount to various agencies, including the Departments of Elementary and Secondary Education, Transportation, and Health, the Executive Office of Health and Human Services, and others. The Office's budget retains \$703,000 in expenses, including \$510,000 to the Rhode Island Public Transit Authority for a pilot program, flex services, and to promote transit services, and \$193,000 to the University of Rhode Island for an internship and curriculum development project. Subsequently, the Office indicated that it overallocated funds to agencies and that an additional \$141,000 should be retained in its budget, including \$41,000 for its expenses and \$100,000 for the Commerce Corporation. *The Governor recommended \$141,000 more, reflecting the intended request. The Assembly concurred.*

Other Expenses. The revised request includes \$1.2 million more than enacted from all sources for all remaining expenses in the Office. This includes an increase of \$1.5 million from federal funds for several energy efficiency projects, including improvements in public buildings. It should be noted that the request includes \$0.7 million from a \$1.6 million grant that the Office received to provide training and resources for the construction industry to modernize energy efficient building codes; that grant has since been terminated. Expenditures from restricted receipts are \$0.3 million less, primarily reflecting the removal of funds for completed energy efficiency projects in schools. The request includes the enacted amount of \$169,457 for centralized services provided by the Department of Administration. *The Governor recommended \$602,415 less from all sources than requested, including the removal of \$657,193 based on the termination of the federal grant. This is partially offset by \$54,778 from restricted receipts to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Department of Business Regulation

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 4,002,590	\$ 4,399,824	\$ 3,982,169	\$ 3,982,169
Banking Regulation	2,049,567	2,157,972	2,139,278	2,139,278
Securities Regulation	966,643	1,000,863	995,758	995,758
Insurance Regulation	6,994,452	6,743,077	7,698,850	7,548,850
Office of the Health Ins. Comm.	3,952,595	4,150,044	4,156,929	4,571,604
Board of Accountancy	830	5,490	5,490	5,490
Commercial Licensing, Gaming & Athletics	2,165,052	2,314,320	2,612,183	2,612,183
Building, Design & Fire Professionals	12,347,609	18,323,364	20,027,494	19,727,494
Total	\$ 32,479,338	\$ 39,094,954	\$ 41,618,151	\$ 41,582,826
Expenditures by Category				
Salaries and Benefits	\$ 21,239,422	\$ 22,625,611	\$ 23,427,824	\$ 23,087,824
Contracted Services	4,111,760	3,796,824	12,466,674	4,366,749
Subtotal	\$ 25,351,182	\$ 26,422,435	\$ 35,894,498	\$ 27,454,573
Other State Operations	5,048,142	5,409,732	5,620,866	5,783,541
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	59,757	35,000	35,000	437,000
Capital	1,962,890	7,227,787	67,787	7,907,712
Capital Debt Service	-	-	-	-
Operating Transfers	57,367	-	-	-
Total	\$ 32,479,338	\$ 39,094,954	\$ 41,618,151	\$ 41,582,826
Sources of Funds				
General Revenue	\$ 24,552,717	\$ 25,769,781	\$ 25,646,550	\$ 25,546,550
Federal Aid	644,207	786,088	873,588	1,288,263
Restricted Receipts	5,555,319	5,486,102	7,190,782	6,840,782
Other	1,727,095	7,052,983	7,907,231	7,907,231
Total	\$ 32,479,338	\$ 39,094,954	\$ 41,618,151	\$ 41,582,826
FTE Authorization	155.0	155.0	155.0	157.0
FTE Average	140.3			

FY 2026 Revised Request. The Department of Business Regulation requested \$2.6 million more than enacted from all sources, including \$0.1 million less from general revenues, \$0.1 million more from federal funds, \$1.7 million more from restricted receipts, and \$0.9 million more from other sources. *The Governor recommended \$30,155 less than requested, including \$39,510 less from general revenues, \$9,635 more from restricted receipts, and \$280 less from Quonset Development Corporation funds. He subsequently requested two amendments, adding \$64,675, including \$350,000 less from restricted receipts to correct an error, and \$414,675 more from federal funds, and 2.0 new full-time equivalent positions for the Rural*

Health Transformation Program. The Assembly concurred with the amended recommendation and provided \$0.1 million less from general revenues based on the spending through the third quarter.

Office of the Health Insurance Commissioner

Rural Health Transformation Program. On July 4, 2025, H.R.1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office of Health and Human Services applied for the grant in early November 2025, with awards expected to be announced by the end of December. The revised requests did not include any funding in anticipation of approval of a \$200.0 million request over five years in the health and human services agencies' budgets.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care. *The Governor's recommendation did not include funding. The Executive Office submitted its revised plan on January 30 for federal approval.*

The Governor subsequently requested an amendment to add \$142.7 million from federal funds to several state agencies for the first year of the state's award. The amendment includes \$21.8 million and 2.0 new positions for the Office of the Health Insurance Commissioner to oversee the program, including \$0.4 million for FY 2026 and \$21.4 million for FY 2027. These funds will primarily support contractors and competitive awards to encourage hospitals and primary care practices to transition to alternative and value-based payment models. The Assembly concurred with the amended recommendation.

Dental Insurance Loss Ratio. The 2024 Assembly passed legislation requiring the Office of the Health Insurance Commissioner to provide recommendations on comprehensive dental health plans and a minimum percentage of dental premium dollars to be spent on patient care. The difference is defined as the dental insurance loss ratio. The report covers 2023 through 2025 and must be submitted by October 1, 2026. The Assembly authorized the Office to levy a maximum of \$150,000 in total in each 2023, 2024, and 2025 from dental insurers for associated costs. The Office requested the enacted amount of \$126,000 from general revenues for FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Human Service Programs Rates and Benefit Analysis. The Office requested \$90,000 less from general revenues for rate review work, offset by a like amount from federal funds based on an updated estimate of Medicaid reimbursements. The state contracts and licenses a variety of service providers to conduct social and human services programs, which are subject to a biennial comprehensive rate and program review overseen by the Office. The enacted budget includes \$0.6 million to represent off-year funding for 1.0 full-time equivalent position, public meetings, and budget planning. The Office submitted its most recent report in September 2025, which recommends rate increases of \$76.3 million for services delivered on a fee-for-service basis, or \$112.8 million if rate adjustments are also extended to services delivered through Medicaid managed care, similar to how primary care rate increases were implemented. The report omits services contracted by the Department of Children, Youth and Families. *The Governor concurred. The Assembly concurred.*

Primary Care Rate Review. The Office requested the enacted amount of \$400,000 to produce a one-time report on primary care reimbursement rates due by September 1, 2026. The 2025 Assembly required the report to include Medicaid, Medicare, commercial, and alternative contracted payments. This is separate from the biennial Human Service Programs Rates and Benefit Analysis. The Office estimated a total cost of \$450,000, including \$400,000 for FY 2026 and \$50,000 for FY 2027, with half of the cost in each year

programmed from general revenues and federal Medicaid matching funds. *The Governor concurred. The Assembly concurred.*

OHIC - Other Personnel and Operations. The Office requested \$2,192 less from all sources for all other staff and operations of the Office of the Health Insurance Commissioner. The request updates staffing costs, including \$6,477 more from general revenues and \$8,669 less from restricted receipts. As of November 2025, the Office has no vacancies. *The Governor recommended \$9,077 more than requested, primarily from general revenues, to reflect statewide adjustments to health and other benefit rates as well as information technology billings based on updated data. The Assembly concurred.*

Other Business Regulation Programs

E-Permitting Expansion. The Department requested the enacted amount of \$1.0 million from general revenues to support uniform permitting for all Rhode Island municipalities. Funding supports one associated position, technical assistance, and ongoing operating expenses, such as software licenses for all 39 municipalities. Municipalities were required to provide online construction permitting by July 2024 and online land use and zoning permitting by October 2025. As of November 2025, Charlestown is completing implementation of the planning requirement and Barrington is not compliant with the planning or zoning requirements. All other municipalities are fully compliant. *The Governor concurred. The Assembly provided \$0.2 million more than recommended based on spending through the third quarter.*

Bomb Squad World Cup Activity. The Department requested \$100,000 from general revenues for Bomb Squad activity related to the 2026 FIFA World Cup. The World Cup will take place from June 11 to July 19, and the Bomb Squad is responsible for providing aid to Massachusetts and federal agencies, as well as responding to related events planned in Rhode Island. The Department's FY 2027 request includes \$50,000 for total costs of \$150,000. This includes \$65,000 for overtime and \$85,000 for specialized equipment. The Department expects that the state will be reimbursed for all expenses incurred. The 2022 Assembly provided one-time funding of \$1.1 million for new equipment and annual funding of \$100,000 beginning in FY 2024 to supplement federal grant funds for ongoing replacements. *The Governor recommended \$250,000 from general revenues for FY 2026 in the Emergency Management Agency's budget only in the event any security expenses associated with the World Cup are not reimbursed. The Assembly concurred.*

Fire Academy Instructors. The Department requested a total of \$659,420 from restricted receipts, \$399,420 more than enacted, for instructors who teach courses at the State Fire Academy in Exeter. The increase reflects the cost to convert the instructors, currently budgeted as contractors, into seasonal employees in order to provide them with workers' compensation coverage. Restricted receipts are generated from course fees, typically paid by local fire departments, and used to support the facility and instructors; as of the end of FY 2025, the account has a balance of \$2.4 million. The Department subsequently indicated that its request is overstated by \$350,000. *The Governor recommended funding as requested, but subsequently requested an amendment to correct the error. The Assembly concurred with the amended recommendation.*

Fire Marshal Other Operations. The Department requested \$0.2 million more than enacted for 42.0 full-time equivalent positions and operations of the Office of the State Fire Marshal. The enacted budget contains turnover savings equivalent to 1.8 vacancies. The request includes \$53,421 more from general revenues to restore turnover savings equivalent to 0.7 positions, \$2,500 less from federal funds based on anticipated grants, \$0.1 million more from restricted receipts for a portion of the work of four positions currently primarily funded from general revenues, and \$14,323 more from Quonset Development Corporation funds based on planned work. As of November, the Office has 4.0 vacancies. *The Governor recommended \$9,510 more, almost entirely from general revenues, to reflect statewide adjustments to health and other benefit rates, as well as information technology billings based on updated data. The*

Assembly concurred and assumed \$0.1 million in additional turnover savings based on the Department's third quarter report.

Other Salaries and Benefits. The Department requested \$0.1 million more than enacted for all other staffing expenses, including \$0.2 million less from general revenues and \$0.3 million more from restricted receipts. The enacted budget includes turnover savings equivalent to 5.8 full-time equivalent positions. As of November, the remainder of the Department has 4.0 vacancies; the revised request includes turnover savings equivalent to 4.3 vacancies. The request also shifts \$0.3 million of expenses from general revenues to restricted receipts within the Divisions of Commercial Licensing and Building, Design and Fire Professionals. *The Governor recommended \$15,789 more than requested, primarily from general revenues, to reflect statewide adjustments to health benefit rates.* **The Assembly concurred and assumed \$0.2 million in additional turnover savings based on the Department's third quarter report.**

Office Renovation. The Department requested \$200,000 from general revenues, including \$100,000 each in FY 2026 and FY 2027, for a new initiative to provide office furniture and electrical upgrades for the Division of Commercial Licensing. The Department occupies four floors at Pastore Center buildings 68 and 69; three were recently remodeled after flood damage in 2022. It indicates its remaining floor is 10 to 15 years out of date. The FY 2025 final budget contains \$0.3 million for similar work for the Insurance Division. The Department's capital request includes an identical amount but is funded through Rhode Island Capital Plan funds. *The Governor recommended \$100,000 from general revenues only.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Insurance Division Actuaries. The Department requested \$0.8 million more than enacted from Insurance Division restricted receipts for actuarial services to perform rate studies and review filings. Receipts are generated according to a schedule of direct insurance writings and pay for the full cost of actuary work. The Department indicates that the increase reflects the maximum value of payments under its existing contract. The workload is unpredictable and a substantial portion is conducted in the fourth quarter of each fiscal year, so it is common for costs to fluctuate. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Department's capital request includes \$8.7 million from Rhode Island Capital Plan funds for FY 2026 for capital projects. This includes \$7.8 million to expand the State Fire Academy in Exeter and \$0.9 million for various information technology projects. The Department's operating request inadvertently excludes funding for the information technology projects requested in its capital submission. *The Governor recommended \$280 less than requested, consistent with his capital recommendation.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Department requested \$18,500 less than enacted for all other expenditures. This includes \$66,500 less from general revenues to reflect updated information technology costs and more closely reflect FY 2025 spending. It also includes \$48,000 more from restricted receipts for travel costs, reflecting a return to in-person attendance at industry conferences and additional examiner training. *The Governor recommended \$35,749 more than requested, including \$30,150 more from general revenues, to reflect statewide adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Rhode Island Cannabis Control Commission

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 3,837,096	\$ 4,421,391	\$ 4,298,347	\$ 4,298,347
Contracted Services	116,740	275,750	495,000	495,000
Subtotal	\$ 3,953,836	\$ 4,697,141	\$ 4,793,347	\$ 4,793,347
Other State Operations	810,005	1,308,922	2,148,183	2,148,183
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	250,000	-	-
Capital	116,219	1,047,500	345,000	345,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 4,880,060	\$ 7,303,563	\$ 7,286,530	\$ 7,286,530
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	-	-	-	-
Restricted Receipts	4,880,060	7,303,563	7,286,530	7,286,530
Other	-	-	-	-
Total	\$ 4,880,060	\$ 7,303,563	\$ 7,286,530	\$ 7,286,530
FTE Authorization	26.0	26.0	26.0	26.0
FTE Average	21.8			

FY 2026 Revised Request. The Rhode Island Cannabis Control Commission requested \$0.2 million more than enacted from restricted receipts and 28.0 full-time equivalent positions, 2.0 more than enacted. The Commission opened retail-only applications in October, with a December 29 deadline and a May 2026 timeline for announcing retail license awards. *The Governor recommended \$17,033 less than enacted for the authorized level of 26.0 positions; this is \$0.2 million less than requested. In April, preliminary injunctions were issued associated with pending court cases that further delayed the process for issuing retail licenses. The Assembly concurred.*

Data Analyst (1.0 FTE). The Commission requested \$173,945 from adult-use restricted receipts for 1.0 new full-time data analyst position. It indicated that the position would analyze its licensing, market, and seed-to-sale data with the goal of improving oversight and efficiency. Work would include creating internal dashboards, graphics for external documents, and collaborating with public health and enforcement partners. The Commission's FY 2027 request also includes the new position. *The Governor concurred with the FY 2027 request but did not include the position for FY 2026. The Assembly did not provide the position or funding in either year.*

Legal Counsel (1.0 FTE). The Commission requested \$161,237 from adult-use restricted receipts for 1.0 new full-time senior legal counsel position. It currently has 2.0 legal positions and indicates that additional in-house legal staff will help it solidify the legal framework for workers' cooperative and social equity applicants and more rapidly respond to compliance, litigation, and contract issues likely to arise when it begins to issue the 24 statutorily authorized retail licenses. The Commission made a similar, unsuccessful

request last year. Its FY 2027 request also includes the new position. *The Governor concurred with the FY 2027 request but did not include the position for FY 2026. The Assembly did not provide the position or funding in either year.*

Other Salaries and Benefits. The Commission requested \$126,084 less from restricted receipts for its existing 26.0 full-time equivalent positions. This reduction reflects adjustments for medical benefit selections and turnover savings equivalent to 0.9 vacancies; there are 3.0 vacancies as of October 2025. This is partially offset by two changes. First, the request reflects upgrades for 2.0 positions. In FY 2025, the Commission repurposed a vacant administrative position to hire a Chief of Public Affairs and upgraded its Investigative Auditor to Chief of Policy. Second, it reimburses the Department of Health for 1.2 positions that perform medical marijuana work, consistent with legislation passed by the 2025 Assembly. *The Governor recommended \$3,040 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Other Operations. The Commission requested restricted receipt funding consistent with the enacted budget for all other operations associated with regulation and oversight of the state's retail cannabis, medical marijuana, and industrial hemp programs. The request includes \$0.1 million less for travel and \$0.5 million less for one-time setup costs. This is offset by \$0.3 million more for ongoing information technology support related to the rollout of adult-use licenses, as well as \$0.3 million more for office renovations and equipment. *The Governor concurred and added \$106,011 to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Executive Office of Commerce

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Executive Office of Commerce	\$ 2,168,417	\$ 2,369,982	\$ 2,386,853	\$ 2,386,853
Quasi-Public Appropriations	70,092,264	19,307,421	20,699,502	20,716,945
Economic Dev. Initiative Funds	33,470,798	31,735,000	13,771,400	13,771,400
Commerce Programs	32,250,371	5,420,421	54,254,567	54,254,567
Total	\$ 137,981,850	\$ 58,832,824	\$ 91,112,322	\$ 91,129,765
Expenditures by Category				
Salaries and Benefits	\$ 1,123,410	\$ 1,152,792	\$ 1,153,957	\$ 1,153,957
Contracted Services	(290)	-	-	-
Subtotal	\$ 1,123,120	\$ 1,152,792	\$ 1,153,957	\$ 1,153,957
Other State Operations	236,995	211,940	227,646	227,646
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	41,631,946	20,476,400	55,539,027	51,347,225
Capital	-	6,305,250	3,505,250	7,714,495
Capital Debt Service	-	105,094	105,094	105,094
Operating Transfers	94,989,789	30,581,348	30,581,348	30,581,348
Total	\$ 137,981,850	\$ 58,832,824	\$ 91,112,322	\$ 91,129,765
Sources of Funds				
General Revenue	\$ 40,274,661	\$ 33,532,824	\$ 33,549,695	\$ 33,549,695
Federal Aid	91,345,482	20,000,000	50,870,825	50,870,825
Restricted Receipts	-	-	-	-
Other	6,361,707	5,300,000	6,691,802	6,709,245
Total	\$ 137,981,850	\$ 58,832,824	\$ 91,112,322	\$ 91,129,765
FTE Authorization	5.0	5.0	5.0	5.0
FTE Average	5.0			

FY 2026 Revised Request. The Executive Office of Commerce's revised budget request is \$19.3 million less from all sources than enacted, including \$611 more from general revenues. *The Governor recommended \$51.6 million more than requested, including \$16,260 from general revenues, \$50.2 million from federal funds, and \$1.4 million from Rhode Island Capital Plan funds.*

He subsequently requested an amendment to increase Rhode Island Capital Plan funds by \$17,443 to reflect unspent FY 2025 funds. The Assembly concurred with the amended recommendation.

Main Streets Revitalization. The Executive Office's revised request includes the \$125,000 from general revenues provided in the enacted budget to recapitalize the Main Street RI Streetscape Improvement Fund. The 2015 Assembly authorized the Commerce Corporation to award loans, matching grants, and other forms of financing to enhance infrastructure to create an attractive environment in local business districts; the 2023 Assembly expanded allowable uses to include technical assistance. The 2025 Assembly formally

established a Main Street Coordinating program to promote economic activity and development within the state, and that legislation authorized the use of the Streetscape fund for that program. Through FY 2025, the Assembly appropriated \$10.1 million; the Corporation awarded \$10.0 million and disbursed \$3.1 million. *The Governor recommended funding as requested. The Assembly concurred.*

Wavemaker Fellowships. Consistent with the enacted budget, the Executive Office's revised request includes \$2.6 million from general revenues for a student loan repayment tax credit program for graduates of accredited institutions of higher education who receive an associate's, bachelor's, or master's degree and who remain in, become a resident of, and are employed within the state in the fields of life, natural or environmental sciences; computer, information or software technology; engineering or industrial design; and medicine or medical device technology. Awards are typically announced in late spring; an upcoming round of applications closed in November 2025. *The Governor recommended funding as requested. The Assembly concurred.*

State Small Business Credit Initiative. The Executive Office requested \$19.3 million less than enacted from federal funds provided under the American Rescue Plan Act for the State Small Business Credit Initiative to support small businesses impacted by the economic effects of the coronavirus pandemic. Rhode Island was awarded \$61.7 million to be received in three tranches. The enacted budget includes \$20.0 million as a placeholder; the Executive Office reported that the requested amount of \$0.7 million reflects the remaining funding for the second tranche, which originally totaled \$20.5 million. Funding from the third tranche officially became available after 80.0 percent of the second tranche was awarded and is expected to be drawn down beginning in FY 2027.

Additionally, in April 2024, the United States Department of Commerce awarded \$100.0 million for the Minority Business Development Agency to provide technical assistance to eligible underserved small businesses; Rhode Island was awarded \$0.8 million. As of November 2025, the Executive Office has only received \$0.3 million. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Assistance to Impacted Industries. The Assembly authorized \$15.0 million from FY 2022 to FY 2025 from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industries. The Executive Office's revised request does not include any funding. Through September 2025, \$1.3 million remained unspent. *The Governor recommended the remaining \$1.3 million for FY 2026. The Assembly concurred.*

ARPA - Port of Davisville. The 2023 Assembly provided \$65.0 million from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. The project supports the Port's master plan and current area businesses through the construction of a new pier at Terminal 5, rehabilitation of Pier 1, dredging, heavy project laydown space, and activities to support the anticipated development of offshore wind project cargo and logistics. The project is intended to reconfigure the port to provide additional berth and growth capacity. Through FY 2025, \$279 remained to be spent. The Executive Office's revised request does not include any funding. *The Governor recommended the remaining \$279 for FY 2026. The Assembly concurred.*

ARPA - Bioscience Investments. The 2023 Assembly allocated \$45.0 million from State Fiscal Recovery funds to finance wet lab incubator space, technology development supports, and the creation of the new Rhode Island Life Science Hub. The Hub is a quasi-public corporation governed by a 15-member board and charged with coordinating state life science initiatives. The board manages an investment fund to make investments and provide grants, loans, technical assistance, and other incentives to promote economic and workforce development in the life science industry.

Through FY 2025, \$20.8 million was spent, leaving \$24.2 million available; any unspent funds are automatically reappropriated. The Executive Office's revised request does not include any funding.

As of November 2025, the Executive Office indicated that all State Fiscal Recovery funds allocated by the 2023 Assembly have been committed by the Life Science Hub’s board of directors and are budgeted through December 2026; these funds must be spent by December 31, 2026.

The following table displays the committed funds by programming purpose, as well as expenditures and remaining funds as of November 2025, according to the Executive Office. *The Governor recommended the remaining \$24.2 million for FY 2026. The Assembly concurred.*

Bioscience Investment	Committed	Approved	Remaining
Start Up Operations	\$ 1,750,000	\$ 1,750,000	\$ -
Ongoing Operations	3,150,000	3,150,000	-
Incubator - Ocean State Labs	9,836,500	5,656,381	4,180,119
Small Grant Funds	250,000	250,000	-
Equity Fund	5,000,000	-	5,000,000
Investment & Funding Programs	25,000,000	16,590,000	8,410,000
Total	\$ 44,986,500	\$ 27,396,381	\$ 17,590,119

CPF - Broadband. The Assembly provided \$25.8 million from federal Capital Projects funds from FY 2024 through FY 2026 to support projects that provide high-speed, reliable internet to all Rhode Islanders. Municipalities, public housing authorities, businesses, and internet service providers can use these funds to expand access to reliable, high-speed internet to unserved and underserved communities; however, matching funds and a five-year statewide strategic plan are required.

The Executive Office reported that \$1.1 million was spent in FY 2025, leaving \$24.6 million remaining; as of October 2025, all funds have been awarded. The revised request does not include additional funds for FY 2026; any unspent funds are automatically reappropriated. *The Governor recommended the remaining \$24.6 million for FY 2026. The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.*

Other Personnel and Operations. The Executive Office requested \$611 more than enacted from general revenues for current staffing costs. As of October 2025, all 5.0 authorized full-time equivalent positions were filled. *The Governor recommended \$16,260 more than requested, including \$554 to reflect statewide adjustments to health benefits and \$15,706 to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Capital. The Executive Office requested \$5.3 million from Rhode Island Capital Plan funds for the Executive Office’s capital projects. This is consistent with the enacted amount for four projects. However, this request is inconsistent with the Executive Office’s capital submission; it indicated that the capital submission is correct.

The approved plan also includes \$119.0 million from general obligation bonds for six projects approved by voters in November 2016, a March 2021 special election, and November 2024. This includes \$75.0 million for three projects overseen by the Quonset Development Corporation, \$20.0 million for land acquisition for the Port of Providence, \$20.0 million to support project collaborations between higher education institutions and the business community, and \$4.0 million for the parks located in the I-195 Redevelopment District. *The Governor recommended \$6.7 million from Rhode Island Capital Plan Funds, \$1.4 million more than requested.*

He subsequently requested an amendment to increase Rhode Island Capital Plan funds by \$17,443 to reflect unspent FY 2025 funds for one project. The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Executive Office of Housing

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 4,302,014	\$ 5,766,617	\$ 5,678,729	\$ 5,678,729
Contracted Services	1,905,572	347,625	299,999	299,999
Subtotal	\$ 6,207,586	\$ 6,114,242	\$ 5,978,728	\$ 5,978,728
Other State Operations	1,204,518	1,413,390	2,460,513	2,060,513
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	46,096,482	37,551,824	155,721,319	155,721,319
Capital	6,515,916	-	587,000	-
Capital Debt Service	-	-	-	-
Operating Transfers	43,743,748	-	-	-
Total	\$ 103,768,250	\$ 45,079,456	\$ 164,747,560	\$ 163,760,560
Sources of Funds				
General Revenue	\$ 5,195,668	\$ 6,464,465	\$ 7,654,125	\$ 6,967,125
Federal Aid	93,346,096	15,596,037	116,985,345	116,985,345
Restricted Receipts	5,226,486	23,018,954	39,808,090	39,808,090
Other	-	-	300,000	-
Total	\$ 103,768,250	\$ 45,079,456	\$ 164,747,560	\$ 163,760,560
FTE Authorization	38.0	38.0	38.0	38.0
FTE Average	21.0			

FY 2026 Revised Request. The Executive Office of Housing’s revised budget request is \$44.8 million more than enacted, including \$2.4 million from general revenues, \$17.4 million from federal funds, and \$25.0 million from restricted receipts. A number of housing programs are in partnership with or through the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. Voters also approved \$120.0 million from general obligation bond funds in November 2024 for housing programs; these funds expand on existing Executive Office programs but are not reflected in its operating budget.

The Governor recommended \$74.9 million more than requested, including \$1.2 million less from general revenues; \$84.0 million more from federal funds, mostly to reflect carry forward of unused FY 2025 authorization; \$8.2 million less from restricted receipts; and \$0.3 million more from Rhode Island Capital Plan funds.

The Assembly provided \$1.0 million less than recommended, including \$0.7 million from general revenues and \$0.3 million from Rhode Island Capital Plan funds. Additional information regarding housing programs and policy structure is included in the Special Reports section of this publication.

Housing Production Fund. The Executive Office requested \$28.2 million, which is \$25.0 million more than enacted, from Housing Production Fund restricted receipts used to provide financial and technical assistance to support the creation and preservation of affordable housing. Funds are generated from the second tier of the Real Estate Conveyance Tax for residential property over \$0.8 million. The 2025 Assembly increased the second-tier rate to 0.75 percent, effective October 2025, of which 0.50 percentage

points are dedicated to the Fund. As of the end of FY 2025, funds have supported awards totaling \$35.0 million, and \$2.6 million is available for additional awards. Based on November 2025 Revenue Estimating Conference data, collections are anticipated to be \$5.0 million for FY 2026 and \$6.0 million for FY 2027. The Executive Office indicated that its request for \$28.2 million, or \$25.0 million more than enacted, is in error, and FY 2026 spending should be \$16.8 million to reflect anticipated transfers to RI Housing. *The Governor recommended \$16.8 million more than enacted, which appears to retain an overstatement of \$3.2 million.* **The Assembly concurred based on spending through the end of May.**

ARPA - Targeted Housing Development. The Assembly provided \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. The program is intended to provide additional gap financing necessary for critical affordable and mixed unit developments to proceed. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. The 2024 Assembly reallocated \$5.0 million for priority projects from this program to the Homelessness Assistance Program. As of the end of FY 2025, \$8.0 million has been spent, and all funds are obligated. The request inadvertently excludes the remaining \$18.0 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026.* **The Assembly concurred.**

ARPA - Housing Related Infrastructure. The Assembly provided \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional housing that meets affordable housing price and income criteria. As of the end of FY 2025, \$1.1 million has been spent, and all funds are obligated. The request inadvertently excludes the remaining \$1.9 million, which is automatically reappropriated for FY 2026.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$4.0 million is for housing-related infrastructure. *The Governor's recommendation includes all remaining funds for FY 2026.* **The Assembly concurred.**

ARPA - Municipal Planning. The Assembly provided \$2.3 million from State Fiscal Recovery funds for grants and technical assistance to municipalities to reduce barriers to development caused by a lack of staff time and expertise. Of this amount, \$1.3 million supports municipal fellowships and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. As of the end of FY 2025, \$0.3 million has been spent, and all municipal fellow funds are obligated. The request inadvertently excludes the remaining \$2.0 million, which is automatically reappropriated for FY 2026. In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$1.0 million is for municipal planning assistance.

In October 2025, the Executive Office announced \$0.6 million in transit-oriented development awards; the Governor subsequently requested to reclassify the remaining \$0.4 million for this subproject for the Enterprise Resource Planning implementation project in the Department of Administration's budget, consistent with reclassification authority contained in the enacted budget. This reduces total project funding to \$1.9 million, of which \$1.7 million remains to be spent. *The Governor's recommendation includes all remaining funds for FY 2026.* **The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$100,000 of unspent funds to operating support for the Enterprise Resource Planning System.**

ARPA - Proactive Housing Development. The Assembly provided enabling legislation and \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states,

such as Massachusetts, have a quasi-public agency to help developers with land acquisition, to assemble financing, and navigate regulatory and legal processes. These funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024, and a president was appointed that September. As of the end of FY 2025, \$0.7 million has been spent. The request inadvertently excludes the remaining \$0.7 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Development of Affordable Housing. The Assembly provided \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. The 2024 Assembly expanded allowable uses to site acquisition and predevelopment expenses to ensure all funds are obligated by the federal deadline. The FY 2026 enacted budget allocates \$90.0 million for direct subsidies to match multiple other sources of financing and \$10.0 million to support a pilot program for low-income public housing vouchers and financing. As of the end of FY 2025, \$60.0 million has been spent and all funds are obligated. The request inadvertently excludes the remaining \$40.0 million, which is automatically reappropriated for FY 2026.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, including a total of \$80.0 million to continue support for affordable housing development, of which \$10.0 million may be used to support a program for public housing development.

The Governor's recommendation includes all remaining funds for FY 2026. His capital recommendation also proposes a new \$120.0 million general obligation housing bond to be placed before the voters on the November 2026 ballot. Of these funds, at least \$25.0 million must support production of homeownership units; amounts for other uses are not specified. The Assembly provided funding as recommended. It also concurred with the recommended \$120.0 million housing bond and further provided that up to \$10.0 million may be used to support a program for public housing development.

ARPA - Predevelopment and Capacity Building. The Assembly provided \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Executive Office of Housing. Funding is intended to address a lack of administrative capacity to implement affordable housing initiatives and to manage increased federal and state resources. The 2021 Assembly required monthly progress reports beginning in February 2022. The Executive Office hired its first consultants in March 2022 and submitted its first report in March 2023. It has not submitted a report since July 2023. As of the end of FY 2025, all funds are obligated, and only \$41,192 remains to be spent. The request inadvertently excludes the remaining funds, which are automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$13,857 of unspent funds to operating support for the Enterprise Resource Planning System.*

ARPA - Workforce Housing. The Assembly provided \$20.0 million from State Fiscal Recovery funds to increase the housing supply for Rhode Island families earning up to 120 percent of area median income. The program is similar to others run by RI Housing and uses nearly identical eligibility requirements. It will manage this program to increase or make additional awards. As of the end of FY 2025, \$11.7 million has been spent, and all funds are obligated. The request inadvertently excludes the remaining \$8.3 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Affordable Housing Predevelopment. The Assembly provided \$10.0 million from State Fiscal Recovery funds to reduce pre-construction barriers to housing development. Funds support predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and the capacity of affordable housing developers. RI Housing manages this program and makes

awards on a rolling basis to supplement awards it already provides. All funds were transferred to RI Housing in FY 2024. All funds have since been obligated, and, as of August 2025, the Pandemic Recovery Office indicates that only \$0.7 million remains to be disbursed. The request includes no funding for FY 2026. *The Governor's recommendation includes no funding.* **The Assembly concurred.**

ARPA - Home Repair and Community Revitalization. The Assembly provided \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program. Of these funds, \$20.0 million is allocated for the acquisition and revitalization program, which was originally created using \$10.0 million from 2016 general obligation bonds. The 2023 Assembly also allocated \$4.5 million specifically for critical home repairs. The Executive Office contracted with the Providence Revolving Fund to manage the program, which opened in summer 2024. As of the end of FY 2025, \$14.8 million has been spent, all acquisition and revitalization funds have been awarded to 13 projects, and all home repair funds have been awarded to support 45 forgivable loans. The request inadvertently excludes the remaining \$9.7 million, which is automatically reappropriated for FY 2026.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, including \$10.0 million for RI Housing's acquisition and revitalization program and \$80.0 million to increase and preserve affordable housing. In November 2025, the Executive Office announced it would continue the home repair program utilizing \$6.0 million of affordable housing bond funds. *The Governor's recommendation includes all remaining funds for FY 2026.* **The Assembly concurred.**

Facilities Management. The Executive Office intended to request \$0.9 million from general revenues for a new initiative to support utilities expenses for its shelter facilities in Providence. Its actual request is double the amount, in error. The Executive Office indicates that utilities and facilities management costs are currently supported by around \$2.1 million annually from residual State Fiscal Recovery funds, which are limited and will not be available after December 2026. Its prior year request unsuccessfully included \$0.6 million and 1.0 new position for facilities management work. It should be noted that projected Housing Resources and Homelessness restricted receipts would be sufficient to support these expenses.

By facility, the request includes \$650,000 for the former Charlesgate Nursing Center on Randall Street, \$130,000 for a former group home on Hartford Avenue, and \$70,000 for the Echo Village pallet shelter on Victor Street. All three properties were transferred to or acquired by the Executive Office in the past three years. As of October, the facilities provide a total of 490 beds, including 405 at the former Charlesgate facility alone. Its intended FY 2027 request includes \$1.7 million, which also includes facilities management expenses. The revised request inadvertently excludes \$0.3 million from Rhode Island Capital Plan funds in its capital request for asset protection work at these facilities.

The Governor recommended \$1.2 million, consistent with the intended request, including \$0.9 million from general revenues and \$0.3 million from Rhode Island Capital Plan funds. **The Assembly provided \$0.7 million less, which shifts \$0.4 million from general revenues to available State Fiscal Recovery funds and excludes Rhode Island Capital Plan funds, based on the Executive Office's third quarter report. A detailed description of the project is included in the Capital Budget section of this publication.**

Housing Opportunities for Persons with AIDS. The Executive Office requested \$0.3 million more than enacted from federal funds for the administration of federal Housing Opportunities for Persons with AIDS to reflect available funding. The federal grant is awarded every three years. RI Housing and the Executive Office previously agreed to transfer the grant to the state to consolidate homelessness and supportive housing initiatives. Housing for Persons with AIDS is the only federal program dedicated to the housing needs of low-income people living with HIV and AIDS. Funds may also be used for services including, but not limited to, assessment and case management, substance abuse and/or mental health treatment, nutritional services, job training, and placement assistance. *The Governor concurred.* **The Assembly concurred.**

Pathways to Removing Obstacles. The Executive Office received a grant in May 2025 to identify and remove barriers to affordable housing production and preservation. Federal funds totaling \$3.8 million also support Health Equity Zone-related housing work by the Executive Office of Health and Human Services. The enacted budget includes \$0.5 million for the Executive Office of Housing and \$0.6 million for the Executive Office of Health and Human Services. The two agencies requested a total of \$9.6 million for FY 2026 and FY 2027, significantly overstating available funds. The Executive Office of Housing subsequently indicated that all funds will now be used to support Health Equity Zone programming, and it intends to request \$0.5 million in each FY 2026 and FY 2027.

The Governor recommended a total of \$3.9 million across both agencies, including \$1.0 million for the Executive Office of Housing in each FY 2026 and FY 2027, which overstates available funds by \$81,869. The Assembly provided the recommended amount for the Executive Office of Housing and reduced funding for the Executive Office of Health and Human Services by \$81,869 for FY 2026 to correct the overstatement.

ARPA - Homelessness Infrastructure. The Assembly provided \$45.0 million from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. Fund uses include acquisition or construction of new temporary or permanent housing for those at risk of homelessness, as well as additional wraparound services and administrative costs. Of this amount, \$10.0 million supports Crossroads Rhode Island-sponsored housing developments. The 2023 Assembly explicitly expanded allowable uses to prevention and stabilization programs. As of the end of FY 2025, \$40.8 million has been spent, and all funds are obligated. The request inadvertently excludes the remaining \$4.2 million, which is automatically reappropriated for FY 2026.

It should be noted that \$6.6 million of these funds were used to acquire the former Charlesgate facility. As a result, rent generated from the property is subject to the same restrictions as State Fiscal Recovery funds. In October 2025, the Governor reclassified \$137,781 of these funds for the Enterprise Resource Planning implementation project in the Department of Administration's budget, consistent with reclassification authority contained in the enacted budget. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Homelessness Assistance Program. The Assembly provided \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The Executive Office and RI Housing administer this program, which provides grants to service providers, with training and policy support from the Continuum of Care and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, and administrative support through the Affordable Housing Predevelopment program. The 2021 Assembly required monthly progress reports beginning February 2022. The Executive Office submitted its first report in March 2023 and has not submitted a report since July 2023. The 2024 Assembly removed language regarding operating subsidies and added \$17.3 million for FY 2025. As of the end of FY 2025, \$29.8 million has been spent, and all funds are obligated, primarily through the Consolidated Homelessness Fund. The request inadvertently excludes the remaining \$9.0 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred.*

ARPA - Site Acquisition. The Assembly provided \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program, which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. The 2021 Assembly specified RI Housing as the managing entity and required that projects have a minimum deed restriction of at least 30 years and a non-recourse financing structure. As of November 2025, all funds have been obligated, and \$0.5 million remains to be disbursed by RI Housing. No funds are requested for FY 2026.

In November 2024, voters also approved a \$120.0 million general obligation housing bond, of which \$5.0 million is for site acquisition. *The Governor's recommendation includes \$900 of remaining funds for FY 2026. The Assembly concurred.*

ARPA - Municipal Homelessness Support Initiative. The Assembly provided \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden of trash collection, ambulance calls, and other costs, which this program is intended to partially offset. This burden is a common objection to state plans to address siting of services to homeless populations. The 2024 Assembly reallocated \$0.3 million from this program to the Homelessness Assistance Program. As of the end of FY 2025, \$1.5 million has been spent, and all funds are obligated for 18 awards to 10 municipalities. The request inadvertently excludes the remaining \$0.7 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of unspent funds to operating support for the Enterprise Resource Planning System.*

Indirect Cost Recovery. The Executive Office requested the enacted amount of \$125,000 from restricted receipts from applying indirect cost recovery to its federal grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through a negotiated indirect cost rate; the current federal rate is 15.0 percent. The Executive Office's current grants are multi-year, and terms generally cannot be renegotiated. As a result, requested restricted receipts are not assumed to offset any general revenue expenses for FY 2027. The Executive Office indicates that it is applying for indirect cost recovery for all new grants. *The Governor recommended funding as requested. The Assembly concurred.*

Homelessness Assistance Grants. The Executive Office requested \$3.7 million more than enacted from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants to reflect available funding. The enacted budget includes costs for 1.0 associated position, which are excluded from the request. Funds are typically allocated competitively to the private shelter system through the Consolidated Homelessness Fund. *The Governor recommended \$1.8 million less than requested to more closely reflect anticipated expenses. The Assembly concurred.*

Housing Resources and Homelessness Account. The Executive Office requested the enacted amount of \$19.7 million from Housing Resources and Homelessness Account restricted receipts. These funds are flexible but must broadly be used to support lead hazard reduction, rental subsidies, shelter operations, and other housing and homelessness initiatives. The account is supported by dedicated portions of the whole home short-term rental tax and both tiers of the Real Estate Conveyance Tax. Based on November 2025 Revenue Estimating Conference data, collections for this account are anticipated to be \$12.7 million for FY 2026 and \$15.7 million for FY 2027.

The 2014 Assembly increased the first tier of the real estate conveyance tax from 0.40 percent to 0.46 percent and dedicated associated revenues to this account. The 2021 Assembly dedicated all funding from a new second tier, doubling the tax from 0.46 percent to 0.92 percent for the portion of residential property over \$0.8 million. The 2024 Assembly provided a one-time transfer of \$10.0 million.

The 2025 Assembly provided a one-time transfer of \$2.5 million and dedicated 50.0 percent of revenue from a new whole home short-term rental tax, effective January 1, 2026, and equal to the 5.0 percent State Hotel Tax, from which these units were previously exempt. The 2025 Assembly also increased both the first and second tiers of the real estate conveyance tax from 0.46 percent to 0.75 percent, effective October 1, 2025, for a top effective rate of 1.5 percent. The allocation of revenue under the first tier is essentially unchanged. The second tier rate is split at 0.50 percent for the Housing Production Fund and a new 0.25 percent allocation for the account. *The Governor recommended funding as requested. The Assembly concurred.*

Community Development Block Grants. The Executive Office requested \$6.8 million more from federal Community Development Block Grant funds to reflect available resources. The request includes costs for 3.0 associated full-time equivalent positions, 1.0 fewer than enacted to reflect available funds for administrative expenses. Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket are entitlement communities that receive their Community Development Block Grants directly from the U.S. Department of Housing and Urban Development; the remaining 33 communities' grants are administered by the state.

The Governor recommended \$3.4 million less than requested to more closely reflect anticipated expenses, partially offset by a correction to salary assumptions and \$316 more for statewide adjustments to health benefit rates. The Assembly concurred.

Other Salaries and Benefits. The Executive Office requested \$0.5 million more than enacted from general revenues for its remaining 35.0 full-time equivalent positions. The enacted budget includes turnover savings currently equivalent to 7.6 vacancies. The increase reflects \$0.6 million for restored turnover savings and \$0.3 million for personnel expenses for 2.0 positions shifted from federal homelessness and Community Development Block Grant funds to general revenues. The Executive Office indicated that the administrative portion of these grants is insufficient to support the staff positions, and this adjustment more closely reflects available funding and FY 2025 spending. This is partially offset by \$0.4 million less for a series of positions downgraded or filled at lower salaries than assumed in the enacted budget. The request retains turnover savings equivalent to 4.6 vacancies; as of November, the Executive Office has 8.0 vacancies.

The 2022 Assembly provided 4.0 new positions to assist with managing increased resources for federal and other housing-related programs in preparation for the creation of a new Department of Housing. Consistent with the Governor's recommendation, the 2023 Assembly added 21.0 more positions in conjunction with the creation of the now Executive Office. Each subsequent year, the budget has reallocated staffing among functional duties, consistent with Executive Office requests and the Governor's recommendations. The current request again reallocates staffing among functional duties compared to the enacted assumption, as shown in the following table.

Positions by Function	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Enacted	FY 2026 Request/ Governor	Change to FY 2026 Enacted	FY 2026 Final	Change to Request/ Governor
Analysis	6.0	10.0	7.0	6.0	(1.0)	6.0	-
Implementation	21.0	19.0	17.0	19.0	2.0	19.0	-
Admin	3.0	3.0	7.0	7.0	-	7.0	-
Legal	3.0	1.0	2.0	1.0	(1.0)	1.0	-
Public Relations	2.0	1.0	1.0	2.0	1.0	2.0	-
Executive Leadership	3.0	4.0	4.0	3.0	(1.0)	3.0	-
Total	38.0	38.0	38.0	38.0	-	38.0	-

The Governor recommended \$0.3 million less than requested, which reflects additional turnover savings equivalent to about two vacancies, partially offset by \$0.1 million more for position upgrades and \$2,897 more for statewide adjustments to health benefit rates. The Assembly concurred.

ARPA - Statewide Housing Plan. The Assembly provided \$2.0 million from State Fiscal Recovery funds to support municipal planning efforts and to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. The Executive Office contracted with vendors for training and implementation support and four reports: the statewide housing plan, the housing reorganization plan, a vacant and underutilized

property assessment, and a school cost study. As of the end of FY 2025, \$1.0 million has been spent, and all funds are obligated. The request inadvertently excludes the remaining \$1.0 million, which is automatically reappropriated for FY 2026. *The Governor's recommendation includes all remaining funds for FY 2026.* **The Assembly concurred.**

Relocation. The Executive Office intended to request \$287,000 from general revenues for estimated costs to renovate its office space and replace equipment. Its actual request is double the amount, in error. Proposed work includes moving and replacing walls, a new cubicle layout to conform with current Department of Administration standards, and equipment purchases such as copiers and desks. The Executive Office relocated to the Shepard Building in Providence in January 2024 and to the Powers building in March 2025. The 2024 Assembly provided a total of \$410,000 for FY 2025 to purchase equipment associated with new staff members and transitioning office locations; only \$133,970 of these funds was spent, and the enacted budget includes no funding. It should be noted that the Executive Office did still overspend its overall general revenue appropriation for FY 2025. *The Governor recommended funding consistent with the intended request.* **The Assembly did not concur.**

Other Operations. The Executive Office requested \$16,210 more than enacted from general revenues for all other operations. This increase reflects \$10,000 more for software, based on updated estimates, and \$6,210 for other office expenses and travel. *The Governor recommended \$120,863 less than requested, which is \$47,626 less for contracted expenses, and adjusted funds budgeted for office supplies to more closely align with the FY 2025 experience. This is partially offset by \$49,763 more to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Department of Labor and Training

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 1,864,684	\$ 2,150,384	\$ 1,868,939	\$ 1,868,939
Workforce Development Services	22,486,153	19,991,387	21,561,830	21,561,830
Workforce Regulation and Safety	5,020,676	5,347,291	5,412,757	5,412,757
Income Support	530,748,465	567,884,196	589,335,482	589,335,482
Injured Workers Services	10,722,017	11,233,092	12,422,422	12,422,422
Labor Relations Board	558,144	556,737	632,544	632,544
Governor's Workforce Board	29,944,703	25,104,596	26,865,013	27,707,947
Total	\$ 601,344,842	\$ 632,267,683	\$ 658,098,987	\$ 658,941,921
Expenditures by Category				
Salaries and Benefits	\$ 52,381,205	\$ 58,082,481	\$ 56,853,196	\$ 56,927,715
Contracted Services	5,986,674	8,866,661	7,701,185	7,972,538
Subtotal	\$ 58,367,879	\$ 66,949,142	\$ 64,554,381	\$ 64,900,253
Other State Operations	15,092,162	14,327,124	13,743,206	13,758,918
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	523,400,799	544,772,430	571,395,734	571,877,084
Capital	(41,059)	112,255	80,768	80,768
Capital Debt Service	-	-	-	-
Operating Transfers	4,525,061	6,106,732	8,324,898	8,324,898
Total	\$ 601,344,842	\$ 632,267,683	\$ 658,098,987	\$ 658,941,921
Sources of Funds				
General Revenue	\$ 19,308,922	\$ 18,179,242	\$ 18,877,241	\$ 18,877,241
Federal Aid	48,620,417	41,996,527	44,125,242	44,486,826
Restricted Receipts	31,186,000	35,411,768	38,208,051	38,689,401
Other	502,229,503	536,680,146	556,888,453	556,888,453
Total	\$ 601,344,842	\$ 632,267,683	\$ 658,098,987	\$ 658,941,921
FTE Authorization	461.7	461.7	461.7	461.7
FTE Average	400.5			

FY 2026 Revised Request. The Department of Labor and Training requested \$24.0 million more than enacted from all sources. This includes \$0.8 million from general revenues, including the \$0.6 million reappropriated from FY 2025; and increases of \$0.9 million from federal funds; \$2.2 million from restricted receipts; and \$20.1 million from other funds, primarily unemployment and temporary insurance funds. *The Governor recommended \$1.9 million more than requested from all sources, including \$0.1 million less from general revenues.*

He subsequently requested two amendments to the Governor's Workforce Board to increase federal funds by \$0.4 million and restricted receipts by \$0.5 million, respectively. The Assembly concurred with the amended recommendation.

Staffing. As it has historically done, the Department requested a reorganization of its staffing allocation among functions to align with available resources and support the authorized staffing level of 461.7 full-time equivalent positions. The Department's various funding sources, primarily federal grants, cycle for a variety of reasons, including economic conditions. Notable changes include shifts to Unemployment Administration, primarily from Temporary Insurance. The complete staffing allocation by function is shown in the following table.

Function	FY 2026 Enacted	FY 2026 Rev. Req.	Chg. to Enacted	FY 2026 Gov. Rev.	Chg. to Rev. Req.
Governor's Workforce Board	21.4	19.6	(1.8)	19.6	-
Workforce Development	68.9	67.3	(1.6)	67.3	-
Unemployment Administration	155.6	179.3	23.7	179.3	-
Temporary Insurance	93.9	67.9	(26.0)	67.9	-
Workers' Compensation	41.0	45.5	4.5	45.5	-
Employer Tax	40.6	43.0	2.4	43.0	-
Police and Fire	1.1	1.1	-	1.1	-
Workforce Regulation and Safety	36.7	35.5	(1.2)	35.5	-
Labor Relations Board	2.0	2.3	0.3	2.3	-
Other Staffing	0.5	0.2	(0.3)	0.2	-
Total	461.7	461.7	-	461.7	-

It should be noted that exact staffing costs are difficult to determine, as the Department budgeted certain funds intended to support staffing expenses as "operating transfers" across several functions. When asked to clarify the purpose of this funding mechanism, the Department stated that these funds are largely intended to supplement the reduced federal funding for staffing and operating expenses. However, it did not provide exact dollar amounts intended to supplement staffing expenses. Therefore, staffing costs are understated in the request; relevant items include House Fiscal Staff calculations of true staffing costs.

The table below shows an agency-wide calculation of budgeted staffing expenses for the enacted budget, the revised request, and the Governor's revised recommendation. Note that the average cost of a full-time equivalent position in the revised request decreases compared to the enacted budget. The table also includes funds budgeted as "operating transfers" that partially or fully reflect staffing expenses according to the Department; however, certain funds within this designation are intended to supplement operating expenses, making the exact amount of true staffing expenses difficult to determine. *The Governor's recommendation includes \$107,580 more than requested from all relevant expenses. This largely reflects statewide adjustments to health benefit rates and is described below where appropriate.* **The Assembly concurred.**

Total Staffing	FY 2026 Enacted	FY 2026 Rev. Req.	Chg. to Enacted	FY 2026 Gov. Rev.	Chg. to Rev. Req.
FTE Positions	461.7	461.7	-	461.7	-
Fully Funded Staffing Costs	\$ 63,388,161	\$ 61,763,209	\$ (1,624,952)	\$ 61,843,840	\$ 80,631
Avg Cost Per FTE	137,293	133,773	(3,519)	133,948	175
Budgeted Staffing Costs	58,082,481	56,821,189	(1,261,292)	56,853,196	32,007
<i>Operating Transfers*</i>	<i>\$ (393,268)</i>	<i>\$ 1,749,325</i>	<i>\$ 2,142,593</i>	<i>\$ 1,824,898</i>	<i>\$ 75,573</i>
Staffing Costs and Transfers	\$ 57,689,213	\$ 58,570,514	\$ 881,301	\$ 58,678,094	\$ 107,580

**Includes expenses intended for both staffing and operating costs*

Reappropriation - Healthcare Workforce Support - SkillsRI. The Department's request includes the \$565,780 from general revenues that the Governor reappropriated from FY 2025 for a healthcare workforce development initiative administered by Skills for Rhode Island's Future to address staffing shortages through recruitment efforts and existing staff talent development. This initiative proposed placing 200 participants, half of whom would be new hires, at Care New England and Brown University Health,

formerly Lifespan. This includes embedding Skills for Rhode Island's Future staff within hospitals' human resources systems, providing wage subsidies to employers, and providing wraparound services to participants. The final FY 2025 budget included \$1.9 million for this purpose; of this, \$1.3 million was spent. The reappropriation represents the remaining contract amount with Skills for Rhode Island's Future, which is expected to be fully disbursed in FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Police and Fire Relief Funds. The Department requested \$0.2 million more than enacted from general revenues for the Police and Fire Relief funds, which pay benefits to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled officers and firefighters, as well as disabled workers. This assumes \$3.2 million for survivor payments and \$0.5 million for educational benefits. The revised request adds \$168,814 to pay a one-time firefighter death benefit that was expected to be paid in FY 2025. The Governor reappropriated \$80,000 of unspent funds from FY 2025 to partially cover this expense. The remaining \$29,978 is for educational benefits to reflect increased tuition rates. *The Governor recommended \$499 more than requested. This includes \$90 to reflect statewide adjustments to health benefit rates and \$1,666 to reflect adjustments to information technology billings based on updated data. It also includes \$1,257 less for facilities management charges to reflect the Department's move out of the Hazard building. The Assembly concurred.*

Real Jobs Rhode Island. The Department requested \$1.2 million more than enacted from all sources for the Real Jobs Rhode Island program, bringing total support to \$12.7 million. This includes increases of \$0.4 million from federal funds, and \$0.7 million from restricted receipts, as well as the enacted level of \$5.5 million from general revenues. Federal funds total \$1.0 million, entirely from Growing the Renewable Energy Employment Network, or GREEN, grant funds; this reflects the maximum amount available from the grant. As of December 2025, no funds from this grant have been disbursed. The restricted receipts reflect the allocation approved for FY 2026 at the May 2025 Governor's Workforce Board meeting; the Board entered FY 2026 with a \$5.4 million carryforward from restricted receipts. The following table illustrates spending by source for the program since it began in FY 2016.

Real Jobs RI - Spending by Source				
Source/Fiscal Year	General Revenues	Federal Funds	Restricted Receipts	Total
FY 2016	\$ -	1,111,149	1,064,653	\$ 2,175,802
FY 2017	\$ -	6,066,831	2,964,284	\$ 9,031,115
FY 2018	\$ -	4,510,071	7,607,314	\$ 12,117,385
FY 2019	\$ 3,950,000	3,915,207	10,846,691	\$ 18,711,898
FY 2020	\$ 5,450,000	5,038,985	8,357,602	\$ 18,846,587
FY 2021	\$ 4,905,737	2,605,092	501,813	\$ 8,012,642
FY 2022	\$ 5,450,000	1,260,954	3,228,230	\$ 9,939,184
FY 2023	\$ 5,484,073	13,326,275	5,300,000	\$ 24,110,348
FY 2024	\$ 5,449,999	20,382,692	2,932,664	\$ 28,765,355
FY 2025	\$ 5,494,060	8,528,357	5,083,137	\$ 19,105,554
FY 2026 Enacted	\$ 5,450,000	550,000	5,548,349	\$ 11,548,349
FY 2026 Rev. Req.	\$ 5,450,000	982,215	6,275,000	\$ 12,707,215
FY 2026 Gov. Rev.	\$ 5,450,000	1,047,723	6,275,000	\$ 12,772,723

Federal GREEN grant funds are from a \$2.0 million federal grant the Department received in September 2023 from the Building Pathways to Infrastructure Jobs Grant Program to develop a program targeting unemployed and underemployed Rhode Islanders to provide a pipeline into renewable energy infrastructure careers. The Department noted that the Governor's Workforce Board restricted receipts are used to fund multiple programs, and the final allocation of resources is subject to actual utilization. The program's functions are to place employees in job openings, develop employees' skills, and create a talent pipeline

for businesses. Processes and programs offered vary by participant and partnership. *The Governor recommended \$65,508 more than requested to reflect remaining State Fiscal Recovery funds. The Assembly concurred.*

Governor's Workforce Board Grants. The Department requested \$0.3 million more than enacted from restricted receipts to support multiple Governor's Workforce Board workforce development initiatives. There are more resources available than in the previous year, as the Board entered FY 2026 with a \$5.4 million carryforward. Additionally, as noted, there is a greater allocation of these resources to Real Jobs Rhode Island than the enacted budget assumed. The initiatives include youth work-based learning and career exploration, such as Real Skills for Youth and Prepare RI, as well as workforce grants for employers, including Incumbent Worker Training, Work Immersion, and Workplace Accessibility. Partners include Skills for Rhode Island's Future, Institute for Labor Studies and Research, and the Westerly Education Center. *The Governor recommended \$0.6 million more than requested to reflect a memorandum of understanding among the Department, the Housing Resources Commission, and the Executive Office of Housing to support the training of residential construction workers.*

He subsequently requested two amendments. The first amendment adds \$0.4 million from federal funds to reflect the receipt of the Department's allocation of a new Rural Health Transformation Program grant. The second would increase contractor training restricted receipts by \$0.5 million for FY 2026 to reflect higher-than-anticipated collections. The Assembly concurred with the amended recommendation.

Governor's Workforce Board Staffing and Operations. The Department requested \$0.5 million less than enacted from restricted receipts for staffing and operations of the Governor's Workforce Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer's payroll tax; this funding can be used for staff, grants, and operations. The staffing request of \$3.1 million is \$0.2 million less than enacted, and includes the allocation of 19.6 full-time equivalent positions, 1.8 fewer positions than enacted. The request would fully fund all allocated positions, consistent with the enacted budget. All other spending is \$0.3 million less than enacted, which largely represents updated information technology contract costs and certain adjustments to operating expenses to reflect the budget approved by the Board at its May 2025 meeting. These excess funds have been shifted to support programming, as noted previously. *The Governor recommended \$24,911 more than requested. This includes \$2,250 to reflect statewide adjustments to health benefit rates and \$22,661 to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Workforce Development Grants. The Department requested \$0.8 million more than enacted from federal workforce development grants. This includes \$0.1 million less from Trade Adjustment Act funds and \$0.6 million less from the Workforce Innovation and Opportunity Act, which reflects \$0.6 million less for youth, adult, and dislocated worker programs; this is partially offset by \$10,891 more for apprenticeships. This reflects funding adjustments based on grant-cycle exhaustion and award activity. *The Governor recommended \$0.9 million more than requested based on available apprenticeship grant funds. The Assembly concurred.*

Other Workforce Development Staffing and Operations. The Department requested \$0.6 million less than enacted from federal funds for staffing and operating expenses associated with workforce development programming. The staffing request is \$0.5 million less than enacted and includes the allocation of 67.3 full-time equivalent positions. The request would fund 63.7 full-time equivalent positions, 5.2 fewer than assumed in the enacted budget. All other spending is roughly \$0.1 million less than enacted, reflecting a decrease in available federal funds. *The Governor recommended \$64,076 more than requested, including \$1,105 more from general revenues. This includes \$10,433 to reflect statewide adjustments to health benefit rates and \$53,322 to reflect adjustments to information technology billings based on updated data. It also includes \$363 less for facilities management charges to reflect the Department's move out of the Hazard building. The Assembly concurred.*

Employer Tax Unit. The Department requested \$1.4 million less from all sources for staffing and operations of the Employer Tax Unit. The unit administers taxes that support Unemployment Insurance benefits for eligible jobless workers and Temporary Disability Insurance benefits. The staffing request is \$0.4 million and 2.4 full-time equivalent positions more than the enacted budget. The enacted budget supports 40.6 full-time equivalent positions, and the request supports 43.0 full-time equivalent positions; neither includes turnover savings. The request includes \$41,059 more for all other spending within the unit. It also shifts \$1.9 million from available sources to the Unemployment Administration function to offset the cancellation of certain federal grants and to support higher anticipated expenses in that area. *The Governor recommended \$49,643 more from all sources than requested. This includes \$6,544 to reflect statewide adjustments to health benefit rates and \$43,099 to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Unemployment Benefits. The Department requested \$19.2 million more than enacted from all sources for benefit payments totaling \$268.5 million, based on its Labor Market Information unit's projections. The revised request is \$35.7 million, or 15.3 percent, more than FY 2025 expenditures of \$232.8 million. The enacted budget was based on a growth of 7.9 percent over the revised FY 2025 budget estimate of \$231.0 million. *The Governor recommended \$1,196 more than requested from federal funds to reflect a minor accounting adjustment to the Unemployment Insurance Trust Fund.* **The Assembly concurred.**

Unemployment Administration. The Department requested \$1.8 million more, primarily from federal funds, for unemployment insurance program administration. The staffing request includes the allocation of 179.3 full-time equivalent positions, or 23.7 more positions than enacted. The request appears to fund 143.9 positions, 10.2 more than enacted. It should be noted that the request includes funds shifted from the Employer Tax Unit to offset the cancellation of certain federal grants and to support higher anticipated expenses in this area. Based on the way the Department budgets these funds, it is difficult to determine how specific expenses are allocated, although it is indicated that much of this would support staffing expenses. *The Governor recommended \$0.2 million more than requested from federal funds. This includes \$26,949 to reflect statewide adjustments to health benefit rates and \$0.2 million to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Temporary Disability Insurance Benefits. The Department requested \$5.0 million less than enacted from the Temporary Disability Insurance Fund for benefit payments that protect eligible workers against lost wages from a non-work-related illness or injury. The revised request is for \$235.0 million, which is \$12.6 million, or 5.7 percent, more than FY 2025 spending, and is based on its Labor Market Information unit's projections. *The Governor recommended funding as requested.* **The Assembly concurred.**

Temporary Caregiver Benefits. The Department requested \$7.7 million more than enacted from the Temporary Disability Insurance Fund for caregiver insurance benefit payments. As of January 1, 2025, the program allows eligible claimants up to seven weeks of benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law, or grandparent, or to bond with a newborn child, new adopted child, or new foster care child; these benefits will be available for up to eight weeks effective January 1, 2026. The revised request for \$40.0 million is \$5.7 million, or 16.7 percent, more than FY 2025 total spending and is based on the Labor Market Information unit's projections. *The Governor recommended funding as requested.* **The Assembly concurred.**

Temporary Insurance Staff and Operations. The Department requested \$1.3 million less than enacted from temporary disability funds for staffing and operations of the temporary disability and caregiver programs. The staffing request is \$8.9 million, which is \$0.9 million less than enacted for 67.9 full-time equivalent positions, which is 26.0 fewer positions than enacted. The request would fully fund all positions, which is 8.8 fewer positions than assumed in the enacted budget. The request for all other expenses is \$0.5 million less than enacted, primarily from adjustments to centralized services provided through the Department of Administration, postage, and software subscription and security charges based on FY 2025

spending. *The Governor recommended \$0.1 million more than requested. This includes \$12,925 to reflect statewide adjustments to health benefit rates and \$0.1 million to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Workers' Compensation Staffing and Operations. The Department requested \$1.1 million more than enacted from workers' compensation restricted receipts to fully fund its staffing and operating costs. The staffing request includes \$0.6 million more than enacted and the allocation of 45.5 full-time equivalent positions, 4.5 positions more than the enacted assumptions.

The request for all other spending is \$0.5 million more, which includes \$0.3 million more for centralized services provided by the Department of Administration to reflect FY 2025 experience. It also includes \$141,546 less from various contractual agreements, including \$200,282 less for medical services to participants and \$38,978 less for interpreters who assist non-English speaking participants, partially offset by \$49,284 more for participant training services and \$24,044 more for janitorial services; these adjustments all reflect FY 2025 spending. Additionally, the Department requested \$140,675 more for other operational expenses. These increases include \$36,110 more for insurance fees at the Arrigan Center and \$69,300 for various hardware and software expenses in the Claims Monitoring and Data Processing Unit.

The Governor recommended \$58,875 more than requested. This includes \$17,890 to reflect statewide adjustments to health benefit rates and \$40,985 to reflect adjustments to information technology billings based on updated data. The Assembly concurred.

Other Workforce Regulation and Safety Staffing and Operations. The Department requested the enacted amount of \$5.3 million from general revenues for staffing and operations of the Workforce Regulation and Safety Division. *The Governor recommended \$65,466 more than enacted. This includes \$30,195 to reflect statewide adjustments to health benefit rates and \$42,044 to reflect adjustments to information technology billings based on updated data. It also includes \$6,773 less for facilities management charges to reflect the Department's move out of the Hazard building. The Assembly concurred.*

Labor Relations Board. The Department requested \$75,573 more than enacted from general revenues for the staffing and operating costs of the Labor Relations Board. The staffing request includes \$84,722 more than enacted, which includes the allocation of 2.3 full-time equivalent positions and correctly budgets an administrator position that was underfunded in the enacted budget. It also erroneously includes an additional \$75,273 for commissioner stipend payments, which is offset by a like amount of funds budgeted as an "operating transfer". The request for all other spending is \$9,149 less than enacted, primarily for contracted stenographic services to reflect FY 2025 experience.

The Governor recommended \$234 more than requested. This corrects the erroneously requested commissioner stipend payments and offsetting operating transfer. It includes \$249 more to reflect statewide adjustments to health benefit rates and \$1,806 more to reflect adjustments to information technology billings based on updated data. It also includes \$1,821 less for facilities management charges to reflect the Department's move out of the Hazard building. The Assembly concurred.

Other Staffing and Operations. The Department requested the enacted amount of \$1.7 million from general revenues for all other expenses, including \$0.1 million for the Office of Community Engagement. *The Governor recommended \$0.2 million less than requested. This includes \$55 more to reflect statewide adjustments to health benefit rates and \$0.2 million less to reflect adjustments to information technology billings based on updated data. This also includes \$36,726 less for facilities management charges to reflect the Department's move out of the Hazard building. The Assembly concurred.*

Department of Revenue

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Office of Director	\$ 2,302,912	\$ 3,168,518	\$ 2,928,632	\$ 2,928,632
Office of Revenue Analysis	1,238,583	1,173,041	1,203,798	1,203,798
Lottery Division	403,167,790	448,042,227	434,093,206	434,093,206
Division of Municipal Finance	1,681,173	2,045,839	2,004,345	2,004,345
Taxation	35,351,624	43,166,969	40,024,696	40,024,696
Registry of Motor Vehicles	41,889,207	41,296,967	42,823,778	42,823,778
State Aid	324,700,313	333,360,262	333,498,200	333,498,200
Collections	1,021,990	994,263	1,076,242	1,076,242
Total	\$ 811,353,592	\$ 873,248,086	\$ 857,652,897	\$ 857,652,897
Expenditures by Category				
Salaries and Benefits	\$ 66,314,647	\$ 74,415,510	\$ 74,130,029	\$ 73,610,029
Contracted Services	13,156,783	13,500,375	14,689,694	14,453,375
Subtotal	\$ 79,471,430	\$ 87,915,885	\$ 88,819,723	\$ 88,063,404
Other State Operations	405,616,244	445,807,469	431,144,856	431,144,856
Aid to Local Units of Government	325,183,309	338,420,741	335,659,327	335,659,327
Assistance, Grants, and Benefits	1,025,854	1,022,377	997,377	997,377
Capital	56,755	81,614	1,031,614	1,787,933
Operating Transfers	-	-	-	-
Total	\$ 811,353,592	\$ 873,248,086	\$ 857,652,897	\$ 857,652,897
Sources of Funds				
General Revenue	\$ 402,120,010	\$ 413,452,869	\$ 414,469,234	\$ 414,469,234
Federal Aid	675,254	493,061	400,000	400,000
Restricted Receipts	5,326,660	11,084,929	8,515,457	8,515,457
Other	403,231,668	448,217,227	434,268,206	434,268,206
Total	\$ 811,353,592	\$ 873,248,086	\$ 857,652,897	\$ 857,652,897
FTE Authorization	599.5	605.5	605.5	605.5
FTE Average	509.1			

FY 2026 Revised Request. The Department of Revenue requested \$13.9 million less than enacted from all sources for FY 2026, including \$0.8 million more from general revenues, \$93,061 less from federal funds, \$0.3 million more from restricted receipts, and \$14.9 million less from lottery funds.

The Governor recommended \$857.7 million, which is \$15.6 million less than enacted and \$1.7 million less than requested, including \$0.3 million more from general revenues, \$2.9 million less from restricted receipts, and \$1.0 million more from lottery funds. The Assembly concurred with the total and shifted some funding within the Division of Taxation.

Lottery Division

Commission Payments. The Department requested \$15.1 million less than enacted for Lottery commission payments, which corresponds to the May 2025 Revenue Estimating Conference adopted estimate. The Appropriations Act historically includes language authorizing the Lottery to pay winning prize funds and commission payments to the local casinos for the fiscal year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Lottery Staffing and Operations. The Department requested \$0.6 million less than enacted from lottery funds for all other staffing and operations expenses. The request includes \$0.2 million more for motor vehicle purchases and \$0.1 million more for increased insurance expenses, which would now total \$1.1 million. Insurance spending has increased each year, from \$0.6 million in FY 2022 and FY 2023 to \$0.9 million in FY 2024 and \$1.0 million in FY 2025. The Division has scaled up its cyber insurance coverage over the last few years, given the shift to online platforms, which explains some of the cost growth.

The staffing request is \$0.9 million less than enacted, reflecting additional turnover savings, which may understate actual expenses. As of mid-November 2025, the Division has 109.6 filled full-time equivalent positions with a total authorization of 125.0 full-time equivalent positions. The enacted budget funds approximately 119 positions, and the revised request funds an average of approximately 113 positions. *The Governor recommended \$1.0 million more than requested, primarily correcting for understated salaries and benefits. This includes an additional \$16,226 in statewide adjustments to health benefit rates and \$53,404 to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Capital. The Department requested \$0.8 million more than enacted from Rhode Island Capital Plan funds to purchase a generator to support operations and expand the functionality of the lottery building. The Department's operating request is inconsistent with its capital request, though the Department reported that its operating request is based on more recent cost information. *The Governor recommended funding consistent with the operating request.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Division of Taxation

Adult Use Marijuana. The Department requested the enacted amount of \$100,000 from restricted receipts to support compliance with the implementation of adult-use marijuana tax provisions, budgeted as contracted services. The enacted budget authorizes 2.0 full-time equivalent positions to support compliance, but does not allocate restricted funds for this purpose. The Department is unable to assign specific individuals to implement this tax provision, as no employees have dedicated their full work hours to it. In FY 2025, \$31,397 of staff expenses were charged. Possible uses of these funds include training, mileage reimbursement when not using a state vehicle, seizure and destruction, if applicable, and other general operating expenses. *The Governor recommended the requested funding.* **The Assembly concurred.**

Tax Increment Financing. Consistent with the enacted budget, the Department requested \$4.6 million from restricted receipts to reflect the projected disbursement of tax incentive financing proceeds. This includes support for both the Downtown Pawtucket Redevelopment Activity Fund, authorized by Chapter 45-33.4 of the Rhode Island General Laws, and the tax increment financing agreements with the Commerce Corporation, authorized separately under Chapter 42-64.21 of the Rhode Island General Laws.

The Governor recommended \$1.6 million, which excludes the Downtown Pawtucket Redevelopment Activity Fund. His budget assumes the transfer of \$1.3 million from excess cash reserves from the Pawtucket Economic Activity Taxes restricted receipt account to general revenues during FY 2026. These

funds were set aside in anticipation of a potential bond issuance that did not occur. The Assembly concurred.

Taxation Staffing. The Department requested \$0.6 million less than enacted from general revenues for its 233.0 full-time equivalent positions within the Division of Taxation. The reduction reflects additional turnover savings, equivalent to about six full-time positions. The enacted budget funds about 221 positions. As of mid-November 2025, the Division has 196.0 filled full-time equivalent positions. *The Governor recommended \$16,370 more than requested, reflecting \$0.1 million in increased turnover and \$162,023 in statewide adjustments to health and other benefit rates. The Assembly provided \$0.5 million less based on the Department's third quarter report.*

Integrated Tax System Maintenance and Support. The Department requested \$476,825 more than enacted from general revenues for information technology administration. In May 2024, an amendment was added to the contract for additional infrastructure, data migration, and support. The Department reports that its FY 2026 request did not account for increases in cloud storage costs, software licenses, or maintenance and operations, and thus these expenses were not included in the enacted budget. The FY 2027 request and the FY 2026 revised request reflect these omitted expenses. *The Governor recommended funding consistent with the enacted budget. The Assembly provided \$0.5 million more than recommended to cover the expected cost reported in the Department's third quarter report.*

Other Operations. The Department requested \$254,285 more than enacted from general revenues for postage and services related to mass mailings and notices to taxpayers based on FY 2025 spending, which was also roughly consistent with recent prior years. The Department sent a large volume of notices to taxpayers, mostly related to payment compliance. The Division has determined that more mailings to taxpayers have a demonstrated positive impact on collection efforts. The request maintains the enacted level for all other expenses. *The Governor recommended funding consistent with the enacted budget for postage. He also included \$0.3 million more, mostly reflecting adjustments to information technology billings based on updated data. The Assembly concurred.*

Division of Motor Vehicles

Reappropriation - Mobile DMV. Article 13, Section 1 of the FY 2026 Appropriations Act provided reappropriation language for the procurement of a mobile motor vehicle registry unit. The Division requested \$750,000 from general revenues, or the full amount, for the mobile motor vehicle registry unit. However, the Division overspent in FY 2025 and did not have the \$750,000 available to reappropriate.

This initiative was originally funded in the FY 2023 budget; however, the request for proposals development during FY 2023 was delayed, and the 2023 Assembly shifted the funding to FY 2024. The 2024 Assembly shifted the funding to FY 2025. The purchase order for the mobile motor vehicle registry unit has been issued, and the vendor is currently working on the build. The Department anticipates that the unit will be delivered in March 2026 and on the road no later than May. *The Governor included the reappropriation. The Assembly concurred.*

Rhode Island Motor Vehicle System. The Department requested \$0.2 million more than enacted from technology transaction fee restricted receipts. This reflects a shift of related information technology expenses, not part of the current contract, from general revenues to the newly increased transaction fee. This is requested to free up general revenues to cover unbudgeted cost increases for other unrelated expenses, such as contracted security and cleaning expenses.

The FY 2026 appropriations act increased the technology surcharge on all Division of Motor Vehicle transactions from \$2.50 to \$3.50 to maintain this system and cover the increased technology costs within the system's contract, ongoing maintenance, and enhancements. The Department anticipated that this

increased fee would generate \$1.5 million annually. Notably, the Department's original FY 2026 request identified the need for only \$0.7 million in new resources to cover increased expenses. The enacted budget provided for the use of \$0.8 million more than that based on the expected fee revenues, providing flexibility on additional future system expenses. The current and FY 2027 requests appear to utilize all projected receipts. *The Governor recommended the requested funding.* **The Assembly concurred.**

Federal CDL Grants. The Department requested \$93,061 less than enacted from federal funds for information technology expenses and 4.0 full-time equivalent positions to support its ongoing Commercial Driver's License Improvement Grants. This reflects shifting all funding for salaries and benefits to contracted professional services. The remaining approved federal funds are for programming work with contracted vendors. *The Governor recommended the requested funding.* **The Assembly concurred.**

Other Staffing. The Department requested \$459,014 less from general revenues for all other staffing costs, which reflects turnover equivalent to four additional vacancies. The enacted budget funded approximately 192 positions; the revised request would fund approximately 188 positions and may understate actual expenses. As of mid-November 2025, the Division had 177.0 filled full-time equivalent positions. *The Governor recommended \$1.1 million more than requested, correcting for understated salaries and benefits, and included \$29,825 in statewide adjustments to health benefit rates.* **The Assembly concurred.**

Driver's License Imaging Fees. The Department requested \$0.4 million more than enacted from general revenues for driver's license imaging fees. This is effectively the cost of producing the physical license and identification cards. The Department reported that the increase is a result of extending its current contract by using the option year extension while it solicits bids. It reported that while the bid has been submitted, complications required the current contract extension, resulting in an increase. *The Governor recommended \$309,000 less than requested to recognize a portion of the requested increase, but maintained general revenues at the enacted level adjusted for statewide initiatives.* **The Assembly concurred.**

Other Operations. The Department requested \$54,200 less than enacted from general revenues for all other operations. The request includes \$33,000 more than enacted for janitorial services, and \$87,200 less for other expenses based on FY 2025 experience and allocation of some items to available restricted receipts. *The Governor recommended \$17,034 more than requested, reflecting adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Other Programs

Local Aid. The Department requested \$8,058 more than enacted from general revenues for adjustments to two local aid calculations. The \$2,817 increase to the motor vehicle excise tax corrects an error in the enacted budget. The \$5,241 increase in the tangible tax exemption aid reflects revised estimates for the FY 2025 cost because of late filings from fire districts. This additional expense was noted in the Department's FY 2025 third quarter report but was not incorporated into the FY 2026 budget. *The Governor recommended the requested funding.* **The Assembly concurred.**

Other Staffing and Operations. The Department requested \$61,953 more than enacted, including \$67,927 less from general revenues and \$129,880 more from restricted receipts, for all other expenses for its remaining 34.0 full-time equivalent positions and operations. The restricted receipts are revenues passed through to the City of Warwick for direct and indirect users of the Rhode Island T.F. Green International Airport. The general revenue revisions are primarily turnover savings. *The Governor recommended \$100,717 less than requested from general revenues to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Legislature

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
General Assembly	\$ 10,636,080	\$ 8,749,179	\$ 10,502,044	\$ 10,502,044
Fiscal Advisory Staff	2,028,581	2,688,479	2,708,425	2,708,425
Legislative Council	4,258,180	6,046,683	6,320,747	6,320,747
Joint Comm. On Legislative Affairs	31,741,916	35,774,281	42,055,040	42,055,040
Office of the Auditor General	7,065,997	8,152,398	8,299,350	8,299,350
Special Legislative Commissions	7,350	13,900	13,900	13,900
Total	\$ 55,738,104	\$ 61,424,920	\$ 69,899,506	\$ 69,899,506
Expenditures by Category				
Salaries and Benefits	\$ 43,917,363	\$ 51,521,527	\$ 52,538,913	\$ 52,538,913
Contracted Services	787,561	1,613,800	2,048,000	2,048,000
Subtotal	\$ 44,704,924	\$ 53,135,327	\$ 54,586,913	\$ 54,586,913
Other State Operations	8,765,652	5,075,093	12,171,593	12,171,593
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,187,275	2,300,000	2,300,000	2,300,000
Capital	80,253	914,500	841,000	841,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 55,738,104	\$ 61,424,920	\$ 69,899,506	\$ 69,899,506
Sources of Funds				
General Revenue	\$ 53,403,948	\$ 58,734,623	\$ 67,160,602	\$ 67,160,602
Federal Aid	-	-	-	-
Restricted Receipts	2,334,156	2,690,297	2,738,904	2,738,904
Other	-	-	-	-
Total	\$ 55,738,104	\$ 61,424,920	\$ 69,899,506	\$ 69,899,506
FTE Authorization	298.5	298.5	298.5	298.5
FTE Average	250.0			

FY 2026 Revised Request. The Legislature’s revised budget of \$69.7 million includes \$8.3 million from the \$10.8 million reappropriation from FY 2025 and 298.5 full-time equivalent positions. *The Governor recommended adding \$178,532, including \$167,975 from general revenues. This includes \$132,479 for statewide adjustments to health benefit rates and \$46,053 to reflect adjustments to centralized information technology services provided by the Department of Administration based on updated data.* **The Assembly concurred.**

Office of the Lieutenant Governor

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,089,087	\$ 1,305,099	\$ 1,305,997	\$ 1,305,997
Contracted Services	48,000	48,000	48,000	48,000
Subtotal	\$ 1,137,087	\$ 1,353,099	\$ 1,353,997	\$ 1,353,997
Other State Operations	194,458	166,120	178,265	178,265
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,331,545	\$ 1,519,219	\$ 1,532,262	\$ 1,532,262
Sources of Funds				
General Revenue	\$ 1,331,545	\$ 1,519,219	\$ 1,532,262	\$ 1,532,262
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,331,545	\$ 1,519,219	\$ 1,532,262	\$ 1,532,262
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	7.2			

FY 2026 Revised Request. The Office of the Lieutenant Governor requested \$39,444 more than enacted from general revenues. *The Governor recommended \$13,043 more than enacted, which is \$26,401 less than requested.* **The Assembly concurred.**

Seasonal Policy Interns. The Office's revised request includes \$33,588 more than enacted for its seasonal policy interns, who assist with administrative tasks and Office initiatives. They also help the Office pursue federal grants for its work related to the State Long-Term Care Coordinating Council. The request funds three seasonal policy interns; the enacted budget funds two. *The Governor did not recommend the additional funding.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$5,856 more than enacted for all other salaries and benefits to reflect costs for current staff; all 8.0 authorized positions are filled as of mid-October. *The Governor did not recommend the requested increase. He added \$898 to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Centralized Services. The Office requested the enacted level for centralized information technology services provided by the Department of Administration. *The Governor included \$12,145 more than enacted to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Office of the Secretary of State

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Administration	\$ 5,466,593	\$ 5,975,167	\$ 6,166,081	\$ 6,166,081
Corporations	2,737,996	2,913,879	2,679,735	2,679,735
State Archives	916,288	761,449	840,352	900,352
Elections and Civics	3,551,443	4,107,040	4,057,022	3,757,022
State Library	568,076	668,263	662,568	662,568
Office of Public Information	754,548	865,724	854,283	854,283
Total	\$ 13,994,944	\$ 15,291,522	\$ 15,260,041	\$ 15,020,041
Expenditures by Category				
Salaries and Benefits	\$ 8,799,071	\$ 8,850,050	\$ 8,839,949	\$ 8,839,949
Contracted Services	657,969	1,134,330	1,154,330	1,154,330
Subtotal	\$ 9,457,040	\$ 9,984,380	\$ 9,994,279	\$ 9,994,279
Other State Operations	4,168,799	4,349,442	4,328,062	4,028,062
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	284,624	418,000	418,000	418,000
Capital	84,481	539,700	519,700	579,700
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 13,994,944	\$ 15,291,522	\$ 15,260,041	\$ 15,020,041
Sources of Funds				
General Revenue	\$ 12,696,485	\$ 12,861,732	\$ 12,848,882	\$ 12,548,882
Federal Aid	913,819	2,000,000	2,000,000	2,000,000
Restricted Receipts	379,207	429,790	411,159	411,159
Other	5,433	-	-	60,000
Total	\$ 13,994,944	\$ 15,291,522	\$ 15,260,041	\$ 15,020,041
FTE Authorization	62.0	62.0	62.0	62.0
FTE Average	60.5			

FY 2026 Revised Request. The Office of the Secretary of State requested \$18,809 less from restricted receipts than enacted for FY 2026. *The Governor recommended \$12,672 less than requested, including \$12,850 less from general revenues.* **The Assembly provided \$240,000 less than recommended, including \$300,000 less from general revenues and \$60,000 more from Rhode Island Capital Plan funds.**

State Archives. The Office requested \$78,476 more than enacted from all sources for the operations of the State Archives, including \$97,285 more from general revenues. The Office reported allocating more costs to general revenues because restricted Historical Records Trust revenues are not sufficient to cover expenses. The enacted budget assumed restricted Historical Records Trust revenues of \$404,790. The current request would require \$385,981 from Historical Records Trust revenues to support all staffing and

operational costs, but estimated receipts are only \$288,648. Adjusted for a \$10,252 balance forward, the request exceeds expected resources by \$87,081. The request fully funds 3.0 full-time equivalent positions, including 1.0 position supported by general revenue and 2.0 positions supported by restricted receipts. This is 0.2 more full-time equivalent positions than assumed in the enacted budget. *The Governor recommended \$427 more than requested, including \$249 from general revenues, to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Records Center. The Office requested \$76,611 less than enacted for the Records Center, which is an internal service program that appears separately in Article 1 of the Appropriations Act. The revised request totals \$1.2 million, which is \$235,572 more than spent in FY 2025 and \$225,214 more than in FY 2024. The Records Center's expenses are budgeted in user agencies that pay a portion of their operating costs for record storage and retrieval. The request to fund 4.0 full-time equivalent positions is \$76,611 less than enacted and assumes 0.2 fewer full-time equivalent positions than the enacted budget. *The Governor recommended \$374 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Tours and Visitors Center. The Office requested \$30,000 less than enacted from general revenues for tour offerings to enhance the visitor experience at the Rhode Island State House and educational engagement. This decrease reflects salaries for tour guides. The Office reported that this omission was made in error; however, it stated that it maintains sufficient funds to operate tour offerings at the requested amount. *The Governor recommended \$24,888 more than requested to support a seasonal tour guide position.* **The Assembly concurred.**

Statewide Voter List Maintenance Mailing. The enacted budget includes \$750,000 from general revenues for FY 2026 to conduct voter registration list maintenance by mailing a form to every registered voter in Rhode Island before the November 2026 elections. The Office requested funding consistent with the enacted budget. *The Governor recommended funding as requested.* **The Assembly provided \$300,000 less to reflect actual expenses.**

New State Archives Facility. The Office's capital request includes a \$60.0 million multi-year capital plan to develop a new State History Center facility on a site located on Capitol Hill in Providence and create additional storage space for the State Archives collection in the Carothers Library at the University of Rhode Island. The request is based on a feasibility study released in July. The approved plan includes \$0.5 million from Rhode Island Capital Plan funds for FY 2025 for the aforementioned study encompassing site selection, architectural, and design work, as well as \$4.5 million for FY 2027, pending the outcome of the study.

The Governor recommended \$45.0 million from new general obligation bond funds to go before the voters in November 2026 and shifted the approved \$4.5 million from Rhode Island Capital Plan funds to FY 2028, retaining only \$5,433 for FY 2025 for feasibility study expenses. **The Assembly restored \$60,000 from Rhode Island Capital Plan funds for FY 2026 to reflect actual feasibility study expenses and concurred with the remainder of the recommendation. A more detailed description of the project is included in the Capital Budget section of this publication.**

Other Personnel and Operations. The Office requested \$67,285 less than enacted from general revenues for its remaining 55.0 full-time equivalent positions and all other operations. The request assumes turnover savings equivalent to 2.6 full-time equivalent positions, which is 0.9 positions less than assumed in the enacted budget, and erroneously overbudgets a fellowship position; these added costs appear to be offset by changes to employee benefits. *The Governor recommended \$37,987 less than requested from general revenues, including \$24,888 less to correct the fellowship position. He also included \$8,281 more to reflect statewide adjustments to health benefit rates, and \$21,380 less to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Office of the General Treasurer

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
General Treasurer	\$ 4,105,015	\$ 4,666,238	\$ 5,432,599	\$ 5,432,599
Unclaimed Property	2,713,863	3,338,043	3,370,898	3,370,898
Employees' Retirement System	12,801,793	16,318,192	16,467,169	16,467,169
Crime Victim Compensation	1,561,173	1,652,443	1,623,196	1,623,196
Subtotal	\$ 21,181,844	\$ 25,974,916	\$ 26,893,862	\$ 26,893,862
Expenditures by Category				
Salaries and Benefits	\$ 13,507,373	\$ 14,952,022	\$ 15,094,173	\$ 15,094,173
Contracted Services	4,305,387	6,543,252	6,607,300	6,607,300
Subtotal	\$ 17,812,760	\$ 21,495,274	\$ 21,701,473	\$ 21,701,473
Other State Operations	2,078,385	3,010,724	2,874,272	2,874,272
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,268,237	1,372,993	2,237,392	2,237,392
Capital	22,462	95,925	73,150	73,150
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	7,575	7,575
Total	\$ 21,181,844	\$ 25,974,916	\$ 26,893,862	\$ 26,893,862
Sources of Funds				
General Revenue	\$ 4,197,142	\$ 4,600,223	\$ 5,387,264	\$ 5,387,264
Federal Aid	748,082	833,127	829,769	829,769
Restricted Receipts	15,705,265	19,906,235	20,058,316	20,058,316
Other	531,355	635,331	618,513	618,513
Total	\$ 21,181,844	\$ 25,974,916	\$ 26,893,862	\$ 26,893,862
FTE Authorization	91.0	92.0	92.0	92.0
FTE Average	86.2			

FY 2026 Revised Request. The Office of the General Treasurer requested \$0.8 million more from all sources, including \$0.9 million more from general revenues reappropriated for the medical debt program. *The Governor recommended \$0.9 million more than enacted and \$0.1 million more than requested. General revenues are \$0.8 million more than enacted. The Assembly concurred.*

Reappropriation - Medical Debt. The Office's FY 2026 revised request includes \$0.9 million from general revenues reappropriated from FY 2025 to discharge certain medical debt for eligible Rhode Islanders. To be eligible, residents must 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 not more than 400 percent of the federal poverty level. The General Treasurer has a three-year agreement with Undue, a qualified nonprofit, to purchase the medical debt of Rhode Island residents that has been placed in collections and is being sold by the original creditor or any subsequent creditor. Approximately 60 percent of the \$1.0 million will be used to purchase the debt, with the remaining 40 percent allocated to Undue for its operating costs,

including staffing, mailings, communications, software, legal expenses, and other office-related expenses. As of May 2025, the program has forgiven over \$10.0 million of medical debt for more than 6,000 Rhode Islanders.

The FY 2025 appropriations act includes reappropriation language so that any unspent funds from FY 2025 are available for FY 2026. *The revised recommendation includes the reappropriation.* **The Assembly concurred.**

Crime Victim Compensation. The Office requested \$30,083 less from all sources, including \$83 less from general revenues and \$30,000 less from restricted receipts, for the Crime Victim Compensation program. A decline in restricted receipts has been an issue for the past several years but was exacerbated by court closures resulting from the COVID-19 pandemic. Receipts collected during FY 2025 totaled \$206,575; FY 2024 collections were \$209,990. Since FY 2020, receipts have declined by nearly 45 percent. *The Governor recommended \$836 more than requested from all sources, including \$587 from general revenues, to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Office requested \$43,719 less than enacted for salaries and benefits, including \$6,628 more from general revenues, reflecting current salaries and adjustments to cost allocations and staffing across programs. As of the end of October, there were three vacancies among all programs. The enacted budget would fund approximately 89 of the Office's 91.0 authorized positions. The revised request would restore turnover savings equivalent to about one position. *The Governor recommended \$0.2 million more than requested, including \$4,386 less from general revenues. This includes \$194,371 to correct for understated salaries and benefits in the request and \$13,246 to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Centralized Services. The Office requested the enacted amount of \$0.6 million from all sources, including \$0.5 million from general revenues, for centralized facilities management and information technology services provided through the Department of Administration. *The Governor recommended \$0.1 million less than requested from general revenues to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Rhode Island Board of Elections

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 2,005,701	\$ 1,929,510	\$ 1,909,228	\$ 1,909,228
Contracted Services	1,426,852	1,406,497	1,406,497	1,406,497
Subtotal	\$ 3,432,553	\$ 3,336,007	\$ 3,315,725	\$ 3,315,725
Other State Operations	1,828,320	1,136,924	1,211,486	1,211,486
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	2,000	454,067	454,067
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,260,873	\$ 4,474,931	\$ 4,981,278	\$ 4,981,278
Sources of Funds				
General Revenue	\$ 5,260,873	\$ 4,474,931	\$ 4,981,278	\$ 4,981,278
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 5,260,873	\$ 4,474,931	\$ 4,981,278	\$ 4,981,278
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	11.0			

FY 2026 Revised Request. The Rhode Island Board of Elections requested \$506,730 more than enacted from general revenues for FY 2026. *The Governor recommended \$383 less than requested from general revenues.* **The Assembly concurred.**

Reappropriation - New Poll Pads. The 2025 Assembly allocated \$500,000 from general revenues in the final FY 2025 budget to support election-related technology, including poll pad purchases; it also added language to ensure that any unspent funds for this purpose would be automatically reappropriated. The Board's revised request includes \$429,492 from these funds to purchase 660 poll pads with a service life of six to eight years. The Board indicated that these purchases, in addition to the \$376,683 from general revenues requested for FY 2027, would result in a fully upgraded poll pad inventory.

It should be noted that the FY 2025 underspend may be lower than the reappropriated amount because of some other unanticipated expenses that were pending insurance reimbursement at the time of the preliminary closing. *The Governor recommended \$22,575 more than the reappropriation to support a greater number of poll pad purchases in the current year.* **The Assembly concurred.**

Reappropriation - Campaign Finance System Replacement. The 2025 Assembly allocated \$500,000 from general revenues in the final FY 2025 budget to support election-related technology, including campaign finance system upgrades; it also added language to ensure that any unspent funds for this purpose would be automatically reappropriated. The Board's revised request includes \$70,508 from these funds to replace its current campaign finance system, for a total request of \$135,508 for FY 2026. It indicated that

these funds, in addition to the \$202,118 from general revenues requested for FY 2027, would support monthly payments in accordance with a five-year contract that runs through 2030; however, the request appears to be understated by \$4,492 for FY 2026.

It should be noted that the FY 2025 underspend may be lower than the reappropriated amount because of some other unanticipated expenses that were pending insurance reimbursement at the time of the preliminary closing. *The Governor recommended funding as requested. The Assembly concurred, as funds are available in other areas to support the full amount of the contract.*

Seasonal Elections Expenses. The Board requested funding consistent with the enacted budget for seasonal elections expenses, including legal and printing expenses. The request does not include funding to support seasonal staffing. *The Governor's recommendation includes \$40,000 more for seasonal staffing expenses to reflect actual expenditures. The Assembly concurred.*

Other Salaries and Benefits. The Board requested \$6,730 more than enacted for salary and benefit expenses for its regular staff and commissioners. The enacted budget funds 13.0 full-time equivalent positions. The Board reported that the increase includes salary revisions based on staff turnover and adds two commissioner stipends in error. As of October 2025, 11.0 full-time equivalent positions were filled, and 11.8 positions had been filled on average for the fiscal year. Both the enacted budget and the revised request assume that all positions are filled, suggesting that turnover savings are available. *The Governor recommended \$67,012 less than requested. This includes \$2,293 more to reflect statewide adjustments to health benefit rates, corrects errors in the request, and assumes greater turnover savings. The Assembly concurred.*

Other Operations. Consistent with the enacted budget, the Board requested \$247,924 from general revenues to fully fund all other expenses. This includes \$167,949 for centralized service billings, \$14,569 more than FY 2025 spending; \$16,000 for postage services, \$3,606 more than FY 2025 spending; and \$13,000 for insurance premiums, \$3,184 more than FY 2025 spending. *The Governor recommended \$4,054 more than requested to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Rhode Island Ethics Commission

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,883,594	\$ 1,978,046	\$ 1,995,305	\$ 1,995,305
Contracted Services	38,043	64,275	64,275	64,275
Subtotal	\$ 1,921,637	\$ 2,042,321	\$ 2,059,580	\$ 2,059,580
Other State Operations	319,083	366,985	393,509	393,509
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	4,152	10,326	7,326	7,326
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,244,872	\$ 2,419,632	\$ 2,460,415	\$ 2,460,415
Sources of Funds				
General Revenue	\$ 2,244,872	\$ 2,419,632	\$ 2,460,415	\$ 2,460,415
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,244,872	\$ 2,419,632	\$ 2,460,415	\$ 2,460,415
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	12.0			

FY 2026 Revised Request. The Rhode Island Ethics Commission requested \$114,507 more from general revenues, of which \$98,871 was reappropriated from FY 2025 to continue development of a new case management system. *The Governor recommended \$40,783 more than enacted from general revenues, which is \$73,724 less than requested.* **The Assembly concurred.**

Reappropriation - Case Management System. The FY 2025 final budget included \$137,946 from general revenues to continue the development of a new case management system, of which \$39,075 was spent. The FY 2026 revised request includes the Governor's reappropriation of \$98,871. The new system will collect and track conflict of interest statements and complaints. The project was delayed in FY 2025 due to the replacement of the project manager and the discovery of new issues with data migration and system functionality. *The Governor recommended \$23,524, which is \$75,347 less than requested to reflect updated estimates provided by the Division of Enterprise Technology Strategy and Services.* **The Assembly concurred.**

Staffing and Operations. The Commission requested \$15,636 more than enacted from general revenues for staffing and other operations, primarily to reflect updated medical benefit choices. The revised request fully funds all 12.0 full-time equivalent positions, consistent with the enacted budget. The request for all other expenses is consistent with the enacted level but adjusts specific items. This includes an increase in electricity costs, offset by decreases in phone and internet services and computer equipment. *The Governor recommended \$1,623 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Office of the Governor

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 8,075,241	\$ 8,571,283	\$ 8,577,734	\$ 8,577,734
Contracted Services	37,146	13,000	13,000	13,000
Subtotal	\$ 8,112,387	\$ 8,584,283	\$ 8,590,734	\$ 8,590,734
Other State Operations	794,402	595,761	623,903	623,903
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	150,000	150,000	150,000
Capital	-	4,874	4,874	4,874
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 8,906,789	\$ 9,334,918	\$ 9,369,511	\$ 9,369,511
Sources of Funds				
General Revenue	\$ 8,906,789	\$ 9,334,918	\$ 9,369,511	\$ 9,369,511
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 8,906,789	\$ 9,334,918	\$ 9,369,511	\$ 9,369,511
FTE Authorization	45.0	45.0	45.0	45.0
FTE Average	43.2			

FY 2026 Revised Request. The Office of the Governor requested \$9.3 million from general revenues, consistent with the enacted budget. *The Governor recommended \$9.4 million, which is \$34,593 more than enacted and requested.* **The Assembly concurred.**

Operations. The Office requested the enacted level of \$9.3 million from general revenues, including \$8.6 million for staffing expenses, which appears to fund 42.2 full-time equivalent positions. As of mid-November 2025, the Office had averaged 42.5 filled positions. In FY 2025, the Office averaged 43.2 positions. Expenses for all other operations are \$0.8 million, which is consistent with the enacted budget.

The Governor recommended \$34,593 more, including \$6,451 for salaries and benefits for statewide adjustments to health benefit rates and \$28,142 to reflect adjustments to information technology billings based on updated data. **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 2,213,159	\$ 2,275,210	\$ 2,286,977	\$ 2,286,977
Contracted Services	98,135	54,750	93,310	93,310
Subtotal	\$ 2,311,294	\$ 2,329,960	\$ 2,380,287	\$ 2,380,287
Other State Operations	425,352	439,727	395,614	395,614
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	3,000	8,179	8,179
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,736,646	\$ 2,772,687	\$ 2,784,080	\$ 2,784,080
Sources of Funds				
General Revenue	\$ 2,224,631	\$ 2,249,158	\$ 2,285,857	\$ 2,285,857
Federal Aid	512,015	523,529	498,223	498,223
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,736,646	\$ 2,772,687	\$ 2,784,080	\$ 2,784,080
FTE Authorization	15.0	15.0	15.0	15.0
FTE Average	14.3			

FY 2026 Revised Request. The Rhode Island Commission for Human Rights requested \$16,936 more than enacted from all sources, including \$72,572 more from general revenues and \$55,636 less from federal funds. *The Governor recommended \$5,543 less than requested, including \$35,873 less from general revenues and \$30,330 more from federal funds.* **The Assembly concurred.**

Federal Receipts. The revised request assumes \$0.6 million from federal funds will be available for FY 2026, including \$0.2 million from unspent prior-year funds and \$0.4 million from new receipts. New receipts are estimated to be \$55,771 less than received in FY 2025, and the request reduces FY 2026 spending by a nearly identical amount, with costs shifted to general revenues. The Commission indicated that there have been significant reductions to federal personnel overseeing these programs and that Housing and Urban Development funding could cease entirely at any point. As a result, it is reducing its reliance on federal funding for core expenses, such as personnel, and attempting to preserve existing funds. It is projected to end FY 2026 with a balance of \$0.1 million. Housing and Urban Development funds have specific restrictions on spending, which must directly concern advancement of fair housing cases. Equal Employment Opportunity funds do not have these restrictions and are therefore more flexible. *The Governor recommended \$30,330 more than requested and \$25,306 less than enacted, shifting a relatively smaller portion of expenses to general revenues.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$11,564 more than enacted from all sources, including \$25,929 more from general revenues and \$14,365 less from federal funds, for salary and benefit expenses. The enacted budget includes \$30,000 of general revenue turnover savings equivalent to 0.2 vacancies. The

request restores most of the turnover savings, the cost of which is \$20,546, partially offset by updates to medical benefit selections. As of November 2025, the Commission had 1.0 vacancy. *The Governor recommended \$203 more, including \$14,639 less from general revenues and \$14,842 more from federal funds. This primarily reflects \$43,888 in turnover savings, equivalent to an average of 0.3 vacancies. This is partially offset by a correction to salary assumptions and statewide adjustments to health benefit rates.* **The Assembly concurred.**

Paralegal Services. The Commission requested \$50,960 from federal funds for contracted paralegal services for which the enacted budget includes no funding. The Commission indicates that the paralegal saves time for the Commission's existing two staff attorneys, benefiting due process, enforcement of antidiscrimination laws, and the speed with which cases are processed. It has contracted with an agency to provide paralegal services since April 2024 and spent \$14,918 in FY 2024 and \$46,622 in FY 2025. The Commission's FY 2027 request includes \$0.2 million and 1.0 new full-time equivalent paralegal position to perform this work. *The Governor recommended funding as requested; his FY 2027 recommendation provides funding for contracted paralegal services in lieu of the requested position.* **The Assembly concurred.**

Other Operations. The Commission requested \$45,588 less than enacted for all other expenses, including \$46,643 more from general revenues and \$92,231 less from federal funds. The request reflects \$34,757 less from general revenues for information technology costs and other adjustments to more closely reflect FY 2025 spending. It also shifts \$81,451 of lease expenses from federal funds to general revenues. The Commission has been spending down its existing balance of federal funds and anticipates that its annual federal awards may not be sufficient to support the enacted level of spending. *The Governor recommended \$5,746 less than requested, including \$21,234 less from general revenues and \$15,488 more from federal funds, which reflects adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Public Utilities Commission

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 9,293,888	\$ 10,707,411	\$ 10,658,776	\$ 10,658,776
Contracted Services	1,530,909	3,623,239	3,651,239	3,651,239
Subtotal	\$ 10,824,797	\$ 14,330,650	\$ 14,310,015	\$ 14,310,015
Other State Operations	794,475	1,082,624	1,263,105	1,263,105
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	20,000	-	-	-
Capital	55,754	95,000	95,000	95,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 11,695,026	\$ 15,508,274	\$ 15,668,120	\$ 15,668,120
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	709,130	753,555	771,107	771,107
Restricted Receipts	10,985,896	14,754,719	14,897,013	14,897,013
Other	-	-	-	-
Total	\$ 11,695,026	\$ 15,508,274	\$ 15,668,120	\$ 15,668,120
FTE Authorization	57.0	57.0	57.0	57.0
FTE Average	50.0			

FY 2026 Revised Request. The Public Utilities Commission requested \$71,398 more than the enacted amount from all sources, including \$132,578 less from federal funds and \$203,976 more from restricted receipts assessed to regulated utilities. *The Governor recommended \$0.2 million more than enacted and \$0.1 million more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$57,928 less than enacted from federal funds and restricted receipts for salaries and benefits. However, the Commission later stated that the reduction in federal funds was submitted in error; it intended to request the enacted amount of \$76,700 for salaries and benefits for the One Call Dig Safe program. This correction would result in a requested increase in salaries and benefits totaling \$89,882. This increase primarily reflects reducing turnover savings from the enacted assumption of about two vacancies. As of late October, the Commission had 54.0 filled full-time equivalent positions and has averaged 53.4 filled positions thus far in FY 2026. It averaged 50.0 full-time equivalent filled positions in FY 2025. *The Governor recommended \$9,293 more than requested, reflecting statewide adjustments to health benefit rates.* **The Assembly concurred.**

Dual Party Phone Relay Service. The Commission requested the enacted amount of \$168,415 from restricted receipts for the Dual Party Phone Relay Service. Rhode Island General Laws, Section 39-1-42, requires that the Commission remit \$100,000 to the Commission on the Deaf and Hard of Hearing and \$50,000 to the Department of Human Services for telephone equipment and to continue the emergency and public communication access program. The Commission spent only \$66,478 for this in FY 2025, reporting that it switched to a less expensive vendor. It estimates that its current expenses should run around \$75,000

per year, though this is not reflected in the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Executive Climate Change Coordinating Council Projects. The Commission requested the enacted amount of \$75,000 from the Executive Climate Change Coordinating Council as part of its work to achieve the goals of Rhode Island's 2021 Act on Climate. The Commission received \$75,000 in FY 2024 and \$100,000 in FY 2025, but spent only \$33,300 and \$89,585 in those fiscal years. *The Governor recommended \$30,000 more than requested, reflecting the Climate Change Coordinating Council's FY 2026 Spending Plan, approved on September 15, 2025.* **The Assembly concurred.**

Other Operations. The Commission requested \$129,326 more than enacted, almost entirely for window repairs. The Commission reported that it has experienced flooding in the main hearing room during heavy rainfall. These repairs are supported by unspent funds allocated for FY 2025. *The Governor recommended \$49,155 more than requested, reflecting adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Executive Office of Health and Human Services

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 226,717,552	\$ 249,104,658	\$ 277,029,587	\$ 280,450,784
Medical Assistance	3,645,252,856	3,977,332,126	3,948,256,214	3,923,300,000
Total	\$ 3,871,970,408	\$ 4,226,436,784	\$ 4,225,285,801	\$ 4,203,750,784
Expenditures by Category				
Salaries and Benefits	\$ 41,478,331	\$ 44,562,245	\$ 48,049,497	\$ 47,973,847
Contracted Services	140,021,954	153,765,788	164,544,808	163,821,380
Subtotal	\$ 181,500,285	\$ 198,328,033	\$ 212,594,305	\$ 211,795,227
Other State Operations	14,244,776	16,393,425	17,616,907	17,487,712
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,675,977,505	4,011,699,966	3,994,941,389	3,974,334,645
Capital	247,842	15,360	133,200	133,200
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,871,970,408	\$ 4,226,436,784	\$ 4,225,285,801	\$ 4,203,750,784
Sources of Funds				
General Revenue	\$ 1,380,027,170	\$ 1,490,421,244	\$ 1,477,236,040	\$ 1,464,561,684
Federal Aid	2,454,156,407	2,709,529,994	2,702,904,113	2,692,455,589
Restricted Receipts	37,786,831	26,485,546	45,145,648	46,733,511
Other	-	-	-	-
Total	\$ 3,871,970,408	\$ 4,226,436,784	\$ 4,225,285,801	\$ 4,203,750,784
FTE Authorization	233.0	243.0	243.0	248.0
FTE Average	211.1			

FY 2026 Revised Request. The Executive Office included \$29.3 million more from all sources for a total of \$4,255.7 million in its revised request. This includes \$16.9 million more from restricted receipts, \$10.8 million more from federal funds, and \$1.6 million more from general revenues. The revised request was submitted in October and does not reflect the revised caseload estimates adopted in November. The Executive Office's first quarter report, submitted later that month, projects general revenue overspending of \$1.3 million in the Central Management program. A corrective action plan identifying options to address that deficit was submitted on December 19 and targeted unspecified "state required initiatives" and unobligated contract values among its proposed solutions.

The Governor recommended \$30.4 million less than requested, which includes \$14.8 million less from general revenues. The recommendation decreases medical assistance expenses by \$25.4 million, including \$13.7 million less from general revenues, to reflect the November caseload estimate. He recommended some of the savings identified in the corrective action plan, each noted separately where appropriate. He subsequently requested several amendments to adjust current year expenses, recognized \$7.0 million in general revenue savings from a Deloitte settlement for the cyber-security breach and \$5.6 million from federal funds, and five new positions, for the Rural Health Transformation Program.

The Executive Office identified general revenue overspending for two other programs, HIV Prevention Services and contracted services supporting the Rural Health Transformation Program application, in its third quarter report, but identified current-year savings totaling \$2.3 million to offset those expenses; each is also noted separately. The Assembly provided \$4,203.8 million, including \$1,464.6 million from general revenues, \$2,692.5 million from federal funds, and \$46.7 million from restricted receipts. This is \$21.5 million less than the Governor's recommendation, including \$12.7 million less from general revenues. The Assembly updated expenses based on the May estimate, concurred with some requested amendments, and further adjusted expenses based on spending contained in the third quarter report.

Note to Reader. There is a separate Medicaid report in the Special Reports section of this publication with more extensive detail on Medicaid spending, benefits, programs, rules, and comparisons.

Medical Assistance

The Caseload Estimating Conference met on November 4, 2025, and set the FY 2026 medical assistance expenditures at \$3,900.8 million, including \$1,412.7 million from general revenues, based on current law. This is \$40.2 million less than enacted from all funds and \$13.7 million less from general revenues. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. The following table itemizes medical assistance expenditures in FY 2025, adopted by the caseload estimators, recommended by the Governor and enacted by the Assembly. Each category is discussed separately.

Medical Assistance	FY 2025 Reported	FY 2026				May CEC/ Final
		Enacted	Nov. CEC	Gov. Rec.		
Hospitals						
State Directed Payments	\$ 275.8	\$ 331.3	\$ 331.3	\$ 331.3	\$ 331.3	
Regular Payments	47.0	51.7	49.4	49.4	43.7	
DSH Payments	27.6	13.9	13.9	13.9	13.9	
UPL Payments	18.3	25.2	27.5	27.5	27.5	
Total	\$ 368.8	\$ 422.1	\$ 422.1	\$ 422.1	\$ 416.4	
Long Term Care						
Nursing Facilities/Hospice Care	\$ 402.9	\$ 477.3	\$ 453.0	\$ 453.0	\$ 453.0	
Home & Community Care	237.4	293.8	284.6	284.6	296.0	
Total	\$ 640.4	\$ 771.1	\$ 737.6	\$ 737.6	\$ 749.0	
Managed Care						
Rlte Care	\$ 985.8	\$ 1,052.4	\$ 1,041.2	\$ 1,041.2	\$ 1,035.4	
Rlte Share	2.2	3.2	3.3	3.3	3.0	
Fee Based Services	56.1	61.9	62.3	62.3	51.7	
Total	\$ 1,044.1	\$ 1,117.5	\$ 1,106.8	\$ 1,106.8	\$ 1,090.0	
Rhody Health Partners	\$ 301.6	\$ 341.2	\$ 336.7	\$ 336.7	\$ 337.7	
Medicaid Expansion	\$ 717.5	\$ 730.8	\$ 741.5	\$ 741.5	\$ 724.9	
Rhody Health Options	\$ 215.5	\$ 220.4	\$ 242.7	\$ 242.7	\$ 247.8	
Pharmacy	\$ 0.7	\$ 7.8	\$ 1.5	\$ 1.5	\$ 1.3	
Pharmacy Part D Clawback	\$ 92.7	\$ 96.4	\$ 94.6	\$ 94.6	\$ 93.9	
Other Medical Services	\$ 205.3	\$ 233.8	\$ 217.3	\$ 217.3	\$ 216.9	
Medical Assistance Total	\$ 3,586.6	\$ 3,941.0	\$ 3,900.8	\$ 3,900.8	\$ 3,877.9	
Federal Funds	\$ 2,254.6	\$ 2,507.3	\$ 2,480.7	\$ 2,480.7	\$ 2,464.5	
General Revenues	1,322.4	1,426.4	1,412.7	1,412.7	1,406.1	
Restricted Receipts	9.5	7.4	7.4	7.4	7.4	

\$ in millions

The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$3,877.9 million, including \$1,406.1 million from general revenues, consistent with the May estimate. This is \$22.9 million less than the Governor's recommendation, including \$16.2 million more from federal funds, \$6.7 million less from general revenues, and \$22,593 more from restricted receipts. Each program is discussed separately.

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$422.1 million, of which \$138.2 million is from general revenues. It includes \$49.4 million for inpatient and outpatient medical services, \$331.3 million for state-directed payments, \$27.5 million for supplemental payments, and \$13.9 million for uncompensated care payments. This is \$26,193 less than enacted, including \$2.0 million more from general revenues and a like amount reduced from Medicaid funds. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly included \$416.4 million, consistent with the May caseload conference estimate, which is \$5.7 million less than recommended. The next table shows those changes.*

Hospital Payments	FY 2025 Reported	FY 2026 Enacted	FY 2026 Nov. CEC	FY 2026 Gov. Rec.	FY 2026 May CEC/Final
State-Directed Managed Care					
State	\$ 89,779,300	\$ 99,474,096	\$ 101,727,438	\$ 101,727,438	\$ 101,727,438
Federal	186,027,396	231,870,851	229,617,509	229,617,509	229,617,509
Subtotal	\$ 275,806,696	\$ 331,344,947	\$ 331,344,947	\$ 331,344,947	\$ 331,344,947
Regular Payments					
State	\$ 20,596,791	\$ 22,108,408	\$ 21,143,216	\$ 21,143,216	\$ 18,703,616
Federal	26,450,176	29,546,752	28,256,822	28,256,822	24,996,422
Subtotal	\$ 47,046,967	\$ 51,655,160	\$ 49,400,038	\$ 49,400,038	\$ 43,700,038
DSH/Community Hospitals					
State	\$ 6,439,413	\$ 312,394	\$ 312,394	\$ 312,394	\$ 312,394
Federal	8,307,241	687,606	687,606	687,606	687,606
Subtotal	\$ 14,746,654	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
DSH/Eleanor Slater					
State	\$ 5,636,009	\$ 5,482,500	\$ 5,482,500	\$ 5,482,500	\$ 5,482,500
Federal	7,263,991	7,417,500	7,417,500	7,417,500	7,417,500
Subtotal	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000	\$ 12,900,000
Upper Payment Limit					
State	\$ 6,577,713	\$ 8,860,612	\$ 9,426,223	\$ 9,426,223	\$ 9,410,821
Federal	11,759,227	16,365,474	18,028,792	18,028,794	18,044,194
Subtotal	\$ 18,336,940	\$ 25,226,086	\$ 27,455,015	\$ 27,455,017	\$ 27,455,015
Total	\$ 368,837,257	\$ 422,126,193	\$ 422,100,000	\$ 422,100,002	\$ 416,400,000

State-Directed Payments. The conference estimate includes \$331.3 million, of which \$101.7 million is from general revenues, for the state-directed payments made through the managed care plans to promote quality improvements at community hospitals. The total is consistent with the enacted budget, but the estimate adjusts the Medicaid rate for revised enrollment among eligibility groups, resulting in a \$2.3 million general revenues increase offset by a decrease in federal funds. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$331.3 million, including \$101.7 million from general revenues, consistent with the May estimate.*

Regular Payments. The conference estimate includes \$49.4 million, of which \$21.1 million is from general revenues, for the inpatient and outpatient services payments. This is \$2.3 million less than enacted, including \$1.0 million less from general revenues. **The Assembly included \$43.7 million, consistent with**

the May caseload conference estimate, which is \$5.7 million less than November, reflecting updated expenses.

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$13.9 million for the disproportionate share payments for uncompensated care costs to the state's hospitals. This includes \$5.9 million from general revenues and matching federal funds. This total is consistent with the enacted budget and revised request, including a \$12.9 million payment to Eleanor Slater Hospital and \$1.0 million to community hospitals.

The state's federal allotment of \$40.2 million is matched by general revenues to total \$70.0 million for FY 2026. Rhode Island's federal payment was lowered by about 90 percent to reflect the implementation of the long-scheduled federal reduction. The estimate is lower than the available funding to account for limits on total uncompensated care payments, including funding provided through the separate state-directed payment program. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$13.9 million, consistent with the May caseload estimate and the Governor's recommendation.**

Upper Payment Limit Reimbursements. The conference estimate includes \$27.5 million, of which \$9.4 million is from general revenues, for the inpatient and outpatient upper payment limit reimbursements. This is \$2.2 million more than enacted to reflect updated hospital information. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$27.5 million, consistent with the May caseload estimate and the Governor's recommendation.**

Long Term Care

Long Term Care. The November Caseload Estimating Conference estimate includes long-term care expenses of \$737.6 million, of which \$315.7 million is from general revenues. This includes \$453.0 million for nursing facilities and hospice care and \$284.6 million for home and community care. The caseload estimate is \$33.5 million less than the enacted budget, including \$14.3 million less from general revenues.

The estimate includes a decrease of \$24.3 million for nursing facilities across nursing and hospice services, and \$9.2 million less for home and community-based services. A downward adjustment was made to the utilization increase assumed in the enacted budget for both programs. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$749.0 million, including \$320.6 million from general revenues and \$428.4 million from federal funds, consistent with the May caseload estimate. Combined with Rhody Health Options, total FY 2026 support for long-term care services is \$996.8 million, including \$425.3 million from general revenues.**

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2026 expenditures of \$453.0 million, of which \$193.9 million is from general revenues for the state's nursing facilities. This is \$24.3 million less than enacted, including \$10.4 million less from general revenues, reflecting a downward adjustment to the utilization increase in the enacted budget. FY 2025 final expenses were \$22.1 million less than appropriated and adopted at the May 2025 Caseload Estimating Conference. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$453.0 million, of which \$193.9 million is from general revenues, consistent with the May estimate and the Governor's recommendation.**

Home and Community Care. The November Caseload Estimating Conference estimate includes \$284.6 million for home and community care expenses, including \$121.8 million from general revenues. This is \$9.2 million less from all sources, including \$3.9 million less from general revenues for updated utilization. FY 2025 preliminary final expenses were \$11.2 million less than the final appropriation, which was based

on the May 2025 Caseload Estimating Conference adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$296.0 million, including \$126.7 million from general revenues, consistent with the May caseload conference estimate. This is \$11.4 million more than the November estimate based on higher utilization.**

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$1,106.8 million, including \$462.7 million from general revenues and \$644.1 million from federal funds. The estimate decreases enacted funding by \$10.7 million, including \$1.6 million less from general revenues. The decrease is primarily attributable to lower enrollment estimates across managed care product lines, offset by an increase in the average cost paid for births and a \$5.0 million anticipated Risk Share payment.

The estimate includes RItE Care expenses at \$1,041.2 million, RItE Share at \$3.3 million, and fee-for-service expenses at \$62.3 million; each discussion follows. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.*

The Assembly provided \$1,090.0 million, including \$451.8 million from general revenues, consistent with the May caseload conference estimate. This is \$16.8 million less than the November estimate, based on lower enrollment and fewer births, offset by an increase in the shared expenses with the managed care plans.

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$1,041.2 million, including \$434.6 million from general revenues and revisions to the caseload enrollment and payments that influence program costs. The estimate is \$11.2 million less than enacted and primarily attributable to lower enrollment than projected and higher monthly premium payments. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$1,035.4 million, consistent with the May estimate, which is \$5.8 million less than the November estimate. This reflects lower enrollment and fewer births, offset by an increase in the shared expenses with the managed care plans.**

RItE Share. The Caseload Estimating Conference estimate includes RItE Share expenditures of \$3.3 million, including \$1.4 million from general revenues; this is \$0.1 million more than enacted. The RItE Share program allows families eligible for medical assistance to remain on their employer-based health insurance plan. The state pays the health care premiums and co-payments of RItE Share eligible participants if the coverage is similar to the cost and services offered through RItE Care. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$3.0 million, consistent with the May estimate and \$0.3 million less than the November estimate.**

Fee-Based Managed Care. The Caseload Estimating Conference estimate includes fee-based managed care expenditures of \$62.3 million, of which \$26.7 million is general revenues. Expenses for additional services provided to those in the contracted managed care system are \$0.4 million more than enacted. *The Governor recommends funding consistent with the caseload estimate.* **The Assembly provided \$51.7 million, consistent with the May caseload conference estimate, which is \$10.6 million less than the November estimate to reflect updated expenses.**

Rhody Health Partners

The Caseload Estimating Conference estimate includes expenditures of \$336.7 million, including \$140.1 million from general revenues for FY 2026 for the managed care program for adults with disabilities. The Executive Office's revised request is consistent with the enacted budget and does not reflect the adopted estimate. The estimate is \$4.5 million less than enacted, including \$0.6 million less from general revenues,

based on lower enrollment, a reduction in the composite monthly payment, and increased rebates offset by an anticipated Risk Share payment. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$337.7 million, including \$140.3 million from general revenues, consistent with the May estimate, which is \$1.0 million more than the November estimate.**

Medicaid Expansion

The Caseload Estimating Conference estimate includes expenses of \$741.5 million, including \$80.5 million from general revenues and \$662.0 million from federal funds. The estimate increases enacted funding by \$10.7 million, including \$1.8 million from general revenues, to provide Medicaid coverage to adults ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. The change is primarily driven by increased monthly costs for approximately 82,000 enrollees and a \$3.6 million anticipated Risk Share payment to the managed care plans.

The Governor recommended funding consistent with the caseload estimate. **The Assembly provided \$724.9 million, including \$78.1 million from general revenues, consistent with the May caseload estimate. This is \$16.6 million less than the November estimate and includes reduced enrollment, higher monthly cost-per-person, and an increase in the shared expenses, or Risk Share agreement, with the managed care plans.**

Rhody Health Options

The state has a managed care contract with Neighborhood Health Plan of Rhode Island to provide acute care and long-term care services for individuals eligible for Medicare and Medicaid. The caseload conference estimate includes \$242.7 million, including \$102.6 million from general revenues for this program. This represents a \$22.3 million increase over the enacted budget, reflecting higher enrollment and \$10.1 million of Certified Community Behavioral Health Clinic expenses shifted from other medical services. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$247.8 million, including \$104.8 million from general revenues, consistent with the May caseload estimate. This is \$5.1 million more than the November estimate, reflecting fewer enrollees at a higher monthly cost-per-person.**

Pharmacy

The Caseload Estimating Conference estimate includes pharmacy expenses of \$96.1 million; this includes direct pharmacy costs and the state's estimated Medicare Part D clawback payment. It is \$8.1 million less than enacted, including \$4.5 million more from general revenues. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$95.2 million, consistent with the May estimate.**

Fee-for-Service. The Caseload Estimating Conference estimate includes \$1.5 million for FY 2026 pharmacy expenses, which reflects updated fee-for-service pharmacy costs and federal rebates. The estimate is \$6.3 million less than enacted, including \$2.7 million from general revenues and \$3.6 million from federal funds. This includes increased rebate collections, which lower pharmacy expenses. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$1.3 million, consistent with the May caseload estimate, which is \$0.2 million less than recommended based on updated expenses.**

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$94.6 million, or \$1.8 million less than enacted, based on decreased enrollment.

The plan covers deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid and Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs, matched by the federal participation rate. The state no longer directly pays for the drug costs; however, the state does pay a portion of the savings to the federal government or a clawback, calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but pay a \$1 co-payment for generic drugs or a \$3 co-payment for brand names. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$93.9 million, consistent with the May caseload estimate, which is \$0.7 million less than recommended.**

Other Medical Services

Other Medical Services. The Caseload Estimating Conference estimate includes expenditures for other medical services of \$217.3 million, which includes \$77.4 million from general revenues and \$132.6 million from federal funds. The estimate also includes \$7.4 million from restricted receipts, which provides direct general revenue savings from assessments on insurance providers to cover the following services: comprehensive evaluation, diagnosis, assessment, referral, and re-evaluation; home health; and child and adolescent intensive treatment.

The estimate is \$16.5 million less than the enacted budget, including \$4.8 million less from general revenues and \$11.8 million less from federal funds. The decrease results from a shift in Certified Community Behavioral Health Clinic expenses to Rhody Health Options, decreased Medicare premium costs, and revisions to other fee-for-service activities. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$216.9 million, of which \$79.0 million is from general revenues, consistent with the May caseload estimate, which is \$0.4 million less than recommended.**

Administration

Unified Health Infrastructure Project/RIBridges. Unified Health Infrastructure Project costs are included in the budgets of the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI. The expenses to operate the eligibility system, now known as RIBridges, include design and development, maintenance and operation, financial consultants, postage and notification, and staff from the Division of Enterprise Technology Strategy and Services to assist with the system functions, and are identified separately in the budget submissions in those agencies. This separate identification allows for comparing expenses to the enacted budget and prior years. For FY 2026, expenses are \$96.9 million, or \$0.9 million less than enacted, including \$0.7 million less from general revenues, as shown in the following table. The revised request includes \$0.6 million from available Deloitte Settlement funds, and the FY 2027 request includes the remaining balance of \$0.2 million.

Other expenses support the eligibility system, including at the Department of Human Services, for dedicated eligibility technician staff time and other approved staff to enter the necessary information into the system and review client information for eligibility determination, which are also budgeted in multiple agencies and considered part of the project.

The Executive Office's request is \$1.5 million less from all sources, including \$0.2 million less from general revenues; detailed information on those changes is included in the following sections. This excludes expenses for The Work Number, discussed separately.

The Executive Office also requested \$20.4 million for FY 2026 in its capital request, discussed separately in the capital budget section of this publication. *The Governor recommended \$0.7 million less than requested, including \$0.1 million less from general revenues, based on an updated request from the Executive Office to address a current-year deficit as well as statewide adjustments. He subsequently requested an amendment that added \$7.0 million from Deloitte settlement funds for the cybersecurity data*

breach and reduced general revenues accordingly. The Assembly concurred with the amended recommendation.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2025	\$ 205,240,103	\$ 628,342,219	\$ 49,262,861	\$ 41,060,887	\$ 928,190,542
FY 2026 Enacted					
EOHHS	\$ 22,368,654	\$ 56,336,615	\$ 520,708	\$ -	\$ 79,225,977
DHS	3,618,132	9,140,548	-	-	12,758,680
HealthSource RI/Contact Center	-	-	-	5,793,558	5,793,558
Total	\$ 25,986,786	\$ 65,477,163	\$ 520,708	\$ 5,793,558	\$ 97,778,215
FY 2026 Revised Request					
EOHHS	\$ 22,242,115	\$ 55,102,167	\$ 587,139	\$ -	\$ 77,931,421
DHS	3,020,357	9,694,596	-	-	12,714,953
HealthSource RI/Contact Center	-	-	-	6,216,329	6,216,329
Total	\$ 25,262,472	\$ 64,796,763	\$ 587,139	\$ 6,216,329	\$ 96,862,703
FY 2026 Governor Revised					
EOHHS	\$ 22,082,328	\$ 54,522,612	\$ 587,139	\$ -	\$ 77,192,079
DHS	3,050,887	9,777,346	-	-	12,828,233
HealthSource RI/Contact Center	-	-	-	6,193,480	6,193,480
Total	\$ 25,133,215	\$ 64,299,958	\$ 587,139	\$ 6,193,480	\$ 96,213,792
FY 2026 Final					
EOHHS	\$ 15,082,328	\$ 55,483,396	\$ 7,587,139	\$ -	\$ 78,152,863
DHS	3,050,887	9,777,346	-	-	12,828,233
HealthSource RI/Contact Center	-	-	-	6,193,480	6,193,480
Total	\$ 18,133,215	\$ 65,260,742	\$ 7,587,139	\$ 6,193,480	\$ 97,174,576
FY 2016 through FY 2026 Final	\$ 223,373,318	\$ 693,602,961	\$ 56,850,000	\$ 47,254,367	\$ 1,025,365,118

Specialized Information Technology Positions. The 2025 Assembly created a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year in the Department of Administration's budget. It authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor until December 31, 2026. It also requires the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees.

The Executive Office's revised request includes \$0.6 million, including \$0.2 million from general revenues, to pay for 10.0 of the 15.0 positions; all but \$0.1 million is offset by a reduction in contracted services. This appears to be inadvertent, as the intent was for there to be no net change from the conversion. Also, as these positions are assigned to the internal service fund, it is unclear why they are not billed that way. *The Governor recommended funding as requested. The Assembly concurred.*

Other Staffing Expenses. The revised request includes \$1.5 million more than enacted, of which \$0.9 million is from general revenues; this is \$1.4 million more than FY 2025 actual expenses for updated staffing costs. Staffing expenses pay for partial or full funding for about 30 full-time equivalent positions, which is 6.0 more than included in the enacted budget. The revised estimate includes 7.0 positions at the Department of Human Services, 14.0 positions at the Executive Office, and 9.0 positions at the Department of Administration. *The Governor recommended \$5,229 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Deloitte Consulting. The revised request includes \$3.7 million more than enacted, of which \$0.4 million is from general revenues, for the eligibility system's operations maintained by Deloitte Consulting. The

largest changes are \$2.3 million to implement federal changes under H.R. 1 and \$1.4 million for enhancements to the HealthyRhode Mobile Application, delayed from FY 2025.

After submitting its budget request, the Executive Office projected \$1.3 million of general revenue overspending in its administrative programs in its first quarter report. The corrective action plan submitted in late December identified \$0.1 million in savings from underspending on the Deloitte contract. *The Governor recommended \$0.3 million less than requested, including \$0.1 million less from general revenues, based on the proposed corrective action plan.* **The Assembly concurred.**

HealthSource RI. The revised request includes \$0.1 million less from all sources, including \$0.3 million less from general revenues, for total funding of \$18.4 million for HealthSource RI. This includes \$15.0 million for the call center, of which \$3.8 million is from general revenues. It also includes \$3.3 million for Faulkner Consulting for operational support and analytics, of which \$0.9 million is from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Contracted Services. The revised request includes \$6.3 million less than enacted, including \$1.8 million from general revenues, for all other contracted services. The revised request excludes \$2.5 million in unidentified expenses from federal funds and \$1.0 million for as-yet-undetermined strategic planning services that were not awarded. Remaining revisions include \$2.6 million less for administrative and program support through Knowledge Services. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The revised request includes \$0.4 million less from all sources, including \$0.1 million more from general revenues, for all other operations. This includes the enacted amount of \$1.3 million for centralized services provided through the Department of Administration. There is a shift of \$0.1 million to general revenues from federal funds. The revised request also includes \$0.5 million less from restricted receipts for unidentified expenses and \$0.1 million more for other software expenses and supplies. *The Governor recommended \$0.4 million less than requested, primarily from federal funds, to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

H.R. 1 - Community Engagement. The Executive Office received a \$2.0 million federal grant in FY 2026 to help individuals meet the work, education, or volunteering requirements under the community engagement section of H.R. 1. This involves coordination with the Departments of Human Services and Labor and Training. There is also a media campaign, focus groups, and translation services. Funding was not included in the revised budget submission. *The Governor recommended \$2.0 million from federal funds. He subsequently requested an amendment to shift expenses into the RIBridges Program to support H.R. 1 requirements.* **The Assembly included only \$1.0 million from federal funds to reflect projections in the Executive Office's third quarter report, shifting the balance of \$1.0 million to FY 2027. It concurred with the amendment.**

H.R. 1 Preventive Health Care Provider Access Fund. H.R. 1 imposes restrictions on Medicaid patients' access to certain reproductive healthcare providers, making them ineligible for federal reimbursement for one year starting July 4, 2025. *The Governor recommended a single, direct provider grant in FY 2027.* **The Assembly added \$1.0 million from general revenues in FY 2026 to make funding available to healthcare providers ineligible for Medicaid reimbursement pursuant to restrictions imposed by H.R. 1. Any unspent funds are automatically reappropriated to FY 2027.**

The Work Number. The Executive Office's revised request includes \$80,581 less than enacted, including \$20,145 less from general revenues, for payments totaling \$8.8 million made to Equifax for its income verification product, The Work Number. This allows access to another data source to determine eligibility for Medicaid benefits and programs through the Department of Human Services. The FY 2026 enacted

budget assumed that the income verification tool would be incorporated into the RIBridges' September 2025 update, with termination notices sent at the end of October, and savings realized in November.

The FY 2026 enacted budget includes a monthly fee of \$687,583 for up to 740,000 matched transactions. There is a \$13.38 fee for each transaction after that. There is also a \$2,500 monthly service fee and additional security monitoring and set-up fees. The budget also included \$21.5 million, including \$5.8 million from general revenues, in the medical assistance program. Those savings were revised to \$24.8 million, of which \$4.6 million is from general revenues, at the November 2025 Caseload Estimating Conference, to reflect an increase in the initial caseload reduction from verifying income information. *The Governor recommended funding as requested. The Assembly concurred.*

Data Ecosystem/Office of Data Evaluation. The Executive Office requested \$2.7 million less than enacted, including \$0.1 million more from general revenues, for \$8.0 million to support the Data Ecosystem, including the state's All Payer Claims Database, known as HealthFacts RI, as part of the Office of Data Evaluation. This corrects for an overstated federal match for unidentified expenses. The request is also \$1.9 million less than FY 2025 expenses from all sources and \$0.9 million less from general revenues. Program expenses are mostly related to the Freedman Healthcare and OnPoint Health Data contracts for data enhancements, analytic functions, and reporting activities. The Department of Health's revised request includes \$50,000 from restricted receipts to support contracted services.

As part of the statewide Integrated Data Systems initiative supporting the recommendation of the 2023 Rhode Island Data Governance Program Plan, the FY 2026 enacted budget added two positions totaling \$0.4 million, of which \$0.1 million is from general revenues, in the Executive Office's budget. This was offset by savings from reducing contracted services, which the Executive Office restored in both the revised and FY 2027 requests. *The Governor recommended \$887 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Health Information Exchange/Current Care. The Executive Office's revised request is \$0.1 million less than enacted, including \$0.2 million more from general revenues, to support the state's Health Information Exchange. This includes \$2.2 million, or \$0.9 million more than enacted, including \$0.1 million more from general revenues, for the contract with CRISP Services to provide technology services. The base contract of \$1.3 million was modified in May 2025, adding \$2.4 million to expand the project's scope to include the data aggregator validation program.

The revised request also includes \$2.6 million for the state's share for medical assistance recipients in CurrentCare, the state's electronic health information exchange based on all its Medicaid beneficiaries already enrolled in the exchange through the opt-in process. This electronic network gives medical professionals access to their patients' health information.

It should be noted that the capital request includes \$11.5 million for FY 2026 and \$6.8 million for FY 2027 to expand the scope of work of the CurrentCare opt-out provision to include a data aggregator validation program. The Executive Office notes that this capital budget is incorrect and the values in the operating budget request are accurate. *The Governor recommended funding as requested. The Assembly concurred.*

Rhode Island Quality Reporting System. The Executive Office's revised request is \$38,105 more than enacted, including \$0.2 million less from general revenues for total funding of \$4.0 million for updated expenses for the centralized Quality Reporting System operated by IMAT Solutions and supported by Care Transformation Collaborative. This was initially funded with time-limited Health System Transformation funds, and the revised request includes \$0.3 million from these funds, offsetting general revenue expenses.

The system supports Medicaid providers, so clinical data is collected and aggregated across the Accountable Entities, matching enrollment from the managed care organizations, and used to calculate performance-based payments to the providers.

The Executive Office submitted a capital request totaling \$4.9 million annually for its Quality Reporting System from FY 2026 through FY 2031. The operating budget is not consistent with the capital request. *The Governor recommended funding as requested. The Assembly concurred.*

Health System Planning and Oversight. The enacted budget includes \$0.9 million, of which \$0.8 million is from general revenues and \$0.2 million is from federal Medicaid funds, for health system planning and oversight. This includes \$0.6 million for contracted project management, planning, and administrative services, and \$0.3 million for staffing expenses. Of the \$0.6 million for contracted services, \$0.3 million is for a health care planning consultation that has yet to be determined.

The Executive Office requested \$1.6 million more than enacted from federal funds, for a total of \$2.5 million, to expand work done on health system planning and oversight in such a way that is assumed to qualify for a higher federal match. The enacted budget assumed the standard 50.0 percent match on a portion of contracted work. The revised request funds a new, larger contract, assuming a 90.0 percent match.

FY 2025 final expenses for health system planning and oversight were \$0.8 million from general revenues and no federal Medicaid funds. Of that, \$0.3 million was for contracted services provided by Freedman Healthcare, paid through the HealthFacts RI program.

The revised request also includes \$0.4 million, or \$0.1 million more than enacted, for four employees equating to 2.1 full-time equivalent positions. Both the revised and FY 2027 requests include \$35,000 from general revenues for the University of Rhode Island to plan and facilitate the public meetings.

After submitting its budget request, the Executive Office projected general revenue overspending in its administrative programs of \$1.3 million in its first quarter report. The corrective action plan submitted in late December identified \$219,000 in savings from unobligated contract values, including those from health system planning and oversight. *The Governor recommended \$74,561 less than requested from general revenues, including \$439 more for statewide adjustments to reflect health benefit rates and \$75,000 less for contracted services, based on the proposed corrective action plan. The Assembly concurred.*

Executive Climate Change Coordinating Council Projects - Equity Zones. Consistent with current law and the enacted budget, the Office of Energy Resources' request includes the annual amount of up to \$1.5 million from Regional Greenhouse Gas Initiative funds for Executive Climate Change Coordinating Council projects. The Council generally proposes its allocation plan in the fall. Once projects are approved, funds will be allocated and included in various state agency budgets. After its budget was submitted, the Executive Office received \$100,000 from these funds to work with the Equity Zones, focusing on climate change and health. *The Governor's recommendation also does not include the funds. Subsequently, he requested an amendment to add \$54,546 for FY 2026 and \$45,454 for FY 2027. The Assembly concurred with the amended recommendation.*

Pathways to Removing Obstacles. The Executive Office requested \$0.3 million more than enacted for total funding of \$0.9 million for its \$2.7 million portion of a \$3.8 million federal grant shared with the Executive Office of Housing to identify and remove barriers to affordable housing production and preservation. The FY 2027 request includes \$1.0 million for a total of \$1.8 million over a two-year period. The remaining funding of \$0.9 million is available for FY 2028.

The revised request adds \$0.3 million for seven staff, primarily from the Department of Health, equating to approximately two full-time positions, offset by a reduction of \$0.1 million to provide \$0.5 million for grants and other operations. The planned grant awards include payments for Health Equity Zone programs totaling \$75,000 each for the East Bay Community Action Program and the Town of Warren, and \$150,000 for Washington County. Other activities include mentorship programs, strategic planning, and other community services. *The Governor recommended \$227 more than requested to reflect statewide adjustments to health benefit rates. The Assembly provided \$81,869 less to reflect spending in the third quarter report correcting available grant funding between the two agencies.*

AHEAD Model. The Executive Office requested \$1.4 million less than enacted from federal funds for the recently awarded AHEAD Model grant. The \$2.0 million included in the enacted budget has been spread over FY 2026 and FY 2027. The revised request includes \$0.1 million to partially fund a full-time equivalent position and \$0.5 million for contracted technology and planning services.

The Executive Office was approved for the ten-year Achieving Healthcare Efficiency through Accountable Design, or AHEAD, Model grant, which consists of a two-year pre-implementation period from January 2025 through December 2026, with eight years of investments starting January 2027.

The AHEAD model is scheduled through 2034, with each participating state having a cooperative agreement with the Centers for Medicare and Medicaid Services. This agreement allows the state to receive up to \$12 million to support model implementation activities over the first five to six years of the model. *The Governor recommended \$41 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Rural Health Transformation Program. On July 4, 2025, H.R. 1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office applied for the grant in early November 2025, with awards expected to be announced by the end of December. The revised request does not include any funding in anticipation of approval of its request for \$200.0 million annually over five years.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care. The Executive Office also engaged two contractors to assist with the application: Bailit Health and JSI Research and Training Institute. The payment to Bailit Health totals \$290,000 from general revenues and is not included in the revised request. The Department of Health paid the research and training institute \$50,000 from available restricted receipts.

On December 29, 2025, the Centers for Medicare and Medicaid Services announced the first-year awards, with Rhode Island receiving \$156.2 million. States have until September 30, 2027, to spend their FY 2026 allotment: any unspent or unobligated funds will be redistributed to other states. States have up to 30 days to submit a revised budget that aligns with the award.

The Governor did not include funding in his budget, though he was expected to request an amendment reflecting the revised spending plan for this new grant. His subsequent amendment added \$5.6 million and five positions. The Assembly concurred with the amended recommendation. It also added \$0.8 million from general revenues for contractors who assisted with the application process; these expenses were included in the Executive Office's third quarter report and could not be paid with the federal grant.

Medicaid Access Final Rule - Beneficiary Advisory Council. The Executive Office requested \$13,300 from all sources, including \$6,650 from general revenues, for payments to the Medicaid Beneficiary

Advisory Council members eligible to receive a \$75 stipend for each meeting attended; the meetings are held four times a year. The enacted budget did not fund this expense, though it was requested.

The Executive Office's FY 2026 budget request was for \$8.0 million, including \$2.3 million from general revenues, to implement the federal Medicaid Access Rule and Medicaid Managed Care Rules, finalized in May 2024. That request included \$1.3 million for ten positions and \$6.7 million for expenses such as actuarial support for new rates and payment rules, stipends for members serving on the advisory councils, support for the new quality measures and reporting, and system changes. *The Governor recommended funding as requested. The Assembly concurred.*

Medicaid Enterprise System. The Executive Office requested \$3.7 million less than enacted, including \$0.4 million less from general revenues to reflect updated cost projections to implement the Medicaid Enterprise System, replacing the Medicaid Management Information System. The revised request includes \$6.5 million less than enacted for the project planning portion and adds \$2.4 million for third-party liability and testing modules. The revised request also adds \$0.4 million for 1.7 full-time equivalent positions for total project funding of \$10.5 million, including \$1.5 million from general revenues. *The Governor recommended \$5.7 million less than requested, including \$0.2 million less from general revenues, based on the most recent cost projections. The Assembly provided \$2.6 million more than recommended, including \$0.6 million less from general revenues, to reflect the Executive Office's third quarter projections for system expenses, which offset other overspending.*

Medicaid Management Information System Expenses. The FY 2026 budget includes \$25.6 million, of which \$6.1 million is from general revenues for Medicaid Management Information System expenses. At the time the budget was adopted, the Executive Office had issued a Request for Proposals to extend the current contract, and costs were unknown and not included in the enacted budget. In mid-September 2025, the state extended its contract with Gainwell Technologies, starting October 1, 2025, through September 30, 2026, with options through September 30, 2028. The annual contract award is \$35.6 million, or about \$3.0 million per month, to process claims data; manage the data warehouse; perform prior authorization, utilization, and claims reviews; conduct training and outreach activities; and perform other core system functions.

The previous, \$104.7 million, four-year base contract expired on March 30, 2025; FY 2025 expenses totaled \$25.6 million. A six-month extension was negotiated until the new contract date of October 1, 2025, at a cost of \$2.7 million, or \$8.1 million. The combined maximum for the two contracts for FY 2026 totals \$34.9 million, \$0.9 million less than the revised request. The FY 2026 revised request is \$10.1 million more than enacted, including \$1.7 million from general revenues, for total funding of \$35.7 million, including \$7.7 million from general revenues. This is a 39.5 percent increase over prior-year expenses, with activities running concurrently with the new Medicaid Enterprise System until it is functional. *The Governor recommended funding as requested. The Assembly provided \$1.0 million less than recommended, including \$0.2 million less from general revenues for these expenses, to reflect the Executive Office's third quarter report. This offsets other general revenue overspending.*

Ladders to Licensure. The Executive Office's revised request includes \$750,000 from general revenues for the Ladders to Licensure Program, consistent with the enacted budget. The first phase provided up to six months of funding for partnerships to design one or more career ladders that meet minimum program requirements under the required Career Ladder Planning and Design phase. The second partnership phase will include at least one higher education partner and three or more employers, with a combined workforce of at least 250 employees. Planning funds up to \$30,000 will be awarded over six months, from January through June 2026. FY 2025 payments totaled \$0.3 million to: The University of Rhode Island, Rhode Island College, Community College of Rhode Island, Johnson and Wales, William James College, Simmons College in Massachusetts, and Southern New Hampshire University. There were 67 individuals who received tuition support.

After submitting its budget request, the Executive Office projected general revenue overspending in its administrative programs of \$1.3 million in its first quarter report. The corrective action plan submitted in late December identified \$219,000 in savings from unobligated contract values, including those from the Ladders to Licensure program.

The Governor recommended \$606,000, which is \$144,000 less than requested, based on the proposed corrective action plan. FY 2025 spending was \$0.3 million. The Assembly provided \$186,156 less than recommended to reflect spending in the Executive Office's third quarter report, which offsets other overspending.

Family Medicine Residence Program. The enacted budget includes \$500,000 from general revenues to support the Family Medicine Residence Program through Thundermist Health Center contingent upon the federally qualified health center receiving federal support for the program. The Executive Office's request includes the funds; however, the federally qualified health center did not receive the federal award; therefore, the state matching funds are no longer needed.

The Governor recommended funding as requested; however, as noted, the state match is not needed. It should also be noted that the Executive Office's corrective action plan assumes this excess funding would help address its projected deficit. The Assembly excluded the funding. The program will now be supported through the Rural Health Transformation Program.

Hospital Care Transitions. The Executive Office requested \$250,000 from general revenues to be matched by Medicaid at the administrative rate for a total of \$500,000 for the Hospital Care Transitions Initiative; this is consistent with the enacted budget. The initiative was designed to address the more expensive institutional placements, such as nursing homes, by transferring eligible individuals to less expensive, more appropriate community-based alternatives. This program was initially funded through the federal Money Follows the Person grant and is administered by the Rhode Island Parent Information Network. *The Governor recommended funding as requested. The contract expires on June 30, 2026. The Assembly concurred.*

Rhode Island Parent Information Network. Consistent with the enacted budget, the Executive Office's revised request includes \$2.0 million, including \$1.0 million from general revenues, for the Rhode Island Parent Information Network to provide care management and coordination services for high-risk populations who were previously enrolled in Phase I of the Integrated Care Initiative through Neighborhood Health Plan, which was eliminated on October 1, 2018. Funding has been provided since FY 2021. Contracts for these services have recently been renewed in six-month intervals; the current one ends December 31, 2025.

After submitting its budget request, the Executive Office projected \$1.3 million of general revenue overspending in its administrative programs in its first quarter report. The required corrective action plan submitted in late December identified savings of \$250,000 from pausing unspecified "state required initiatives".

The Governor's recommendation reduces contracted service funding in central management by \$500,000, including \$250,000 from general revenues based on this corrective action plan. His budget does not specify which programs are affected. It was later confirmed that contracts with the Rhode Island Parent Information Network would be the source of the savings, but the amounts allocated to funded programs are not clear. The contract was extended through April 30, 2026. The Assembly concurred with funding the extended contract.

Rhody Health Options Transition Plan. The Executive Office's revised request includes the enacted amount of \$0.2 million, of which \$0.1 million is from general revenues, for the Rhode Island Parent

Information Network to provide ombudsman services during the process by which the state moves about 13,000 individuals who are eligible for both Medicare and Medicaid into the new Fully Integrated Dual Eligible Special Needs Plan that becomes effective on January 1, 2026.

After submitting its budget request, the Executive Office projected \$1.3 million of general revenue overspending in its administrative programs in its first quarter report. The required corrective action plan submitted in late December identified savings of \$250,000 from pausing unspecified “state required initiatives”.

*The Governor’s recommendation reduces contracted service funding in central management by \$500,000, including \$250,000 from general revenues based on this corrective action plan. His budget does not specify which programs are affected. It was later confirmed that contracts with the Rhode Island Parent Information Network would be the source of the savings, but the amounts allocated to funded programs are not clear. The contract was extended through March 31, 2026. **The Assembly concurred with funding the extended contract.***

Health System Transformation Project. The Executive Office requested \$1.5 million more than enacted to reflect updated contracts and administrative expenses for the Health System Transformation Project. This is carryforward from unspent FY 2025 funds and brings total FY 2026 funding to \$5.3 million. The funding includes \$0.6 million for actuarial services from Milliman, and \$0.2 million for Faulkner Consulting for strategic planning and Knowledge Services for administrative support. The request also includes \$1.8 million for a behavioral health infrastructure project. It also includes \$0.3 million less than enacted to partially fund three staff, equal to 1.3 full-time positions, shifting expenses to other fund sources as the program winds down and funding is exhausted in FY 2027. A more detailed description of the program is in the Medicaid Report in the Special Reports section of this publication. *The Governor’s recommendation adds \$220 to reflect statewide adjustments to health benefit rates. **The Assembly concurred.***

Waiver Evaluation. The enacted budget provides \$0.8 million, including \$0.2 million from general revenues, for Medicaid waiver evaluation services through the National Opinion Research Center. The Executive Office’s revised request is \$0.1 million less than enacted, reflecting updated expense projections and shifting a portion of expenses to fund evaluation services, entirely from time-limited Health System Transformation funds. This request applies to the waiver that was recently renewed, which started in January 2019 and was in effect through December 2025. Work done by the contractor includes a quarterly substance use disorder monitoring report, evaluation design, and interim evaluation reports for the waiver and an evaluation now due to the Centers for Medicare and Medicaid Services in calendar year 2027. *The Governor recommended funding as requested. **The Assembly concurred.***

Home and Community Based Support - ARPA. The Executive Office included \$9.6 million more than enacted from federal funds and restricted receipts carried forward from unspent funds from FY 2025, for total funding of \$11.7 million, from time-limited funds available through the American Rescue Plan Act. The program required that general revenue savings be reinvested to fund expansionary home- and community-based activities, and that funding be spent by March 31, 2025, but that deadline was extended to June 30, 2026.

The spending plan for these time-limited funds totals \$137.6 million. The following table shows the plan and proposals funded for FY 2026, the final year of the project. The revised request is \$2.9 million less than the information provided by the Executive Office in its federal submission for FY 2026.

The revised request includes \$5.3 million for payments for primary care practices to recruit and retain primary care providers. It also includes \$2.7 million from the enhanced funding for the eLTSS Information

Technology Modernization project and \$0.2 million from federal Medicaid funds, including \$22,909 from general revenues as this project shifts to other funding sources.

Additionally, the revised request includes \$0.1 million provided to Elwyn Adult Behavioral Healthcare, \$0.2 million to Milliman for actuarial and financial support, \$0.3 million to Faulkner Consulting for project management, \$0.4 million to Knowledge Services for administrative support, \$0.3 million to DDL Advertising for a media campaign, and \$1.0 million for technology changes and system support.

HCBS Plan - ARPA			EOHHS				
Proposals	October 2025 Submission		Pre-FY 2024	FY 2024	FY 2025	FY 2026	5-Year Total
1 Increasing Access to HCBS Services	\$ 70.1		\$ 60.2	\$ 1.9	0.6	7.4	\$ 70.1
2 Building Infrastructure to Expand Provider Capacity and Care Continuum	38.2		7.3	20.8	9.1	0.9	38.2
3 No Wrong Door Enhancement Initiative	16.8		2.4	4.3	4.6	5.4	16.8
4 Updating Technology	0.1		0.0	0.0	0.1	-	0.1
5 HCBS Workforce Training	5.6		1.3	1.9	4.4	0.7	8.2
6 Quality Improvement/Promoting Equity	5.8		-	0.5	2.6	0.1	3.1
7 HCBS Equity	0.7		-	0.1	0.6	-	0.7
8 Phase III & Overall Contracted Support	0.3		0.1	0.2	0.0	-	0.3
Total	\$ 137.6		\$ 71.4	\$ 29.7	\$ 22.0	\$ 14.6	\$ 137.6

\$ in millions

The request also includes \$1.3 million in yet-to-be-determined administrative expenses. *The Governor inadvertently recommended \$2.1 million more than requested from restricted receipts. He requested an amendment on February 10 to correct the error. Subsequently, he requested another amendment to reduce funding by \$5.2 million for primary care provider grants made in FY 2025 and inadvertently included in FY 2026. The Assembly concurred with the amended recommendation.*

Children and Youth - Behavioral Health System of Care Grant. The Executive Office's revised request adds \$0.8 million, bringing the federal funds total to \$2.9 million, based on available funding to support the children's behavioral health care system. Updated planned uses include \$0.7 million, or \$0.5 million less than enacted, for Community-Based Intensive Care Teams; \$0.3 million, or \$0.1 million more than enacted, for Mobile Response Stabilization Services and supports; and \$0.2 million for the Parent Support Network of Rhode Island.

The revised request adds \$0.4 million for the 988 hotline for dispatch software to support Mobile Response and Stabilization Services, which is primarily funded through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The project involves accepting referrals from the 24-hour 988 crisis hotline, schools, and primary care providers, with an in-person response within one hour of receiving the referral. Other new activities include: \$0.2 million for a resource directory with the Department of Health and Rhode Island Parent Information Network, and \$0.2 million to integrate information with the Certified Community Behavioral Health Clinics program.

The revised request also includes new funding of \$0.1 million for the CTC Learning Collaborative, to support a planning committee and medical experts to continue the work on a pilot program started through the Department of Health. The program evaluates Medicaid services being billed for youth with special

health care needs through the existing Early Periodic Screening, Diagnostic, and Treatment benefit for individuals transitioning to adult services. The intent is to add other billable services to the current schedule for individuals under 22. As of August 1, 2025, four new services have been added to support the Transition to Adult Services benefit. The one-year contract was signed in August 2025 with options to extend through FY 2028. The FY 2027 request does not include funding for the initiative.

It also includes \$0.6 million, or \$0.2 million more than enacted, for data analytics, a project director, and a family lead coordinator. It also includes \$0.2 million, or \$0.1 million more than enacted for the RDW Group and Rhode Island Association for Infant Mental Health for a media campaign. *The Governor recommended funding as requested. The Assembly concurred.*

Mobile Response and Stabilization Services. The Executive Office requested \$900,000 from general revenues, consistent with the enacted budget, for Mobile Response and Stabilization Services. Payments are made to Family Service of Rhode Island, Tides Family Services, and Newport Mental Health for mobile response and stabilization services that are not otherwise reimbursed by the Medicaid program or other third-party payors. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Certified Community Behavioral Health Clinics. The Executive Office's revised request includes \$1.6 million from State Fiscal Recovery funds unspent in FY 2025 for the state to implement the Certified Community Behavioral Health Clinics federal model. The Assembly provided \$29.0 million and, through FY 2025, \$27.1 million has been spent. The revised request includes \$1.6 million for final spending, which totals \$28.7 million, leaving a balance of \$0.3 million that is not obligated or requested. This includes \$1.1 million to the East Bay Community Action program to assist with transitioning to the federal model, \$0.5 million for contracted administrative and support services, and \$0.1 million for staffing and operating expenses. *The Governor recommended \$0.3 million more than requested to include all remaining funding. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of unspent funds to operating support for the Enterprise Resource Planning System.*

Opioid Funds. The Executive Office's revised request is \$11.4 million more than enacted from opioid funds for total spending of \$23.2 million from these resources. This total is \$16.7 million more than FY 2025 expenses and includes \$22.4 million from opioid abatement funds and \$0.8 million from McKinsey Settlement and opioid stewardship funds.

The Assembly included legislation for an annual January 1 reporting requirement, and the December 2025 report shows spending and allocated funding of \$48.8 million from expenses totaling \$26.0 million for FY 2023 through FY 2025 and \$20.7 million for FY 2026. This includes \$0.8 million for program administration and \$2.6 million for data surveillance capacity, evaluation, and collection and reporting on overdoses and fatalities.

The report also identified remaining funds to be spent on services and capital projects in FY 2026 including \$2.7 million for investments in school- and community-based mental health services; \$1.0 million for homelessness prevention, medical respite and mobile medical respite services; \$1.3 million for the state's Overdose Prevention Center (also known as the Harm Reduction Center); and \$1.5 million for harm reduction programs and strategies. Funding also includes \$1.3 million for outreach and drop-in centers, \$0.3 million to build new treatment facilities, \$2.8 million to expand the availability of recovery supports and infrastructure, and \$0.8 million to treat substance-exposed newborns. *The Governor recommended \$0.3 million less than requested to reflect the updated planned use of funds. The Assembly concurred.*

Continuity of Care Project Grant. The Executive Office received a new \$1.2 million federal planning grant for the Continuity of Care Project to ensure certain individuals after incarceration have access to benefits, consistent with federal requirements under the Consolidated Appropriations Act. The act included

several changes for the Medicaid program related to coverage for juveniles at the training school after being adjudicated and those aged 18 to 26, eligible under the mandatory foster care group, who are at the Adult Correctional Institutions upon release.

The revised request includes \$1.1 million, and \$0.8 million is requested for FY 2027, totaling \$1.9 million. The two-year total is \$0.7 million more than the initial grant award. The grant period began on August 1, 2025, and ends on July 31, 2029. There are monthly monitoring calls, semi-annual progress and financial reports, and a final progress report due by November 28, 2029. The project will ensure that, post-incarceration, the individual receives the necessary services, appropriate payments are made, and benefits are provided seamlessly.

Funding supports three contracted positions: a program manager, a project manager, and a systems operations analyst, who will report to the director of policy and strategy for the Medicaid program. The Executive Office is working with the Departments of Corrections and Children, Youth and Families, which will be subrecipients of this award through interagency service agreements. *The Governor recommended funding as requested. The Assembly concurred.*

Pharmacy - Cell and Gene Therapy Access Model Grant. The Executive Office received a \$229,896 federal Cell and Gene Therapy Access Model grant with a timeframe from August 1, 2025, through December 31, 2026. This would partially fund the pharmacy director's position and \$0.2 million for contracted support staff and other operations. This includes six contractors: a project manager, an outreach specialist, a public health education specialist, a hematologist, and community and marketing consultants.

The revised request includes \$279,064, and \$461,516 is requested for FY 2027, for total funding of \$740,580 over the two-year period. The Executive Office indicates that, with additional awards, the grant is expected to total \$3.5 million over ten years. The purpose is to improve the lives of people living with rare and severe diseases by increasing access to potentially transformative treatments, including those with sickle cell disease. The Executive Office is working with managed care organizations and community-based organizations to implement the therapy access model. The Medicaid program staff is also monitoring plan experience and working with its financial contractors for actuarial services regarding the treatment of these drugs' costs. *The Governor recommended adding \$123 to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Pay for Success. The Executive Office requested \$0.2 million more than enacted from restricted receipts, bringing funding to \$1.7 million from those receipts for the Pay for Success program. This is \$0.1 million less than enacted for a partially funded vacant position and \$0.3 million more for contracts. The contract between the Executive Office of Health and Human Services and the Rhode Island Coalition to End Homelessness was executed on January 30, 2023. As of June 30, 2025, there are contracts with four service providers: Crossroads, House of Hope, Open Doors, and East Bay Community Action Program.

The legislation authorizes a five-year pilot program to provide permanent supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. The 2022 budget included \$6.0 million to fund the restricted account. By August 2023, funding was disbursed to the Coalition that totaled \$1.3 million for FY 2023, FY 2024, and FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

HIV Treatment and Prevention. The Executive Office requested \$0.7 million less than enacted for total funding of \$15.1 million for HIV services and administration expenses. The revisions reflect updated expenditure projections. For pharmacy expenses, the revised request is \$0.6 million less than enacted for a total of \$8.4 million, which is \$0.3 million less than spent in FY 2025. Salary and benefit expenses increase by \$0.1 million, and supportive services decrease by \$0.2 million.

Services include housing, mental health, case management, health insurance premium assistance, emergency financial assistance, food bank, substance use outpatient, outpatient ambulatory health services, and outreach services. The program has averaged monthly enrollment of about 580 individuals. *The Governor added \$738 to reflect statewide adjustments to health benefit rates. The Assembly added \$1.1 million, including \$1.5 million from general revenues, offset by a reduction of \$0.5 million from drug rebates to reflect the Executive Office's third quarter report.*

Early Intervention Services. The Executive Office requested \$0.2 million less than enacted from federal funds, for direct funding available to the nine providers and contracted services totaling \$2.1 million for Early Intervention services. Total spending includes \$0.7 million for the providers, \$0.7 million for Rhode Island College's Sherlock Center, \$0.4 million for the Rhode Island Parent Information Network, \$0.2 million for staff support from Knowledge Services, and \$0.2 million for data analysis through Welligent. *The Governor recommended funding as requested. The Assembly concurred.*

Consent Decree Court Monitor. The Executive Office requested the enacted level of \$200,000, including \$100,000 from general revenues, for a court monitor as part of the state settlement with the Department of Justice to address community-based and employment services in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The revised request is \$43,172 more than FY 2025 expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Healthcare Services Funding Assessment - Contracted Services. The Assembly included Section 8 of 2025-H 5076, Substitute A, as amended to establish an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. The current assessments are based on a per-member-per-month fee applied to all covered lives, including self-insured; this is estimated to be approximately \$4 per month per covered life. The funds would be deposited as general revenues, and the FY 2026 impact is \$15.0 million for half a year.

The Executive Office's revised request includes \$448,500 from general revenues for contracted services to administer the assessment process. A contract was signed after the budget was submitted with KidVax, who also administers the immunization program assessment, totaling \$0.9 million from November 1, 2025, through December 1, 2028. The annual cost is \$290,500, with \$48,417 for implementation charges in FY 2026. *The Governor recommended \$193,667 to reflect current year expenses. The Assembly concurred.*

School-Based Services. The Executive Office's revised request includes \$0.3 million more than enacted, bringing the total to \$1.3 million, for the three-year \$2.5 million federal grant to expand School-Based Medicaid Services. FY 2025 expenses were \$0.1 million, and the FY 2027 request includes \$1.0 million. The consultant services will conduct a needs assessment, provide financial services, and implement program changes.

The revised request also includes the enacted amount of \$38.5 million from federal funds for special education services provided by the local education agencies. This includes \$29.5 million for direct services and \$9.0 million for administration costs. This is \$2.7 million less than FY 2025 direct service expenses, which included an October 1, 2024, rate increase for direct services provided through Individual Education Plans reimbursed by the Medicaid program. It is likely these expenses will be higher. *The Governor's recommendation adds \$16.0 million to adjust for the higher expenses expected. The Assembly concurred.*

Other Salaries and Benefits. The Executive Office requested \$0.2 million more from all sources, including \$0.1 million each from federal funds and general revenues, to fund approximately 194 positions. The revised request includes position upgrades and shifts staffing expenses from time-limited funds. This is \$3.5 million more than spent in FY 2025, including \$1.6 million from general revenues. A portion of the

difference is the cost-of-living adjustment, but the remainder appears to be an increase in the number of filled positions and positions filled at higher pay grades than originally assumed.

As of mid-November, the Executive Office has 35 vacancies. As previously noted, the revised request funds positions in other agencies, making it difficult to track payroll expenses for those assigned directly to the Executive Office. *The Governor recommended \$0.2 million less than requested from all sources, including \$0.1 million less from general revenues, to reflect statewide adjustments to health benefit rates offset by additional savings from keeping positions vacant.* **The Assembly decreased expenses by \$0.2 million, including \$0.8 million less from general revenues and \$0.6 million more from federal funds, to reflect the Executive Office's third quarter report. The reduction offsets other general revenue overspending.**

Centralized Services. The Executive Office requested the enacted amount of \$4.3 million, including \$3.0 million from general revenues, for centralized services provided by the Department of Administration. *The Governor recommended \$0.6 million more than requested, including \$0.1 million more from general revenues, to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Other Operations. The Executive Office requested \$0.5 million more than enacted, including \$45,238 more from general revenues, for all other expenses. This includes \$0.2 million more from federal funds to support auditing expenses. All remaining expenses are \$0.3 million more from all sources, primarily reflecting updated projections for the use of federal funds. *The Governor recommended \$0.1 million more than requested, primarily from federal funds, for adjustments to other expenses.* **The Assembly increased expenses by \$0.5 million from federal funds to reflect the Executive Office's third quarter report, offsetting other general revenue overspending.**

Capital Projects. The Executive Office's FY 2027 through FY 2031 capital request includes \$56.9 million, including \$48.4 million from federal funds, \$7.6 million from general revenues, and \$1.0 million from restricted receipts for six technology projects in its capital request for FY 2026. The revised request funds the projects; however, for some projects, the operating request varies from the capital budget submission.

The Governor recommended funding the technology projects in the operating budget. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Children, Youth and Families

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 29,250,225	\$ 33,174,813	\$ 34,548,204	\$ 42,165,057
Child Welfare	273,710,336	307,504,078	300,910,961	300,910,961
Youth Development Services	39,868,595	37,577,797	54,715,354	55,224,541
Children's Behavioral Health	16,170,461	15,933,706	24,017,996	24,018,003
Higher Education Incentive Grants	200,000	200,000	200,000	200,000
Total	\$ 359,199,617	\$ 394,390,394	\$ 414,392,515	\$ 422,518,562
Expenditures by Category				
Salaries and Benefits	\$ 98,508,619	\$ 105,868,134	\$ 106,708,997	\$ 106,720,597
Contracted Services	10,383,426	8,823,632	30,548,106	9,605,226
Subtotal	\$ 108,892,045	\$ 114,691,766	\$ 137,257,103	\$ 116,325,823
Other State Operations	25,159,357	22,709,609	21,713,235	21,139,776
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	211,658,872	236,252,210	243,024,202	237,186,228
Capital	13,489,343	20,736,809	12,397,975	47,866,735
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 359,199,617	\$ 394,390,394	\$ 414,392,515	\$ 422,518,562
Sources of Funds				
General Revenue	\$ 260,595,486	\$ 262,775,058	\$ 262,755,483	\$ 265,767,083
Federal Aid	83,898,560	118,620,365	122,689,267	127,803,781
Restricted Receipts	1,360,775	1,744,971	1,870,604	1,870,604
Other	13,344,796	11,250,000	27,077,161	27,077,094
Total	\$ 359,199,617	\$ 394,390,394	\$ 414,392,515	\$ 422,518,562
FTE Authorization	714.5	713.5	719.5	719.5
FTE Average	649.2			

FY 2026 Revised Request. The Department of Children, Youth and Families requested \$12.8 million more than enacted from all sources. This includes \$1.9 million less from federal funds, \$0.1 million more from restricted receipts, and \$14.5 million more from Rhode Island Capital Plan funds. *The Governor recommended \$7.2 million more than requested, including \$19,575 less from general revenues. He recommended 719.5 full-time equivalent positions, 6.0 more than enacted and requested.*

The Governor subsequently requested several amendments, primarily to adjust capital expenditures and to reflect federal funds excluded from the initial recommendation. The Assembly concurred with the amended recommendation and added \$3.0 million from general revenues to replace federal funds while federal claiming issues identified in the Department's third quarter report are being resolved.

Staffing. The Department requested \$106.4 million, which is \$0.6 million more than enacted for its 713.5 authorized positions. The request shifts 12.5 positions to the central management program from other programs, reportedly to align with actual utilization of positions. The Department indicates that 6.0 are transition coordinators required by the consent decree. Instead of requesting additional positions, the Department is repurposing vacant positions within its authorization. Through mid-November, the Department has averaged 642.6 filled positions or 70.9 vacancies. The Department's request assumes an average of 678.4 positions filled or 35.1 vacancies. By fund source, the request includes \$1.0 million less than enacted from general revenues and \$1.6 million more from federal funds, which reflects the Department's updated cost allocation plan, similar to FY 2025 spending.

The Governor recommended \$0.3 million more, including \$0.1 million from general revenues, and 6.0 new full-time equivalent positions related to the consent decree. He included \$114,852, including \$85,630 from general revenues, to reflect statewide adjustments to health benefit rates. The Assembly concurred.

Program	Full-Time Equivalent Positions				
	FY 2026 Enacted	FY 2026 Gov. Rev.	Gov. Rev. Chg. to Enacted	FY 2026 Final	Final Chg. to Gov. Rev.
Central Management	76.0	88.5	12.5	88.5	-
Children's Behavioral Healthcare/Child Welfare	489.5	488.0	(1.5)	488.0	-
Youth Development Services	148.0	143.0	(5.0)	143.0	-
Total	713.5	719.5	6.0	719.5	-

Consent Decree. The Department requested \$1.0 million, including \$0.8 million from general revenues and \$0.2 million from restricted receipts for work related to the consent decree. This is \$20,000 more than enacted from Annie E. Casey Foundation restricted receipts, reflecting the updated grant award. In January 2025, the state entered into a formal agreement with the Department of Justice after its investigation found violations to federal civil rights laws concerning psychiatric hospitalizations of youth from 2017 to 2022. The Innovations Institute, based at the University of Connecticut School of Social Work, is supporting the Department in meeting the requirements of the consent decree and performing the comprehensive needs assessment. As of summer 2025, a monitoring plan and baseline data report have been developed, and the Department is moving toward implementation in 2026. *The Governor recommended funding as requested, and his recommendations include 6.0 full-time equivalent positions in both FY 2026 and FY 2027 for work related to the consent decree. The Assembly concurred.*

Placements

The Department provides placement services for youth removed from their homes and offers foster care when appropriate, but places children into group homes when more extensive treatment and services are required. Most placements are managed by private entities, which are required to oversee service provisions as agreed upon through a contract. Some services are funded through federal resources, including Medicaid, Title IV-E, and Supplemental Security Income payments. Below are descriptions of each placement.

Residential Intervention (Congregate Care) Placements. The Department provides residential services to approximately 400 children and youth under its care. This includes in-state group homes, assessment and stabilization centers, Bradley Hospital, independent and semi-independent living facilities, residential treatment centers, and out-of-state placements if no appropriate in-state placement is available.

While the state has contracts with several providers within the same placement type, each provider has differing rates that vary based on services provided. For example, Groden Center and Boys Town New

England both offer group home placements, but vary in cost, as Groden Center provides more extensive therapeutic treatments.

The revised request includes placements essentially consistent with those reported in FY 2025, which is 52.2 fewer placements than assumed in the enacted budget. The following table provides a breakdown by specific placement type. Through the first quarter of FY 2026, the Department averaged 351.0 residential intervention placements, 13.8 fewer than the 364.8 placements assumed in the revised request. The Department developed its revised request using FY 2025 reported data for costs and placements.

Placement	Description/Services	Population					Q1 Average
		FY 2025 Reported	FY 2026 Enacted	FY 2026 Rev. Req.	Chg. from FY 2025	Chg. from Enacted	
Residential Intervention (Congregate Care)	Residential Based Placements	364.0	417.0	364.8	0.8	(52.2)	351.0
Assessment and Stabilization Centers	Emergency placement centers with clinical assessments and support	13.1	19.6	12.2	(0.9)	(7.4)	15.7
Group Homes	Community-based homes with clinical treatment; 8 or fewer beds	121.6	136.7	120.9	(0.7)	(15.8)	108.3
Independent Living	Apartment program with supports for youth transitioning to adulthood	57.8	69.8	62.0	4.2	(7.8)	64.0
Residential Treatment Centers	In-state, campus-based intensive treatment programs with onsite schooling	59.3	59.4	56.9	(2.4)	(2.5)	54.3
Semi Independent Living	Older adolescent treatment programs that allow for unsupervised community time	36.1	42.6	36.6	0.5	(6.0)	36.7
Out-of-State	Intensive residential treatment for children and youth with complex mental health or intellectual or developmental disabilities	76.1	88.9	76.2	0.1	(12.7)	72.0
Foster Care	Home Based Placements	1,015.0	1,195.0	1,001.9	(13.1)	(193.1)	978.2
Total		1,379.0	1,612.0	1,366.7	(12.3)	(245.3)	1,329.2

Foster Care Placements. The Department provides home-based placements to approximately 1,000 children and youth under its care. The Department first tries to place a youth in a kinship home which is with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs and traditional foster homes. The recruitment of foster homes is done by the Department and contracted through private agencies.

Through the first quarter of FY 2026, the Department averaged 978.2 placements, which is 23.7 fewer than the 1,001.9 foster care placements assumed in the revised request. In FY 2025, the Department averaged 1,015.0 foster care placements.

The Governor's revised budget does not include specific population cost-per-youth assumptions, but adds \$4.6 million from federal funds to correct an error in the request to support the placement network.

The Department's third quarter report projected a \$6.0 million overspend from general revenues, which it attributed to a decrease in federal funds claimed for its service array, including Medicaid and Title IV-E, primarily for home- and community-based services. The Budget Office's third quarter report projected a general revenue deficit of \$4.4 million, reflecting the Department's recent approval for additional federal claiming authorized under the Family First Prevention Services Act, while also noting that the Department was working with the Executive Office of Health and Human Services to resolve the other claiming issues. The Assembly added \$3.0 million from general revenues to replace federal funds, based on updated efforts resolving the claiming issues.

Residential Intervention (Congregate Care). The Department requested \$4.0 million less than enacted, including \$1.9 million from general revenues, for residential intervention placements excluding female residential facilities. This is \$3.1 million more than reported FY 2025 spending, and reflects adjustments based on placement levels and provider contracts. The revised request assumes 52.2 fewer placements than assumed in the FY 2026 enacted budget, but is essentially consistent with FY 2025 experience.

The cost per placement for all residential intervention services is \$7,383 or 3.2 percent above FY 2025 experience. This includes a 7.8 percent increase for residential treatment centers and an 11.8 percent increase for assessment and stabilization centers, but more common group homes and out-of-state placements increase by 3.2 percent and 1.0 percent, respectively. This offsets the increase, as these placements are costlier and serve more youth. The Department indicates that its revised request reflects current provider contracts. Notably, beginning in FY 2027, individually contracted rates for services will be transitioned to universal service standards, but those assumptions are not reflected in the Department's FY 2027 request. *The Governor recommended funding as requested. The Assembly concurred.*

Residential Intervention							
Placement	FY 2025 Reported	FY 2026 Enacted	FY 2026 Rev. Req.	Rev. Req. Chg. to Enacted	Rev. Req. % Chg. to Enacted	Rev. Req. Chg. to FY 2025 Reported	Rev. Req. % Chg. to FY 2025 Reported
Assessment and Stabilization Centers	\$ 3,046,935	\$ 4,950,000	\$ 3,171,998	\$ (1,778,002)	-35.9%	\$ 125,063	4.1%
Group Homes	20,768,770	20,608,619	21,090,377	481,758	2.3%	321,607	1.5%
Independent Living	4,466,397	5,250,000	4,799,343	(450,657)	-8.6%	332,946	7.5%
Residential Treatment Centers	16,233,471	16,850,000	16,792,674	(57,326)	-0.3%	559,203	3.4%
Semi Independent Living	8,240,517	10,050,000	8,535,659	(1,514,341)	-15.1%	295,142	3.6%
Purchase of Service Group Homes	1,747,731	1,300,000	2,144,074	844,074	64.9%	396,343	22.7%
Out-of-State	28,600,881	29,010,000	28,921,896	(88,104)	-0.3%	321,015	1.1%
Bradley	6,821,080	7,940,000	7,540,000	(400,000)	-5.0%	718,920	10.5%
Individual Intensive Supervision	1,541,690	2,650,000	1,620,000	(1,030,000)	-38.9%	78,310	5.1%
Total	\$ 91,467,472	\$ 98,608,619	\$ 94,616,021	\$ (3,992,598)	-4.0%	\$ 3,148,549	3.4%

Female Residential Facilities. The Department requested \$1.2 million more than enacted, including \$1.0 million from general revenues to support operations in female residential facilities. The request includes \$2.3 million from all sources, including \$1.6 million from general revenues for the Exeter facility, which is expected to be open in late spring 2026. This is \$1.2 million more than enacted, including \$1.0 million from general revenues, which reflects start-up costs associated with a tentative contract the Department had with a provider at the time of the request. That provider dropped out of the process in November 2025, and

the Department issued a tentative award to another provider in December 2025. The contract is not final as of early January 2026, and the Department maintains that the facility will open as planned. *The Governor recommended funding as requested.* **The Assembly concurred.**

Foster Care. The Department requested \$7.1 million less than enacted, including \$5.7 million from general revenues, for home-based foster care placements. This includes standard foster care and therapeutic foster care homes for youth with more intensive needs, which are provided by private agencies. The revised request assumes a population of 1,001.9, or 13.1 fewer than FY 2025. Through the first quarter of FY 2026, the Department has averaged 978.2 placements, 23.7 fewer than assumed in the revised request. The Department assumes a cost per placement of \$23,414, which is \$644 or 2.8 percent more than FY 2025 expenses. *The Governor recommended \$0.3 million more from federal funds to reflect a foster family recruitment grant excluded from the request.* **The Assembly concurred.**

ARPA - Provider Workforce Stabilization Payments. The Assembly provided \$24.1 million from State Fiscal Recovery funds for wage stabilization payments to direct care staff of residential intervention and community-based providers in contract with the Department. The FY 2025 final budget inadvertently overstated available resources by \$0.3 million. This program was in response to providers reporting a high number of vacancies and staff recruitment issues, which have resulted in a capped or reduced number of youth that providers can serve. Payments began in FY 2022, and the Department's revised request includes the remaining \$0.3 million of carryforward, which corrects the overstatement. *The Governor recommended \$345 less than requested to maintain the authorized level of funding.* **The Assembly concurred.**

Child Care. The Department requested \$2.4 million less than enacted for child care expenses for youth in its care, including \$42,343 more from general revenues, reportedly to be more consistent with recent trends of declining utilization. In recent years, the budget has allocated Temporary Assistance for Needy Families funds to offset general revenue expenses for these youth; however, the Department has had trouble providing the documentation necessary for federal compliance with funding requirements for long periods of time. The Department has noted that it limits expenditures to two months for families in the process of enrolling in Rhode Island Works, but have not yet qualified, which has resulted in lower federal fund availability than assumed. Reported FY 2025 spending was \$5.1 million, which was \$0.6 million less than FY 2024. The request is for \$4.5 million from all sources as the Department anticipates a continuing decline in utilization. *The Governor recommended funding as requested.* **The Assembly concurred.**

Adoption and Guardianship. The Department requested \$2.7 million more than enacted, including \$1.7 million more from general revenues, for adoption and guardianship expenses. This includes adoption subsidies, pre-adoption placements, and relative and non-relative guardianships. The funding reflects updated information on the expected number of placements and updated cost estimates, based on FY 2025 experience. The average cost per youth is \$11,848 for adoption placements, 1.7 percent more than FY 2025, and \$12,458 for guardianship placements, 1.6 percent more than FY 2025. The average rate reflects new placements paid at higher rates. It is worth noting that, unlike foster care rates, the rate agreed upon at the time of adoption does not change until that youth's 18th birthday. The Department indicates that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. The revised request assumes a population of 3,235, which is 39 more than served in FY 2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Voluntary Extension of Care. The Department requested \$24,088 less than enacted from general revenues for its Voluntary Extension of Care program for rent and other services. The program is supported entirely from general revenues, as federal funds for these youth cannot be claimed because Title IV-E eligibility for this population is limited because of federal income requirements. The request reflects updated rent and service costs. The program lets individuals aged 18 through 21 remain in state care, with the Family Court retaining oversight. The request assumes an average of 84 youth in this program, 4 more than FY 2025 and approximately 2 fewer than the enacted budget. *The Governor concurred.* **The Assembly concurred.**

Home and Community Based Services. The Department requested \$3.3 million more than enacted from all sources, including \$1.7 million from general revenues, to reflect updated utilization of its youth and family support services and contract costs reflecting rates for providers as of July 2025. These services include counseling, education programs, family support services for preparation for reunification, family-centered treatment, parent aides, the Youth Advocate Program, and Family and Community Care Partnerships. While the services primarily reflect foster care placements, they also include children in congregate care, other placements, and in-home populations.

Using the figures the Department provided for FY 2025, spending was \$49.4 million, which is \$11.2 million less than the revised request. This appears to be a result of increased utilization and more federal fund claiming than FY 2025 experience. The Department also adjusts Medicaid expenses for these services manually, which can make analysis difficult. In previous years, the Department indicated that it would automate this process; however, this has not occurred. The Department has indicated that it is working with the Executive Office of Health and Human Services to design a billing system that does not require all clients to be Medicaid-eligible. This will be integrated into the ongoing rate-setting initiative. *The Governor recommended \$4.3 million more from federal funds to reflect a prevention services grant excluded from the request.* **The Assembly added \$3.0 million from general revenues to replace federal funds to address claiming issues identified in the third quarter reports, as noted previously.**

Local Education Agency Reimbursement. The Department's request includes \$3.3 million more than enacted, including \$2.7 million from general revenues, for payments to residential treatment centers that provide education services. As recommended by the Governor, the FY 2026 enacted budget assumes \$3.0 million in general revenue savings achieved by improving collection rates from local education agencies through coordination between the Department and the Department of Elementary and Secondary Education. The Department's FY 2026 revised and FY 2027 requests restore these savings. The initial plan assumed that savings would be recognized through quicker reimbursements from districts, particularly for education services provided out-of-state. As of early January 2026, it does not appear that the Department has made progress toward this goal; it indicates that a challenge is working its way through the courts and that it is awaiting resolution.

Local school districts are responsible for certain education costs for children in state care. Rates are established by the Department of Elementary and Secondary Education. The Department began paying the costs directly in FY 2020 to ensure providers were paid. It sought reimbursement from the appropriate local education agency directly, eliminating the need for the provider to do so. It has been difficult to track the amount paid to providers for education services exclusively, as these costs are assumed in Department contracts. A lack of local reimbursement results in additional costs for the state.

The Department expected to receive full reimbursement from local education agencies for payments to in-state facilities, but it assumed that half of the payments for placements out-of-state would not be collected. However, this does not reflect education agency expenses included in the per-diem placement cost for out-of-state placements. *The Governor concurred.* **The Assembly concurred.**

Higher Education Incentive Grant. The Department requested \$488,968 for higher education support payments from all sources, including the enacted level of \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant. It also includes \$288,968 from federal funds for Education and Training Vouchers, which is \$76,558 less than enacted and reflects anticipated available funds. The Department spent \$479,213 in FY 2025, including \$279,213 from federal funds. The vouchers are an annual federal grant provided to states to fund youth who have aged out of the foster care system and enrolled in college, university, or vocational training programs.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. The FY

2025 enacted budget included changes to the program, including earlier notifications to eligible children and the qualification of more children by reducing the threshold for time spent in care to six months on or after their 14th birthday. It also extends coverage to part-time attendance and specified workforce development programs and adds a requirement to fill out applicable financial aid forms. The Department has updated its requirements and application information in accordance with the updated eligibility; however, it has not yet submitted a report describing the distribution of the grants, which was initially due September 1, 2024. *The Governor recommended funding as requested. The Assembly concurred.*

Emergency Housing. The Department requested \$1.1 million less than enacted, including \$1.3 million more from general revenues for emergency housing for families in which housing is a barrier to reunification. The Family Court has the authority to require the Department to provide housing, most often in the form of a hotel, and this practice has grown since the pandemic. The enacted budget assumed \$6.1 million, entirely from federal Temporary Assistance for Needy Families funding and Social Services Block Grant funding, of which \$3.0 million was spent in FY 2025, in addition to \$1.2 million from general revenues. The Department noted that general revenues were used for families who were unable to qualify for Temporary Assistance for Needy Families federal funds; however, it is unclear if the barrier to using these funds is immigration status or inefficiencies in the Department.

The Department indicates that families who are not yet enrolled in Rhode Island Works receive benefits while in the process of enrolling; however, if they are unable to qualify, the Department does not receive federal funds, leading to a reliance on general revenues. The enacted budget assumes that all families served will be enrolled and meet income requirements. The Department has not been able to implement this in recent years. *The Governor recommended funding as requested. The Assembly concurred.*

Other Placements and Services. The Department requested \$0.4 million less than enacted, including \$0.3 million from general revenues, for all other placements and services, based on FY 2025 spending. The Department notes that the majority of these expenses are from special requests made by individual caseworkers. These costs include family nursing assistance and training for nursing and religious chaplains. It can also include medical treatments provided to children, a first and last month rent payment when it is the last barrier to reunification, parent aide services, including education such as tutoring, SATs, and unfunded summer school, among other costs that are not covered by any other source of payment. *The Governor recommended funding as requested. The Assembly concurred.*

Youth Development Services

Salaries and Benefits. The Department requested \$0.3 million more than enacted for staffing for Youth Development Services, nearly all from general revenues. The request includes authorization for 143.0 positions, which is 5.0 less than the enacted assumption. It should be noted that the FY 2025 enacted budget authorized 8.0 new juvenile program worker positions that apparently were not needed. The FY 2023 enacted budget similarly shifted 11.0 positions from Youth Development Services to other programs while maintaining the overall authorization in the Department. The Department indicates that it is shifting authorization for long-standing vacant positions to align with current activity.

The request funds 136.6 positions, assuming an average of 6.4 vacancies. Through the first quarter of FY 2026, the Training School has an average population of 36. Average placements in FY 2024 were 40, declining to 37 in FY 2025. The request includes \$2.5 million for overtime costs, essentially consistent with the enacted budget but \$0.6 million less than FY 2025 spending. *The Governor added \$32,359, primarily from general revenues, which includes \$24,077 to reflect statewide adjustments to health benefit rates and \$8,282 to correct understated salaries and benefits in the request. He subsequently requested an amendment to add \$11,600 to for overtime expenses related to the February 2026 winter storm. The Assembly concurred with the amended recommendation.*

Education Services. The Department requested \$38,539 less for non-payroll education expenses at the Rhode Island Training School. The request includes \$12,146 less from general revenues, to be more consistent with FY 2025 spending. The decrease primarily reflects lower spending on program supplies and classroom materials, and other minor adjustments. It also includes \$26,393 less from federal funds, which reflects Department projections of available funding and a reprogramming of the Perkins grant to other purposes. In prior years, the grants have supported temporary staff in the school; the Department's request appears to shift its grant allocation to provide vocational education assistance to community partners. *The Governor recommended funding as requested.* **The Assembly concurred.**

Institutional Support Services. The Department requested \$0.1 million less than enacted, mostly general revenues, for institutional support services at the Training School. During FY 2025, the average population of the training school was 37; through October 2025, its average for FY 2026 was 34. These expenses include legal costs, repairs and maintenance, food, non-prescription medicine, and juvenile clothing. The decrease in the request is based on FY 2025 spending, adjusted for one-time maintenance and repair work. *The Governor recommended funding as requested.* **The Assembly concurred.**

Juvenile Probation and Parole. The Department requested \$109,766 more than enacted from general revenues for non-staffing expenses for Juvenile Probation and Parole. These services include the supervision of adolescents who are placed on probation by the Family Court. The request adds \$105,272 for payments to Guidesoft for technology support and \$45,786 for a contract with Allied Universal for electronic monitoring. This appears to be a new initiative, and the need for technology support is anticipated to continue into FY 2027, while the new funding for electronic monitoring is only in the revised request. There are some offsetting adjustments based on FY 2025 experience. Through the end of November, the Department averaged 213 probationers and parolees, which is 5 fewer than assumed in the enacted budget. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$0.5 million from federal funds to reflect a juvenile justice grant awarded in 2024 that was excluded from the original recommendation.* **The Assembly concurred with the amended recommendation.**

Other Operations

Other Salaries and Benefits. The Department requested \$0.2 million more than enacted, including \$1.4 million less from general revenues and \$1.6 million more from federal funds, for all remaining staff expenses. As previously noted, the request shifts 12.5 positions to the central management program from other programs, reportedly to align with actual utilization of positions. The Department indicates that 6.0 are transition coordinators required by the consent decree. These positions were not specifically requested in FY 2026, and as of December 2025, the Department indicates that the positions have been filled. Instead of requesting additional positions, the Department is repurposing vacant positions within its authorization.

The request also reflects updated federal fund availability based on the Department's cost allocation plan, which determines the amount of staffing costs that are attributable to federal funds. It assumes approximately 29 vacancies, about 2 more than assumed in the enacted budget. *The Governor recommended \$250,448 more than requested, including \$53,323 from general revenues. He included \$90,775, including \$61,605 from general revenues, to reflect statewide adjustments for health benefit rates. He included new positions for the consent decree request and assumes the repurposed vacancies remain unfilled.* **The Assembly concurred.**

Temporary Staff. The Department requested \$0.3 million more than enacted, including \$1.0 million more from general revenues, \$0.6 million less from federal funds, and \$0.1 million less from restricted receipts for temporary staff, usually used to fill vacancies until permanent staff can be hired. While previously limited to information technology support, the Department has expanded its use to include contracted staff for grant management and other operational support. The request appears to shift \$0.6 million of federal funding to general revenues. The Department has not been able to directly explain this particular shift, but

indicates that the request generally reflects the FY 2025 experience. Additionally, in FY 2025, the Department contracted with its former chief financial officer to provide support during the finance staff transition. After the position was filled, this contractor remained to support the director's office. Funding for this role was not assumed to continue in the FY 2026 enacted budget. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rate Setting Support. The Department requested \$750,000 from general revenues to continue a rate review and support provider readiness for implementation of uniform service standards and direct billing for Medicaid-eligible services on July 1, 2026. The 2024 Assembly added \$1.5 million in FY 2025 to evaluate Medicaid and non-Medicaid services in order to address Department of Justice findings, which led to the consent decree. The initial timeline anticipated rates to be in place beginning July 1, 2025; however, after receiving provider feedback in spring 2025, the Department delayed implementation until July 1, 2026, or FY 2027. The aim of this project is to transition from individually contracted service rates to uniform rates for all providers for similar services. It should be noted that the revised and FY 2027 requests do not include any funding for rate adjustments that result from this review process, but the Department indicates that the new model could increase costs. *The Governor concurred.* **The Assembly concurred.**

Parking and Rent. The Department requested \$0.7 million less than enacted, mostly from general revenues for its parking and rent expenses, primarily at its headquarters in Providence. The Department indicates that its request is based on FY 2025 expenditures; however, it does not appear to include the updated cost of its lease agreement for its headquarters at 101 Friendship Street in Providence. The Department also pays rent for regional offices in Bristol and Woonsocket and has an agreement for 400 parking spaces with the Convention Center Authority. *The Governor recommended funding as requested.* **The Assembly concurred.**

Cost Allocation Plan and Family First Compliance. The Department requested \$0.3 million less than the enacted budget from federal funds for its cost-allocation plan. This is \$46,807 more than spent in FY 2025 and represents the correct value of the contract. The Department uses a consultant, Public Consulting Group Incorporated, to develop and maintain its cost-allocation plan. The cost allocation plan determines what portion of staff salaries and benefits are attributable to Title IV-E and Medicaid and what other administrative federal claiming is reasonable and appropriate for the Department. The cost allocation plan determinations are made based on a random moment in time study that determines what portion of staff time is spent on functions and activities that are reimbursable through federal funds. The activities are reported to the Public Consulting Group, which then submits monthly reports to the Department. The contract includes provisions to assist the Department with compliance with the Family First Prevention Services Act of 2018, specifically to include the sex trafficking provisions, and for assistance with preventing youth from entering Department care unnecessarily through the expansion of home- and community-based services. *The Governor recommended funding as requested.* **The Assembly concurred.**

Technology. The Department requested \$0.6 million less than enacted, almost entirely from general revenues for system maintenance, computer supplies, software, and equipment, for a total of \$3.3 million. The request decreases general revenues to better align with historical spending and to maintain overall general revenue spending consistent with the enacted budget, while requesting increases in other areas, particularly temporary staff. This includes \$0.8 million less for computers, equipment, and cell phones, partially offset by \$0.2 million more to maintain the state's child welfare technology system, which apparently corrects an error in the prior year request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Placement Monitoring. The Department requested \$0.5 million more than provided in the enacted budget, including \$0.2 million from general revenues for mileage and other travel expenses for overseeing Department youth and their placement facilities, largely reflecting increases for out-of-state youth monitoring. State law requires the Department to petition the Family Court for a placement hearing prior

to being placed out-of-state, and ensure that there are no suitable in-state facilities available for the placement of the child, that the child will receive an individualized treatment plan, and that the proposed placement is in the best interest of the child. The hearing is not required if the placement is less than 35 miles from the home of the parent previously having custody of the child. The request is essentially consistent with FY 2025 actual expenses, which exceeded prior budgeted amounts. These expenses include hotel and travel costs for staff, transportation for foster parents for visitation and medical appointments, and special arrangements for youth with severe needs. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department's request is \$17.5 million more than enacted from all sources, including \$14.5 million from Rhode Island Capital Plan funds, reflecting the carryforward of unspent FY 2025 funding for the Female Youth Facility and the Training School Asset Protection projects, consistent with the capital request. The request includes \$5.6 million from State Fiscal Recovery funds carried forward from FY 2025 for a psychiatric residential treatment facility; however, these funds were reclassified to support the Female Residential Facility in Exeter. In December 2025, the Department also entered into an agreement to purchase the St. Mary's Home for Children property in North Providence. A tentative plan to renovate three buildings for use as a psychiatric residential treatment facility, is not reflected in the Department's request.

The request also includes \$2.6 million less than enacted from federal funds for the child welfare information system project, which is \$58,014 less than the capital request. The Department assumes the state share will be met through information technology personnel budgeted elsewhere.

The Governor recommended \$2.4 million more than requested, including \$1.1 million from federal funds and \$1.3 million from Rhode Island Capital Plan funds, reflecting an updated plan for the Psychiatric Residential Treatment Facility and Female Residential Treatment Facility projects. Also, the revised operating budget recommendation is \$0.8 million higher than the Governor's capital budget for the Female Residential Treatment Facility project. He requested an amendment on February 10 to correct the error by lowering the operating budget. He also requested amendments to shift \$0.8 million of Rhode Island Capital Plan funds from FY 2027 to FY 2026 for the St. Mary's project. The amendment also corrects federal fund allocations to reflect assignment to the Exeter facility at the accurate total of \$6.3 million.

He requested another amendment on March 11 to reallocate federal funds for the Child Welfare System project, providing \$7.6 million more in FY 2026 and \$3.6 million less in FY 2027 to reflect the state match and to recognize unspent FY 2025 federal funds that were omitted from the request. The Assembly concurred with the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Centralized Services. Consistent with the enacted budget, the Department requested \$5.1 million, including \$5.0 million from general revenues for centralized services provided through the Department of Administration. The request is \$0.1 million more than FY 2025 experience. *The Governor recommended \$65,997 less, including \$105,205 from general revenues, to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Other Operations. The Department requested \$0.8 million less than enacted from all sources, including \$0.2 million less from general revenues, to reflect updated estimates for all other expenses, primarily reflecting FY 2025 experience, including \$0.2 million more for utilities, offset by other adjustments. The request excludes \$0.7 million from federal funds budgeted for employee training, reportedly to correct an error assumed in the enacted budget. *The Governor recommended funding as requested. The Assembly concurred.*

Department of Health

	FY 2025	FY 2026	FY 2026	FY 2026
	Reported	Enacted	Revised	Final
Expenditures by Program				
Central Management	\$ 19,437,470	\$ 32,456,554	\$ 39,583,476	\$ 39,011,722
Community Health and Equity	134,737,837	157,843,758	154,428,193	144,428,193
Environmental Health	19,550,672	22,374,870	21,967,774	21,987,774
Health Laboratories	17,626,094	20,945,066	29,479,019	29,729,019
Healthcare Quality and Safety	-	15,814,446	16,283,173	16,633,974
State Medical Examiners	-	4,589,109	4,591,245	4,266,245
Customer Services	23,079,222	-	-	-
Policy, Info. & Communications	6,099,697	9,221,944	9,110,386	11,531,099
Preparedness, Response, Infectious				
Disease & Emergency Services	17,356,003	-	-	-
Emergency Preparedness and				
Infectious Disease	87,000	17,104,380	18,780,919	18,630,919
COVID-19	83,442,145	15,176,647	17,790,001	17,790,001
Total	\$ 321,416,140	\$ 295,526,774	\$ 312,014,186	\$ 304,008,946
Expenditures by Category				
Salaries and Benefits	\$ 84,626,177	\$ 89,902,683	\$ 89,767,132	\$ 90,722,905
Contracted Services	37,857,788	24,085,580	45,687,220	31,190,929
Subtotal	\$ 122,483,965	\$ 113,988,263	\$ 135,454,352	\$ 121,913,834
Other State Operations	97,185,318	117,049,410	115,795,864	104,407,430
Aid to Local Units of Government	4,975	-	-	-
Assistance, Grants, and Benefits	48,079,889	54,528,062	57,597,224	58,460,929
Capital	53,546,137	9,961,039	3,166,746	19,226,753
Capital Debt Service	-	-	-	-
Operating Transfers	115,856	-	-	-
Total	\$ 321,416,140	\$ 295,526,774	\$ 312,014,186	\$ 304,008,946
Sources of Funds				
General Revenue	\$ 37,618,090	\$ 40,825,075	\$ 41,964,523	\$ 41,964,523
Federal Aid	214,493,158	152,861,675	161,218,423	162,124,456
Restricted Receipts	68,142,599	93,076,141	92,774,233	83,862,960
Other	1,162,293	8,763,883	16,057,007	16,057,007
Total	\$ 321,416,140	\$ 295,526,774	\$ 312,014,186	\$ 304,008,946
FTE Authorization	572.6	572.6	572.6	572.6
FTE Average	557.8			

FY 2026 Revised Request. The revised request is \$17.2 million more than enacted from all sources, including \$4.9 million from general revenues. It also includes increases of \$8.4 million from federal funds, \$6.5 million from other funds, and \$2.6 million less from restricted receipts. Increases from general revenues reflect \$0.9 million from the Governor's reappropriations for primary care training sites and the

statewide mandatory rental registry, \$0.3 million more for salaries and benefits, and \$4.1 million for new initiatives. *The Governor recommended \$16.5 million more than enacted from all sources, including \$1.1 million more from general revenues.*

He subsequently requested several amendments that adjust for one underbudgeted position and operating costs for the new health laboratory, transfer opioid funds from the Prescription Drug Monitoring Program from the Executive Office of Health and Human Services, and reflect new funding for the Rural Health Transformation program. The Assembly concurred with most of the amended recommendation and reduced expenses by \$10.0 million from all sources to align spending with revised immunization costs indicated in the third quarter report.

Salaries and Benefits. The Department requested \$0.4 million less than enacted from all sources, including \$0.3 million more from general revenues for salary and benefit expenses. It should be noted that the enacted budget includes funding budgeted as unspecified operating expenses to provide the Department with flexibility to backfill high-priority positions to ensure timely compliance with various federal grants. The request retains a portion of funding for operating, which will likely be used for salaries and benefits if needed, or for contracted services. This makes it difficult to determine how many positions are funded. The request appears to assume turnover savings for approximately 11 vacancies; through mid-November, the Department averaged 18.5 vacancies. *The Governor recommended \$0.1 million more than requested from all sources, including \$24,049 from general revenues to reflect statewide adjustments to health benefit rates. He subsequently requested amendments to add \$0.2 million from all sources to correct for an underbudgeted position and \$0.6 million from federal funds to reflect the Rural Health Transformation grant, which will support approximately four positions. The Assembly concurred and added \$0.2 million from general revenues from other programs to align with spending projected in the third quarter report.*

Centralized Services. The revised request includes \$54,771 less than enacted, entirely from federal funds, for the Department's share of centralized information technology services provided by the Department of Administration. According to the Department, decreases in information technology expenses reflect the reduction and closeout of COVID-19 activities at the Department, specifically for information technology contractors archiving data, as well as the removal of expired grants. *The Governor recommended \$0.4 million less than enacted from all sources, including \$0.7 million less from general revenues, to reflect adjustments to information technology billings based on updated data. The Assembly shifted \$0.1 million from general revenues to other programs to align with spending projected in the third quarter report.*

COVID-19

Capital - New Health Laboratory. The revised request includes \$6.2 million more than enacted from all sources, reflecting unspent FY 2025 funds for the new 80,000 square foot facility to house the Health Laboratories Program. This includes \$0.2 million from federal funds and \$5.9 million from Rhode Island Capital Plan funds. Construction began in August 2023, and occupancy began in September 2025. The new facility houses various laboratories, which perform chemical, physical, and microbiological analyses of environmental samples, clinical specimens, and forensic evidence. The Office of the State Medical Examiner, which was previously housed in the Chapin Building, has been relocated to Cumberland.

The Governor recommended \$0.8 million more than enacted from Rhode Island Capital Plan funds. This includes \$450,000 in additional expenses associated with moving costs for laboratory equipment from the Chapin building to the new laboratory. The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.

ARPA - COVID-19 Operational Support. The revised request includes \$0.2 million from unspent State Fiscal Recovery funds from FY 2025 to continue COVID-19 mitigation activities and to address the public

health impacts of the pandemic in the state. The Department noted that all funds have been obligated. *The Governor recommended \$4,567 more than requested to reflect remaining funds. The Department reported in late March that all funds were spent. The Assembly concurred.*

COVID Relief - Other Expenses. The revised request includes \$2.2 million more than enacted, primarily from FY 2025 unspent federal funds for all remaining COVID-19 expenses. It reflects delayed spending on several COVID awards, as well as unanticipated closeout costs for awards that ended in June 2025. The increase includes \$1.3 million for delayed billings of FY 2025 indirect costs on federal awards, and unspent laboratory testing supplies carried forward to FY 2026. It also includes \$1.0 million from delays of the contract for the new Laboratory Information Management System, and the remainder is from the deferral of equipment purchases in FY 2025 pending the opening of the new State Health Laboratories building.

The request includes \$0.1 million less for contracted services based on reduced need. It also includes \$0.5 million less for salaries and benefits, or 3.5 fewer positions than enacted, to support a total of 25.7 full-time equivalent positions. *The Governor recommended \$3,918 less than requested based on adjustments to remaining balances for all COVID-19 awards. This includes \$4,292 more to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Community Health and Equity

PediPRN and MomsPRN Programs. The PediPRN and MomsPRN programs provide specialized clinical consultation and referral services related to mental health. The request is \$85,134 less than enacted from federal funds, reflecting expenses more closely aligned with the FY 2025 experience for the PediPRN Program. The enacted budget appropriated \$750,000 from general revenues as assistance and grants. The revised request redistributes this total to expected expenses, primarily contracted services, based on the Department's needs. The revised budget funds 1.9 full-time-equivalent positions, or approximately one more than enacted. *The Governor recommended \$243 more than requested from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Federal Immunization Programs. The Department requested \$0.9 million less than enacted from federal funds for federal immunization program expenses. This includes a \$21.7 million reduction from the removal of the Immunization Grant provided by the U.S. Department of Health and Human Services, mostly offset by a new grant, the Strengthening Vaccine-Preventable Disease Grant. Expenses are primarily budgeted for vaccines, and \$1.2 million is allocated to salaries and benefits, \$0.7 million less than enacted, equivalent to about five positions. *The Governor recommended \$1,275 more than requested to reflect statewide adjustments to health benefit rates. The Assembly reduced budgeted amounts by \$1.5 million to align spending with revised immunization costs indicated in the third quarter report.*

Child and Adult Immunization Programs. The Department requested \$58.7 million from immunization restricted receipts. The request is \$6.4 million less than enacted, primarily as a result of preliminary estimates for COVID and RSV vaccines being higher than actual costs and quantities ordered. Restricted receipts are generated based on a rate per person enrolled in fully-insured or self-insured plans. The Department projected receipts of \$59.8 million, or \$2.8 million less than assumed for FY 2026. The per-member per-month rates for FY 2026 are \$25.13 per child and \$5.32 for adults; the rates are generally set in April or May of each year. Salary and benefit expenses are \$0.1 million more. Increases in operating costs beyond salary and benefit adjustments reflect a new contract signed with KIDSVAX and the Wellness Company, which encourages vaccination outreach, support, and immunization efforts, as well as contractor support for communication and program operations. The revised request includes funding for approximately one more position than enacted. *The Governor recommended \$2,839 more than requested to reflect statewide adjustments to health benefit rates. The Assembly reduced budgeted amounts by \$8.5 million to align spending with revised immunization costs indicated in the third quarter report.*

WIC Nutrition Assistance. The revised request includes \$1.6 million more than enacted from federal funds for the Women, Infants, and Children nutrition assistance program. This program provides supplemental food, nutrition education and information, referral, and coordination services for eligible women and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care, or both. It includes \$1.7 million more for benefit payments, reflecting increased funding and assistance, offset by reductions of \$0.2 million to unspecified operating expenses, which have been budgeted elsewhere based on the needs of the program. The request also includes \$22,000 more for Teletask contracted services, which partners with the program to improve participant engagement. *The Governor recommended \$2,343 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Maternal and Home Visiting Services. The Department requested \$3.1 million more than enacted from federal Maternal and Child Health Services Block grant funds for home visiting and other services. The visiting programs are designed to work with pregnant women and children through age five. The programs include Healthy Families America, Nurse-Family Partnership, and Parents as Teachers, and they provide families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions. The revised request includes \$2.1 million more for grants awarded to various community organizations for services provided, which reflects delays in FY 2025 invoicing and contract spending. Program expenses are also \$1.2 million more, also based on invoicing delays. Salaries and benefits are reduced by \$0.2 million, equivalent to approximately two positions, based on updated staffing allocations. *The Governor recommended \$1,506 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Asthma and Air Quality. The Department requested \$32,128 more than enacted from all sources for the Home Asthma Response program, which is designed to reduce emergency department visits and hospitalizations. This includes \$24,128 more from federal funds and \$8,000 more from Volkswagen Settlement funds. The request reduces salaries and benefits by \$0.1 million and increases grants by \$0.1 million, based on unspent FY 2025 funds. One grant, the Improving Air Quality Environmental Justice grant, which funded air monitoring, community education, and solar panel installation, was terminated, resulting in reductions primarily for staffing. *The Governor recommended \$207 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Expenses. The revised request is \$0.7 million less than enacted from federal funds for all remaining expenses in the Division of Community Health and Equity. The decrease is primarily from the reduction of several federal grants, including the colorectal cancer screening, prevention block grant, refugee cash and medical assistance, and teen pregnancy prevention grants, based on grant terminations or reductions. Most of the reduced expenses are budgeted as assistance and grants, though some of these funds are repurposed for operating expenses. Salaries and benefits are reduced by \$0.1 million, equivalent to approximately half of a position. *The Governor recommended \$19,037 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Programs

Reappropriation - Primary Care Training Sites. The 2024 Assembly adopted legislation, establishing a Primary Care Training Sites Program, which provides training for physicians, nurse practitioners, and physician assistants; each site is awarded no more than \$90,000. It provided \$2.7 million from general revenues for the program, which was then spread over two years with \$0.7 million in FY 2025 and \$2.0 million in FY 2026. In FY 2025, the Department spent \$0.2 million; \$502,422 was subsequently reappropriated to FY 2026. The Department's request includes the reappropriation. *The Governor recommended funding as requested.* **The Assembly concurred.**

Reappropriation - Statewide Mandatory Rental Registry. The revised request includes the reappropriated amount of \$364,000 from general revenues to establish the mandated statewide publicly accessible online database of all rentals to ensure compliance with the Residential Landlord and Tenant Act. The act requires all landlords to register certain information with the Department, including a lead certificate of conformance for each dwelling unit built before 1978, individual landlords or the business entity responsible for leasing, telephone number, and address, and other requirements, by September 1, 2024; they are also required to re-register annually thereafter. A portal, allowing landlords to register their information, was established by the required date.

In August 2025, the Governor reappropriated \$364,000 based on FY 2025 expenditures for the Department to finalize the implementation of the registry. The FY 2025 final budget included the enacted amount of \$1.3 million and included enhancements to allow the Department to cross-reference lead certificate data with landlord property data, fines, and other administrative tasks. *The Governor recommended funding as requested. The Assembly concurred.*

Lead Hazard Mitigation Program. The Department requested \$8,053 more than enacted from all sources for its state lead hazard mitigation program. This includes \$100,316 more from general revenues and \$92,263 less from Executive Office of Housing restricted receipts, which are distributed through a Memorandum of Understanding signed between both entities. The Department indicated that the general revenue increase for the program is necessary to absorb personnel costs not covered under the Memorandum of Understanding. Housing restricted receipts are lowered, apparently to adjust for an overspend from FY 2025 expenditures, which were \$554,587. According to the Memorandum of Understanding, the Department of Health may be reimbursed up to \$500,000 per fiscal year. The program currently funds 5.3 full-time equivalent positions, and is aimed at reducing lead exposure in rental properties built before 1978, educating landlords and tenants on lead safety, and lowering exposure risks. *The Governor did not recommend increasing general revenues to absorb personnel costs not covered under the memorandum. His recommendation also includes \$698 more from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred and added \$20,000 from general revenues to align with spending projected in the third quarter report.*

Water Quality Protection Programs. The Department requested \$0.4 million less than enacted, nearly all from federal funds, for its water quality protection programs. The programs are responsible for enforcing the provisions of the Safe Drinking Water Act and several state laws relating to safe drinking water and regulating nearly 500 public water systems. Changes are primarily reflected by a \$0.3 million decrease to contracted services and \$0.3 million less for medical and laboratory equipment based on FY 2025 expenditures; previously, the Department indicated that several laboratory purchases and contractors were budgeted for, but ultimately not needed. The request also includes \$0.3 million more for grants reflecting the availability of new funds. The request funds approximately 36 full-time equivalent positions, about half a position less than enacted. *The Governor recommended \$4,323 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Opioid Stewardship and Abatement Settlement Funds. Based on project delays in FY 2025, the revised request includes \$3.8 million more from restricted receipts than enacted for various opioid overdose prevention expenses. Of this amount, \$3.2 million is from FY 2025 unspent funds provided to expand street outreach services, data analysis, and infrastructure costs for newborns exposed to controlled substances, and other services. The Department noted delays in procurement and in executing outreach contracts, but that all funds are obligated. It also noted that most opioid contracts are from September 1 through August 31, which does not align with the state fiscal year. The request includes \$0.5 million more for salaries and benefits, \$0.2 million more for contracted services, and \$0.1 million more for miscellaneous supplies and software maintenance costs based on updated programming needs. The request also removes \$320 from the Emergency Department Opioid Recovery Grant, which appears to have spent remaining funds in FY

2025. The request funds 9.4 full-time equivalent positions, approximately three more than assumed in the enacted budget.

The Governor recommended \$0.1 million less than requested based on an updated plan provided by the Department, released after its original budget submission. He also recommended \$1,218 to reflect statewide adjustments to health benefit rates.

*He subsequently requested an amendment to add \$125,000 to the Statewide Opioid Abatement Account for the Prescription Drug Monitoring Program. These funds are budgeted in the Executive Office of Health and Human Services. **The Assembly concurred with the original recommendation.***

Center for Health Facilities Regulation. The Department requested \$3.6 million more from all sources for the Center for Health Facilities Regulation, which coordinates the licensing of healthcare facilities and operates an enforcement and certification program to ensure state and federal licensing and care standards. The increase reflects a gap identified by the Department between spending needs and federal awards pertaining to inspections of providers participating in Medicare or Medicaid. This includes \$3.2 million from general revenues and \$0.4 million from federal funds.

The Center for Health Facilities Regulation is the designated State Survey Agency by the federal Centers for Medicare and Medicaid Services. As such, the Center is required to conduct work on behalf of the Centers for Medicare and Medicaid Services to monitor healthcare facilities participating in these programs in order to ensure compliance. Since federal FY 2024, expenditures to conduct its statutorily required duties have exceeded the federal Centers for Medicare and Medicaid Services award by \$3.2 million.

Federal funds received by the Department are approximately \$2.0 million per state fiscal year, but to do the needed work, the Department spent \$3.2 million by accessing the funds earmarked for the next year. To close the funding gap, which has been accumulating for the past two federal fiscal years, the Department requested \$3.6 million from general revenues. According to the Department, federal funds included in the revised budget capture funding from multiple fiscal years and are not an accurate representation, as the award runs on a federal fiscal year.

*The Governor recommended \$2.5 million less than requested from all sources, and did not recommend using general revenues to close the anticipated funding gap; he recommended \$735,185 from indirect cost recovery restricted receipts to close the funding gap identified for FY 2024 only. He recommended funding consistent with the revised request for all other expenses for the Center for Health Facilities Regulation and added \$2,858 from all sources to reflect statewide adjustments to health benefit rates. **The Assembly concurred and added \$0.2 million from general revenues to align with spending projected in the third quarter report.***

Lab Administration. The Department requested \$0.9 million more than enacted, including \$0.7 million from general revenues and \$0.2 million from federal funds for expenses associated with the Division of State Health Laboratories. The request also includes \$270,000 more from Department of Justice grants to increase laboratory capacity and reduce sample analysis backlogs.

The increase from general revenues reflects operating costs for the new health laboratory, which is scheduled to be completed in FY 2026. The new laboratory replaces the old Chapin Building at a total cost of \$97.7 million. The Department did not previously budget for laboratory costs as precise estimates could not be made regarding operating costs until recently; however, \$0.9 million from indirect cost recovery restricted receipts had been reserved for laboratory costs in the enacted budget. As of the budget submission, the Department anticipated total operating costs of \$1.6 million for FY 2026, requiring \$0.7 million from general revenues to meet that expense projection. This includes \$1.4 million for contracted

operating costs and \$225,000 for parking fees paid to the Rhode Island Convention Center Authority for use of the Innovation District parking garage.

The Governor recommended \$1.6 million more than requested, including \$0.3 million from general revenues and \$1.3 million from indirect cost recovery restricted receipts to cover operating expenses associated with the new health laboratory. New estimates recently provided by the Department anticipate higher general operating costs and increases to insurance. The Governor also recommended \$7,176 more than requested to reflect statewide adjustments to health benefit rates. The Assembly added \$0.3 million from general revenues to align with spending projected in the third quarter report.

Capital - Health Lab and Medical Examiners Equipment. Consistent with its capital request, the Department requested \$949,442 from Rhode Island Capital Plan funds to replace obsolete medical equipment. The request is \$549,422 more than enacted, reflecting unspent Rhode Island Capital Plan funds from FY 2025. The equipment is used to process DNA samples or upload data into the national database; conduct analysis of metals in drinking water and food, including arsenic, lead, mercury, and copper; and measure levels of certain substances, such as alcohol or drugs. *The Governor recommended \$1,294 more than requested. The Assembly concurred. A detailed description of this project is included in the Capital Budget Section of this publication.*

Medical Equipment Maintenance. The Department requested \$1.5 million from federal funds for the maintenance, storage, and deployment of ventilators and other medical equipment acquired during the COVID-19 emergency. An initial contract period, which ends June 30, 2026, was signed with Agiliti Health, Inc., totaling the amount requested. The Department indicated that the \$1.5 million has already been fully invoiced and paid for through two federal grants, with an option for up to three 12-month extensions through June 30, 2029. The FY 2027 request includes \$500,000 from general revenues to continue its contract with Agiliti Health. *The Governor recommended funding as requested. The Assembly concurred.*

Health Professional Loan Repayment. The Department requested \$0.3 million less from federal funds for its Health Professional Loan Repayment program, which pays a portion of an eligible health care professional's student loan if the participant agrees to work for two years in a health professional shortage area. The request retains the enacted amount of \$200,000 from general revenues and \$213,361 from restricted receipts. This is the result of a delay incurred when a new grant period starts; this lapse in funding had never occurred prior to and was unexpected for the Department when it first submitted the FY 2026 budget request. As a result, loan payments that would typically occur towards the end of FY 2026 will not occur, affecting potential program recipients. As a result, the Department has decreased its expected federal expenses. The revised request also shifts salaries and benefits to other sources, while retaining \$7,702 to pay for parts of three positions within the Department. *The Governor recommended eliminating the enacted \$200,000 from general revenues based on the program delay. His FY 2027 recommendation maintains the \$200,000. The Assembly concurred.*

Indirect Cost Recovery. The Department requested \$75,299 more from indirect cost recovery restricted receipts than enacted. The Department uses these receipts to offset costs associated with administering federally funded programs. A portion of the Department's federal grants allows a percent cost recovery charge on the actual amount expended. Revenues for the indirect cost recovery account are based on the expenditure of certain federal grants and exclude some expenditures, such as assistance and grants. The request assumes the indirect cost recovery rate of 20.1 percent; the same rate since FY 2022. The revised request includes \$9.1 million for salaries and benefits, or \$0.2 million less than enacted, to fund approximately 50.5 positions, or two fewer positions than enacted. It also includes \$75,000 more for legal services, removes unneeded temporary staffing expenses, and budgets \$0.4 million more than enacted for operating expenses related to software maintenance and other expenses. *The Governor recommended \$9,041 more than requested to reflect statewide adjustments to health benefit rates.*

*He subsequently requested an amendment to reduce expenditures for the new health laboratory by \$0.9 million to correct overstated costs. **The Assembly concurred with the amended recommendation.***

Rural Health Transformation Program. In December 2025, the state was awarded \$142.7 million from federal funds for the first year of the federal Rural Health Transformation program. The program is an initiative designed to strengthen health care in rural communities across the United States. It is administered by the Centers for Medicare and Medicaid Services and provides funding to states from 2026 to 2030 to enhance access to care, attract medical professionals, and support facility infrastructure. *Funds were not included in the Governor's original budget recommendation.*

*The Governor subsequently requested an amendment to add \$28.6 million for the Department of Health, including \$2.3 million in FY 2026 and \$26.3 million in FY 2027, including \$0.4 million from anticipated indirect cost recovery restricted receipts. Funding will support rural community and mobile health services, expand access to behavioral health services, and modernize rural health information technology. Of this amount, \$0.6 million supports approximately four positions within the Department's authorization. **The Assembly concurred with the amended recommendation.***

Other Expenses. The Department requested \$1.3 million more than enacted from all sources, primarily federal funds, for all other expenses. This includes \$24,406 less from restricted receipts and \$40,679 less from general revenues. Salary and benefit expenses are \$0.8 million more, reflecting updated staffing costs and allocations, and would fund approximately 232 positions, about six more than the budget assumed. The reduction from general revenues is almost entirely from the Healthcare Quality and Safety Program, based on anticipated FY 2026 expenditures.

Changes from federal funds reflect carryforward from over a hundred distinct grants, including for HIV Prevention and Surveillance, the Hospital Preparedness Program, and Public Health Emergency Preparedness. The request also reflects several new grants awarded after the FY 2026 budget cycle, including the Disrupt HIV Transmission award from Miriam Hospital and the NEDSS/ESSENCE Contract. New awards will be utilized to fund existing personnel shifting from other funding sources, temporary contract staff, and increased operating expenditures for medical supplies. *The Governor recommended \$88,732 more than requested, including \$65,000 more for the Department's legal counsel services related to the CharterCARE bankruptcy. He also recommended \$23,732 more from all sources to reflect statewide adjustments to health benefit rates.*

*He subsequently requested an amendment to add \$150,801 for salaries and benefits, including \$60,320 from federal funds and \$90,481 from restricted receipts, to correct an underbudgeting error for a position within the Division of Healthcare Quality and Safety. **The Assembly concurred with the amended recommendation and reduced general revenue expenses by \$0.4 million from the Office of the State Medical Examiner, the Division of Emergency Preparedness and Infectious Disease, and Central Management, primarily from salaries and benefits, to align with spending projected in the third quarter report.***

Department of Human Services

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 15,580,449	\$ 16,415,145	\$ 16,536,410	\$ 16,536,410
Child Support Enforcement	17,650,775	18,435,198	16,844,571	17,462,117
Individual and Family Support	182,541,541	164,002,454	175,119,838	175,214,838
Office of Veterans Services	48,468,791	51,943,036	54,042,032	53,492,032
Health Care Eligibility	24,480,483	27,173,506	27,997,007	27,997,007
Supplemental Security Income	16,729,155	16,680,780	16,596,000	16,711,080
Rhode Island Works	105,628,611	119,117,276	110,886,197	99,342,660
Other Programs	370,499,905	384,672,713	352,076,213	351,949,853
Office of Healthy Aging	33,533,634	38,948,518	36,460,209	37,745,255
Total	\$ 815,113,344	\$ 837,388,626	\$ 806,558,477	\$ 796,451,252
Expenditures by Category				
Salaries and Benefits	\$ 122,427,225	\$ 133,134,288	\$ 132,156,605	\$ 131,806,605
Contracted Services	47,082,352	28,543,205	38,890,237	36,703,010
Subtotal	\$ 169,509,577	\$ 161,677,493	\$ 171,046,842	\$ 168,509,615
Other State Operations	38,281,282	39,680,914	39,010,208	39,010,208
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	602,040,901	629,606,164	590,538,354	580,981,129
Capital	1,843,489	3,048,015	2,587,033	4,574,260
Capital Debt Service	-	-	-	-
Operating Transfers	3,438,095	3,376,040	3,376,040	3,376,040
Total	\$ 815,113,344	\$ 837,388,626	\$ 806,558,477	\$ 796,451,252
Sources of Funds				
General Revenue	\$ 134,321,602	\$ 136,022,692	\$ 137,181,005	\$ 137,169,725
Federal Aid	667,595,686	689,957,887	655,562,074	645,451,129
Restricted Receipts	8,001,196	6,010,641	7,541,305	7,556,305
Other	5,194,860	5,397,406	6,274,093	6,274,093
Total	\$ 815,113,344	\$ 837,388,626	\$ 806,558,477	\$ 796,451,252
FTE Authorization				
Department of Human Services	779.0	779.0	789.0	789.0
Office of Veterans Services	267.0	267.0	267.0	267.0
Office of Healthy Aging	33.0	33.0	33.0	33.0
Total Authorized Positions	1,079.0	1,079.0	1,089.0	1,089.0
FTE Average				
Department of Human Services	947.6			
Office of Veterans Services	695.6			
Office of Healthy Aging	221.7			
	30.3			

FY 2026 Revised Request. The Department of Human Services, including the Office of Veterans Services and Office of Healthy Aging, requested \$22.0 million less from all sources for FY 2026. This includes \$26.8 million less from federal funds, \$2.7 million more from general revenues, \$1.5 million more from restricted receipts, and \$0.6 million more from other sources.

The Governor recommended \$8.8 million less than requested, including \$1.5 million less from general revenues, \$7.5 million less from federal funds, and \$0.3 million more from all other funds. His recommendation includes 10.0 more full-time equivalent positions for quality control initiatives. He requested amendments to correct errors and recognize federal funds available for some programs. The Assembly provided \$10.1 million less than recommended, primarily from federal funds, including \$11.6 million less to reflect revisions to caseloads consistent with the May estimate. It concurred with the requested amendments and shifted general revenues among programs to account for spending projections from the third quarter report.

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2026 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income									
Family Size	100%	138%	150%	180%	185%	200%	250%	261%	300%
1	\$ 15,960	\$ 22,025	\$ 23,940	\$ 28,728	\$ 29,526	\$ 31,920	\$ 39,900	\$ 41,656	\$ 47,880
2	21,640	29,863	32,460	38,952	40,034	43,280	54,100	56,480	64,920
3	27,320	37,702	40,980	49,176	50,542	54,640	68,300	71,305	81,960
4	33,000	45,540	49,500	59,400	61,050	66,000	82,500	86,130	99,000
5	38,680	53,378	58,020	69,624	71,558	77,360	96,700	100,955	116,040
6	44,360	61,217	66,540	79,848	82,066	88,720	110,900	115,780	133,080
7	50,040	69,055	75,060	90,072	92,574	100,080	125,100	130,604	150,120
8	55,720	76,894	83,580	100,296	103,082	111,440	139,300	145,429	167,160

For families with more than 8 members, add \$5,680 for each additional member for the 100 percent calculation.

Staffing. The Department requested the enacted authorization of 1,079.0 full-time equivalent positions and \$132.8 million in FY 2026. The revised request is \$0.4 million less than enacted, and \$10.3 million more than spent in FY 2025. The enacted budget includes funding for about 1,058 full-time equivalent positions, or 21 fewer than the total authorization.

Full-time equivalent authorization for the Department's core operations is 779.0 positions; the Office of Veterans Services has authorization for 267.0 positions, and the Office of Healthy Aging has authorization for 33.0 positions.

As of mid-November, the Office of Veterans Services had 236.5 filled positions, averaging 230.5 filled positions for FY 2026. The revised request includes funding for about 240 positions, about five more than enacted. The Office experienced increased hiring activity in recent years. The Office of Healthy Aging had 30.0 filled positions and had averaged about 30.2 filled positions so far in FY 2026. The revised request includes funding for about 31 positions, about the same as the enacted budget, and primarily reflects updated medical benefits selections.

Article 1 of 2022-H 7123, Substitute A, as amended, requires the Department to submit a report every 60 days, beginning August 1, 2022, on its progress in recruiting and retaining staff for its core operations, excluding the Office of Healthy Aging and the Office of Veterans Services. Reports comprise information on the agency's hiring activity, vacancies resulting from recent departures, staff on leave, civil service exam administration, call center activity, and current caseload trends related to program eligibility redeterminations. In its most recent update for the reporting period of September 3, 2025, to November 7,

2025, the Department has reported filling 150 positions from January 1 through November 7, with 30 of those within the most recent reporting period, which includes lateral, promotional, and new hires at the agency. There are currently 25 positions in active recruitment, meaning that the position posting has closed and the Department is reviewing candidates.

The Governor recommended \$0.6 million less than requested, including \$0.3 million less from general revenues. This includes \$147,581 more from all sources to reflect statewide adjustments to health benefit rates. His recommendation adds 10.0 new full-time equivalent positions for payment error rate and quality control initiatives related to compliance with H.R. 1 regulations. The recommendation appears to assume that the positions will be filled in the third quarter. The Assembly reduced expenses by \$0.5 million from general revenues to reflect spending projections in the Department's third quarter report. It concurred with the 10.0 additional positions.

Fiscal Year	Average Filled Positions			
	DHS	OVS	OHA	Total
2025	695.6	221.7	30.3	947.6
2024	671.0	221.0	31.0	923.0
2023	647.0	212.0	30.3	889.3
2022	627.2	215.2	28.1	870.4
2021	666.0	228.4	26.9	921.3
2020	681.3	231.5	27.1	939.9
2019	667.5	219.4	27.9	914.9
2018	627.8	217.7	27.9	873.4
2017	590.6	217.1	28.0	835.7
2016	623.8	218.1	27.3	869.3

Centralized Services. The Department requested \$400 more than enacted from federal funds for its share of centralized services, including Veterans Services and Healthy Aging, provided by the Department of Administration, and brings the requested total to \$11.4 million; FY 2025 spending was \$11.4 million.

The Governor recommended \$0.2 million less than requested, including \$0.4 million more from federal funds and \$0.6 million less from general revenues. This reflects adjustments to information technology billings based on updated data and cost allocations. The Assembly concurred.

Centralized Services by Entity					
Entity	FY 2025 Actual	FY 2026 Enacted	FY 2026 Revised	FY 2026 Gov. Rev./Final	Change to Enacted
Department of Human Services	\$ 6,914,382	\$ 7,771,230	\$ 7,771,630	\$ 7,437,307	\$ (333,923)
Office of Healthy Aging	522,893	555,374	555,374	555,072	(302)
Office of Veterans Services	3,930,796	3,096,376	3,096,376	3,214,536	118,160
Total	\$ 11,368,071	\$ 11,422,980	\$ 11,423,380	\$ 11,206,915	\$ (216,065)
<i>General Revenues</i>	<i>\$ 7,526,270</i>	<i>\$ 7,903,514</i>	<i>\$ 7,903,514</i>	<i>\$ 7,269,191</i>	<i>\$ (634,323)</i>

Central Management

Staffing and Operations. The Department requested \$0.4 million more than enacted for all Central Management staffing and operations, including \$0.2 million less from general revenues. The request supports 48.0 full-time equivalent positions and includes \$0.2 million less for all staffing costs, which represents increased turnover savings. Other spending revisions include \$0.2 million more for a contract for recommendations to improve the Supplemental Nutrition Assistance Program payment error rate, \$0.2 million more to build out training rooms for staff, and \$0.1 million less to reflect reductions to awards from

the Emergency Food Assistance Program and the Commodity Credit Corporation. *The Governor recommended \$904 more than requested from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Cash Assistance Programs

The November Caseload Estimating Conference estimate includes \$129.6 million from all sources, including \$28.6 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state-only supplemental security income program payments, and general public assistance bridge program benefits. The caseload estimate is \$8.4 million less than enacted, including \$0.2 million less from general revenues. The Department's request does not reflect the estimate adopted at the November Caseload Estimating Conference.

The following table itemizes cash assistance expenditures in FY 2025, adopted by the caseload estimators, recommended by the Governor, and enacted by the Assembly. Each category is discussed separately. *The Governor recommended funding consistent with the November caseload estimate. The Assembly provided \$118.1 million, including \$28.6 million from general revenues, consistent with the May estimate.*

Cash Assistance	FY 2025 Actual	FY 2026 Enacted	FY 2026 Nov. CEC	FY 2026 Gov. Rev.	FY 2026 May CEC	FY 2026 Final
Rhode Island Works						
Persons	9,362	9,875	9,400	9,400	8,056	8,056
Monthly Cost per Person	\$ 285.04	\$ 298.00	\$ 287.00	\$ 287.00	\$ 286.84	\$ 286.84
Total Costs/Federal Funds	\$ 34.2	\$ 37.6	\$ 34.6	\$ 34.6	\$ 29.8	\$ 29.8
Child Care						
Subsidies	6,464	6,818	7,000	7,000	6,410	6,410
Annual Cost per Subsidy	\$ 10,970	\$ 11,956	\$ 10,900	\$ 10,900	\$ 10,850	\$ 10,850
General Revenue	\$ 10.1	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9	\$ 9.9
Federal Funds	60.8	71.6	66.4	66.4	59.7	59.7
Total Costs	\$ 70.9	\$ 81.5	\$ 76.3	\$ 76.3	\$ 69.5	\$ 69.5
SSI						
Persons	30,835	30,757	30,600	30,600	30,480	30,480
Monthly Cost per Person	\$ 45.04	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.50	\$ 45.50
Total Costs/General Revenues	\$ 16.7	\$ 16.7	\$ 16.6	\$ 16.6	\$ 16.7	\$ 16.7
SSI Transition/Bridge						
Persons	632	780	772	772	707	707
Monthly Cost per Person	\$ 136.03	\$ 169.00	\$ 162.00	\$ 162.00	\$ 162.00	\$ 162.00
Total Costs/General Revenues	\$ 1.6	\$ 2.2	\$ 2.1	\$ 2.1	\$ 2.0	\$ 2.0
General Revenue	\$ 28.4	\$ 28.8	\$ 28.6	\$ 28.6	\$ 28.6	\$ 28.6
Federal Funds	95.0	109.2	101.0	101.0	89.5	89.5
Total Cash Assistance	\$ 123.4	\$ 138.0	\$ 129.6	\$ 129.6	\$ 118.1	\$ 118.1

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures for Rhode Island Works of \$34.6 million, entirely from federal funds. The estimate increased the monthly caseload to 9,400 and decreased the monthly cost per person from \$298.00 to \$287.00. Total estimated expenditures are \$3.0 million less than enacted, reflecting the decreased caseload and adjustments for other supportive services. The revised request is consistent with the enacted budget, as it was submitted before the November Caseload Estimating Conference. *The Governor recommended funding consistent with the November caseload estimate. Consistent with the May estimate, the Assembly reduced*

expenditures by \$4.8 million, reflecting a \$0.16 decrease in the average monthly cost per case and 1,344 fewer people.

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$76.3 million, of which \$9.9 million is from general revenues. This is \$5.2 million less than enacted, including \$10,142 less from general revenues. The estimate assumes 182 more childcare subsidies for an average of 7,000 and decreases the annual cost by \$1,056 to \$10,900. The enacted budget extended the childcare educators pilot program an additional three years, until July 1, 2028, and added \$2.7 million from federal funds.

The Department requested the enacted level of funding, which does not reflect the November adopted estimate, as the request predates the conference. Eligibility for child care assistance is based on either participation in the Rhode Island Works cash assistance program or on income-based eligibility for families working or enrolled in an approved training or college degree program. Initial eligibility is available to families with income of up to 261 percent of the federal poverty level, and families become ineligible for assistance when the family income exceeds 300 percent of the federal poverty level.

Child care rates have been increased in six of the last seven budgets. Most recently, the 2025 Assembly added \$3.0 million to provide an infant rate for center-based child care that is 20 percent higher than the toddler rate, which remained unchanged. The 2022 Assembly increased the tiered reimbursement rates for center-based providers for all age groups by aligning payments for first-tier providers to the 50th percentile of the 2021 market rate survey and top-tier providers with the 80th percentile. Child care centers continue to be reimbursed based on the rating the provider has achieved in the state's quality rating system. Providers with higher rankings will receive additional funding compared to those in the lower tiers. The 2022 Assembly also established tiered reimbursement rates for school age children.

In its testimony at the November Caseload Estimating Conference, the Department stated that in March 2026, it expects to update its policy regarding payments to child care providers to comply with federal regulations. Currently, it pays providers based on a child's actual attendance in a week, with payments being made after the delivery of services every two weeks. Beginning in March, the Department will pay providers before delivery of services for the month of child care. *The Governor recommended funding consistent with the November caseload estimate.* **Consistent with the May caseload estimate, the Assembly reduced expenditures by \$6.8 million from federal funds, reflecting a decrease in the number of subsidies of 590 to 6,410 and a \$50 decrease in the cost per case to \$10,850.**

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes revised direct supplemental security income expenditures of \$16.6 million from general revenues, or \$84,780 more than enacted. The caseload decreases by 157 persons to a monthly level of 30,600, and the monthly cost per person remains at \$45.00. The estimate also includes the enacted amount of \$72,000 for transaction fees. The Department's request includes the enacted funding for the program as it was submitted prior to the November caseload conference. *The Governor recommended funding consistent with the November caseload estimate.* **Consistent with the May estimate, the Assembly provided \$16.7 million, reflecting 120 fewer persons and a \$45.50 monthly cost per person.**

Assisted Living Supplemental Payments. The Department requested \$16,430 from general revenues for additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and live in a state-licensed assisted living facility that is not eligible to receive Medicaid. The request is consistent with the enacted budget, and caseload testimony suggests total expenditures may be \$4,944 in FY 2026 based on an average of two individuals. *The Governor recommended funding as requested.* **The Assembly concurred.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimated revised expenditures for the Supplemental Security Income transition/bridge program to \$2.1 million, entirely from general revenues, which is \$0.1 million less than enacted. The estimate includes \$1.5 million for cash payments and \$625,000 for burials. Monthly, the estimate assumes 772 persons, or eight fewer than the enacted budget, and decreases the payment by \$7.00 to \$162.00. The Department requested funding as enacted, as its request predates the November caseload conference. This program is designed for individuals who maintain an active application for the Supplemental Security Income program. *The Governor recommended funding consistent with the caseload estimate.* **Consistent with the May caseload estimate, the Assembly provided \$2.0 million from general revenues, reflecting 65 fewer persons and a \$162.00 monthly cost per person.**

Other Programs

Supplemental Nutrition Assistance Program. In July 2025, H.R. 1 was signed into law, bringing about changes to the funding structure and eligibility requirements of the Supplemental Nutrition Assistance Program. The legislation updated eligibility guidelines to exclude those with refugee status and instituted a five-year waiting period for lawful permanent residents. New work requirements for able-bodied adults were also included, including removal of exceptions for homeless individuals, veterans, and individuals younger than 25 who aged out of foster care, as well as increasing the age limit for work requirements from 54 to 65. The legislation also restricts instances where utility assistance can be excluded from reported income, resulting in a higher effective income for many participants, reducing their eligibility for assistance. In addition to the eligibility changes, the legislation also reduced the federal share for administrative costs to 25 percent from 50 percent, effective October 2026.

The state may be required to pay for a percentage of benefits beginning in FY 2028. The Department did not provide an estimate on the cost of this requirement, as the timing and exact percentage of the state share will be based on its payment error rate in federal FY 2025, and the error rate will be released in June 2026.

The Department estimates a reduction of \$26.9 million in funding for FY 2026, including \$0.6 million more from general revenues and \$27.5 million less from federal funds. The impact on benefit awards is noted where applicable, and the administrative impact is noted in the Program Eligibility Administration section.

Impact of H.R. 1 on the Supplemental Nutrition Assistance Program						
Federal Compliance Advisory Group Estimate	FY 2026			FY 2027		
	General Revenues	Federal Funds	Total	General Revenues	Federal Funds	Total
Work Requirements	\$ -	\$ (12.6)	\$ (12.6)	\$ -	\$ (0.8)	\$ (0.8)
Utility Assistance Exclusions	-	(13.0)	(13.0)	-	(0.6)	(0.6)
Non-Citizen Eligibility	-	(1.5)	(1.5)	-	(0.4)	(0.4)
Administrative Cost Share	-	-	-	16.4	(16.4)	-
Nutrition Education	-	(1.5)	(1.5)	-	(1.5)	(1.5)
Implementation Costs	0.6	1.1	1.7	0.1	0.2	0.3
Total	\$ 0.6	\$ (27.5)	\$ (26.9)	\$ 16.5	\$ (19.5)	\$ (3.0)

\$ in millions

Benefits. The Department requested \$34.3 million less than enacted from federal funds for direct benefit payments for the Supplemental Nutrition Assistance Program. This primarily reflects the updated eligibility guidelines discussed previously and adjusts for more current expectations for actual expenditures. *The Governor recommended funding as requested.* **The Assembly concurred.**

Summer Benefits. The Department requested \$64,996 more than enacted for the Summer Electronic Benefit Program. This includes \$32,498 each from general revenues and federal funds for unpaid invoices for administrative expenses from FY 2025.

The federally authorized program provides a \$40 monthly benefit per child during the summer months, or three months of benefits, to families of school-age children who are eligible for free or reduced-price school meals during the school year. The payment is annually adjusted for inflation. *The Governor recommended funding as requested. The Assembly concurred.*

Supportive Programs. The Department requested \$0.6 million less than enacted for support to Supplemental Nutrition Assistance Program participants. The employment and training programs include services and supports designed to help recipients gain skills, earn credentials, and establish goals in order to secure work. The revised request primarily reflects the elimination of the Nutrition Education and Obesity Prevention Grant Program. *The Governor recommended \$492 more than requested from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Reappropriation - Healthy Incentives Pilot. The Department requested \$4.0 million from general revenues to execute the Rhode Island Healthy Incentives Pilot program. This includes the \$3,980,630 of reappropriated funds from FY 2025. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits card, with incentive thresholds to be determined by the Department of Human Services. The Assembly appropriated \$8.3 million in the FY 2025 final budget for the agency to implement this program; the Department spent \$4.4 million of those funds. The Department expects the funding to be exhausted in FY 2026. The legislation calls for the pilot to operate until all funds are expended. *The Governor recommended general revenue funding as requested and included \$13,650 less from federal State Fiscal Recovery funds, reflecting remaining availability. The Assembly concurred.*

Program Eligibility Administration. The Department requested \$2.8 million more than enacted from all sources, including \$0.1 million less from general revenues for personnel and operating expenses associated with administering programs that require eligibility determination. This includes Rhode Island Works, the child care assistance program, and the Supplemental Nutrition Assistance Program, as well as expenses associated with RIBridges, also known as the Unified Health Infrastructure Project. Most of this increase is related to newly approved federal legislation. *The Governor recommended \$0.7 million less than requested, including \$0.4 million less from general revenues. The Assembly concurred.*

Staff and Other Expenses	General Revenues Eligibility			All Sources Eligibility		
	UHIP	Admin.	Total	UHIP	Admin.	Total
FY 2026 Enacted	\$ 3.6	\$ 32.7	\$ 36.4	\$ 12.8	\$ 85.3	\$ 98.0
Revised Request	3.0	33.3	36.3	12.7	88.1	100.8
Revised Chg. to Enacted	\$ (0.6)	\$ 0.6	\$ (0.1)	\$ (0.0)	\$ 2.8	\$ 2.8
FY 2027 Request	3.2	42.9	46.1	12.4	91.4	103.9
Request Chg. to Enacted	\$ (0.4)	\$ 10.2	\$ 9.7	\$ (0.3)	\$ 6.2	\$ 5.9

\$ in millions; excludes centralized services

SNAP/All Program Accuracy and Efficiency. The Department requested \$1.0 million, including \$0.5 million from general revenues and \$0.5 million from federal funds, for a new project to improve accuracy and efficiency in administering federal Supplemental Nutrition Assistance Program benefits to comply with reporting and eligibility requirements related to H.R. 1. The Department indicated that, since this initiative involves technology support for field staff to be guided through complex eligibility for accurate payment delivery, its costs will be allocated across all programs, including Temporary Assistance for Needy

Families, the Child Care Development Fund, the Supplemental Nutrition Assistance Program, and Medicaid. *The Governor did not recommend funding for FY 2026, but did include it in his FY 2027 recommendation. The Assembly concurred.*

Staffing. The Department requested \$1.4 million less than enacted, including \$0.8 million less from general revenues, for staffing expenses based on updated projections, including current vacancies. Staff time is typically allocated to specific programs based on the amount of time spent on each, including funding for portions of 284 eligibility staff, and operating costs. Those funded from Unified Health Infrastructure Project expenses receive an enhanced Medicaid match rate for staff. The enhanced Medicaid match rate is 75.0 percent, whereas the regular match rate is only 50.0 percent. The request includes \$0.5 million more from restricted receipts for overtime costs related to additional work needed to update the system for changes to comply with H.R. 1. *The Governor recommended \$1.0 million less than requested, including \$0.5 million less from general revenues. His recommendation adds \$461,267 and 10.0 full-time equivalent positions for payment error rate and quality assurance initiatives, assuming they are filled in the third quarter. This is offset by an additional \$1.5 million in turnover savings. The Assembly concurred.*

Rent for Satellite Offices. The Department requested \$3.4 million from all sources for office space rent, including utilities, which is \$7,610 more than enacted, including \$53,217 less from general revenues. The request reflects slightly higher costs for the lease at the Warwick office, which was extended on a month-to-month basis. Staff at this office are expected to move to a state-owned office within the fiscal year. The Department reported that it usually requests the enacted level of funding or reduces its request when it is certain that rent is decreasing. The request includes \$434,437 for the Reservoir Avenue location on a month-to-month basis, \$485,520 for the Holden Street location, \$528,227 for Vocational Rehabilitation on Fountain Street, and \$412,992 for Child Support Enforcement on Dorrance Street.

The Providence office on Elmwood Avenue closed in 2021, and staff moved to other locations occupied by state staff. This includes the following locations in Providence: Department of Labor and Training on Reservoir Avenue, Office of Rehabilitation Services on Fountain Street, and the Powers Building on Smith Street. The Reservoir Avenue and Fountain Street locations both serve clients. Staff were also moved to other field offices, including Pawtucket, and to the Pastore Campus in Cranston.

The Governor recommended \$77,605 more than requested, including \$39,762 from general revenues, to account for increased parking costs for employees moving from the Powers Building to the Shepard Building. The Assembly concurred.

Other Expenses. Excluding centralized services, the Department requested \$3.2 million more than enacted, including \$0.3 million more from general revenues, for all other expenses for the administration of eligibility programs. The Department requested \$1.2 million more than enacted from federal funds for grant expenditures under the program eligibility administration, primarily for increased Rhode Island Works contracts. It also includes \$0.9 million more for a new federal grant for systems work by Deloitte on the Unified Health Infrastructure Project. About \$0.4 million of the increase relates to system updates for compliance with H.R. 1.

The Governor recommended \$1.2 million more than requested, including \$0.6 million from general revenues. This includes \$0.4 million to begin the implementation of an artificial intelligence training platform for Department staff and \$0.8 million for technology improvements at the call center to improve customer service. The Assembly concurred.

Child Care Quality Improvements. The Department requested \$2.1 million more than enacted from unspent federal child care development block grant funds in FY 2025. The funds are designated for improving the quality of the state's child care assistance program. The revised request reflects anticipated expenses for technical assistance for the education development center that supports the expansion of

preschool programs. Funds have been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College of Rhode Island and regulatory changes. *The Governor recommended funding as requested. He requested an amendment on March 12 to add \$80,000 from federal State Opioid Response Grant funds to launch the Incredible Beginnings program. The Assembly concurred with the amended recommendation.*

Rhode Island Start Early System. The Department requested \$0.8 million for FY 2026 from new federal Preschool Development Grant funds for an information technology project to improve early childhood operational systems and licensing. These systems include early childhood provider licensing, renewals, and workforce registry; the child care consumer website; and other functionalities as needed. The goal is to increase child care program quality, assure efficiencies, and create an easily navigable system for families and child care providers. The Department further reports that its current early childhood operational systems are inadequate and affect the agency's ability to comply with federal regulations. The Department unsuccessfully requested funds from other sources for this project in previous fiscal years; it began work on the project in 2023, utilizing available federal funds. More information about this project can be found in the Capital Budget section of this publication. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Child Care Support. The Assembly authorized a total of \$42.0 million from federal State Fiscal Recovery funds, primarily for payments to child care workers. This began with the use of \$19.0 million from State Fiscal Recovery funds for two \$1,500 retention bonuses for direct care staff at child care centers and licensed family-based care providers in FY 2022. Funds are also authorized to improve child care quality, create a workforce registry, provide education opportunities for direct care staff, and waive any fees for new family-based care providers. The Department requested \$1.0 million for FY 2026 to exhaust unspent funds from FY 2025. *The Governor recommended the remaining balance of \$1.0 million for FY 2026. The Assembly concurred.*

Enacted Child Care Support Initiatives	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Retention Bonus - \$3,000	\$ 12.5	\$ 9.3	\$ 15.1	\$ 2.7	\$ -	\$ 39.6
Family-Based Provider Support	0.2	0.4	(0.1)	-	-	0.5
Workforce Registry & Quality Improvements	-	0.1	1.5	-	-	1.6
TEACH Program	-	0.0	0.4	-	-	0.4
Total Authorized	\$ 12.6	\$ 9.8	\$ 16.8	\$ 2.7	\$ -	\$ 42.0
<i>FY 2026 Revised</i>	<i>\$ 12.6</i>	<i>\$ 9.8</i>	<i>\$ 16.8</i>	<i>\$ 1.7</i>	<i>\$ 1.0</i>	<i>\$ 42.0</i>
Change to Authorized Plan	\$ -	\$ -	\$ -	\$ (1.0)	\$ 1.0	\$ (0.0)

\$ in millions

Early Learning Facilities. The Department requested \$0.2 million to exhaust a federal grant that was awarded for early learning facilities. This is a one-time \$500,000 award to supplement the bond funding for child care capital projects that are handled through the Local Initiatives Support Corporation of Rhode Island. Only \$0.3 million was spent in FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Child Support Services Transition off Mainframe. The Department requested \$0.5 million more than enacted, including \$0.3 million more from federal funds and \$0.2 million from restricted receipts for a vendor to aid in the transition of the Child Support Case Management system to a web-based platform. RIKidsBridge is the Child Support Case Management system of record, which is predominantly a legacy mainframe-based application. The Department anticipates that the other state agencies using the mainframe will transition off of it by 2028, leaving Child Support Services as the sole agency using the system. The Department notes that system enhancements are needed to accommodate compliance with future federal regulations.

The FY 2025 final budget allocated \$600,000 for this project. In its FY 2025 third quarter report, the Department reported that the contract was under federal review and no spending would take place in that fiscal year. The Department's capital budget submission is consistent with this request. *The Governor recommended funding as requested.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Child Support Enforcement Lien Network. The Department requested \$0.2 million more than enacted from restricted receipts to support the Lien Network operated by the Child Support Enforcement program to reflect increased membership in the network. The enacted budget includes \$3.7 million for the network, which is a consortium of states to collect overdue child support for which Rhode Island holds the contract. The program has existed for more than a decade, with funds previously deposited into an escrow account converted to restricted receipts, which now appear in the budget. These receipts are fees collected for and paid to the vendor. *The Governor recommended funding as requested.* **The Assembly concurred.**

Child Support Enforcement Staffing and Other Operations. The Department requested \$2.4 million less for all other child support enforcement expenses, including \$0.1 million more from general revenues and \$2.5 million less from federal funds. The request includes \$0.2 million more than enacted to support the Department's 62.0 full-time equivalent positions, which reflects decreased turnover savings equivalent to about 1.5 positions.

A portion of child support collections is recognized as federal funds, and Office staff indicated that, since the funds are being used in the same fiscal year as they are collected, they are now being recorded as expenditure credits. Expected receipts total \$2.6 million in FY 2026 and effectively show up as a decrease to the enacted budget.

The Governor recommended \$9,417 more than requested from all sources to reflect statewide adjustments to health benefit rates. He subsequently requested an amendment to attribute \$0.6 million from federal funds to FY 2025, reflecting lower federal credits for FY 2026. This results in a \$0.6 million increase in federal funding in the current year. **The Assembly concurred with the amended recommendation.**

LIHEAP, Water and Weatherization Assistance Programs. The Department requested \$3.4 million more than enacted from federal sources for benefits and operating expenses related to the low-income home energy assistance, water, and weatherization assistance programs, based on projected expenditures. The request reflects some carryforward funds from FY 2025. Total funding includes \$34.9 million for energy assistance and \$1.5 million for weatherization training. *The Governor recommended \$1,569 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Vocational Rehabilitation Services. The Department requested \$1.8 million more than enacted, including \$0.3 million more from general revenues and \$1.6 million more from federal funds, for staffing and operations for vocational rehabilitation services. The request includes \$0.6 million more for salaries and benefits for the 135.0 authorized positions, reducing turnover savings equivalent to about five positions to reflect increased hiring activity. The Office provides resources and services to residents with disabilities through three program areas: vocational rehabilitation, supported employment services, and disability determination services. The request programs \$1.3 million more than enacted for client services to more closely align with FY 2025 spending. *The Governor recommended \$129,524 more than requested, including \$14,471 more from general revenues. This primarily reflects statewide adjustments to health benefit rates and a correction to understated staffing costs.* **The Assembly concurred.**

Medicaid Rehabilitation Services. The Department requested \$1.3 million from all sources, or \$0.7 million less than enacted, for rehabilitation services, to account for FY 2025 experience. This includes \$0.3 million less from general revenues and \$0.4 million less from federal funds. The Office of Rehabilitation Services manages three programs that provide services eligible for federal matching funds under provisions

of the Medicaid waiver. The services include social services for the blind, personal care attendants, and home modifications; these services are aimed at helping an individual maintain independence. *The Governor recommended funding as requested.* **The Assembly concurred.**

Office of Rehabilitation Services Other Operations. The Department requested \$87,787 less than enacted, including \$79,144 less from general revenues, \$6,357 more from federal funds, and \$15,000 less from restricted receipts, for all other operations at the Office of Rehabilitation Services. The revised request reduces salary and benefit expenditures by \$73,787, equivalent to about half a position. The revised request also removes the funding appropriated to transfer the Organ Transplant Fund to the Office of Rehabilitation Services from the Executive Office of Health and Human Services; the Department indicated that this was an oversight. *The Governor recommended \$1,893 more than requested, primarily from general revenues, to reflect statewide adjustments to health benefit rates. He did not correct the error related to the Organ Transplant Fund transfer, but requested an amendment on March 12 to correct it.* **The Assembly concurred with the amended recommendation.**

Domestic Violence Prevention Activities. The Department requested \$1.3 million from federal funds, or \$18,942 more than enacted, for domestic violence prevention activities, specifically family violence prevention and services. This reflects carryforward funds from a federal family violence prevention award, partially offset by reduced federal Family Violence Prevention and Services Act program funds, which are funded through the American Rescue Plan Act. This program makes immediate crisis intervention and safety planning services available to victims of domestic violence nationwide. The Department contracts with the Sojourner House and the RI Coalition Against Domestic Violence to distribute funding to domestic violence shelters in the state. *The Governor recommended funding as requested.* **The Assembly concurred.**

Day One. The Department requested \$74,243 less than enacted from federal funds to assist Day One with the transition to remote service provisions. The request reflects the remaining available federal American Rescue Plan Act funds. In FY 2025, the Department spent \$0.5 million, or \$40,508 more than enacted. *The Governor recommended funding as requested.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$0.6 million more from federal funds for total funding of \$5.0 million for expenses related to the community services block grant, one-time grant spending for FY 2026. This includes unspent funds from FY 2025 and 75 percent of funding that is allocated for federal fiscal year 2026. Nearly all funding is used to support local community agencies and programs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Refugee Assistance. The Department requested \$3.5 million less than enacted from federal funds for refugee assistance programs, primarily reflecting reduced participation and updated federal guidelines shortening the eligibility period. *The Governor recommended \$249 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Preschool Development Grant. The Department requested \$2.7 million more than enacted from federal preschool development funds, reflecting a new federal grant that was received in June 2025. The funds are being used to expand on the Step Up to WAGE\$ supplement program, intended to retain staff and incentivize providers to improve their education credentials and quality rating. The initial pilot concluded in June 2025, and the Department launched the expanded WAGE\$ program in October 2025.

Previous funds from this source have been used to conduct a wage compensation study for early child care educators, develop a strategic plan focused on infant and toddler care capacity and quality, expand high-quality prekindergarten access, create a parent engagement group, and evaluate the state's quality rating improvement system. *The Governor recommended \$61 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Office of Veterans Services

Veterans' Home. The Office requested \$35,478 more than enacted from all sources, including \$123,754 more from general revenues, for expenses at the Veterans' Home. The request shifts some costs from restricted receipts to federal funds to reflect increased federal support. The request increases personnel expenses by \$0.8 million and decreases expenses for contracted services by \$0.4 million, which the Office attributes to increased hiring activity to reduce its reliance on contract staffing. The census for the Home as of December 2025 is 144 residents; the enacted budget assumed about 140 residents.

The Governor recommended \$0.1 million more than requested from all sources, including \$67,735 to reflect statewide adjustments to health benefit rates and the restoration of turnover savings. His recommendation assumes an additional \$0.5 million from federal funds to offset general revenue expenses based on an updated patient mix for the federal per diem reimbursement. The Assembly reduced expenses by \$0.5 million from general revenues to reflect spending projections in the Department's third quarter report.

Reappropriation - Digitalization Project. The FY 2025 budget allocated \$250,000 for a new digitalization project to scan, digitize, and store physical documents of military service records and discharge paperwork in a searchable database. The project has faced delays, and the 2024 Assembly included reappropriation language to ensure access to the funding until it is spent. No funds were spent in FY 2025, and the Office requested the full reappropriated amount of \$250,000 from general revenues for use in FY 2026. The Office contracted a vendor in June 2025 and indicated that in FY 2026 the full amount will be spent. *The Governor recommended funding as requested. The Assembly reduced expenses by \$0.1 million from general revenues to reflect spending projections in the Department's third quarter report.*

Capital Projects. Consistent with the capital budget submission, the Office requested \$1.4 million more than the enacted amount across all programs for asset protection projects at the Veterans' Home in Bristol and the Veterans' Memorial Cemetery in Exeter. *The Governor recommended \$0.3 million more than requested from Rhode Island Capital Plan funds. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Staffing and Operations. The Office requested \$123,754 less than enacted from general revenues for the remaining expenses of the Office of Veterans' Affairs and at the Veterans' Cemetery.

The request includes \$52,452 more than enacted to support the 5.0 full-time equivalent positions at the Office. The revised request fully funds all positions, and the increase primarily reflects updated medical benefits selections. The request also includes \$76,206 less than enacted from general revenues to support the 15.0 full-time equivalent positions at the Veterans' Memorial Cemetery. The decrease primarily reflects updated medical benefits selections but may inadvertently understate the total. The request also includes \$0.1 million less for supplies to adjust for expected costs. *The Governor recommended \$39,686 more than requested to reflect statewide adjustments to health benefit rates and the restoration of turnover savings. The Assembly concurred.*

Office of Healthy Aging

Staffing. The Office requested \$16,172 more than enacted for salaries and benefits for its 33.0 authorized positions. This includes \$0.1 million more from general revenues, \$0.1 million less from federal funds, and \$0.1 million more from restricted receipts. The revised request shifts costs to general revenues and restricted receipts from federal funds primarily to reflect available funding from federal Title III grants. The Office has averaged 30.2 positions as of mid-November 2025. The enacted budget funds 32 of the positions; this is maintained in the revised request.

*The Governor recommended \$51,834 more than requested, including \$21,114 more from general revenues. This includes \$4,294 for statewide adjustments to health benefit rates and the remainder corrects understated personnel costs. **The Assembly concurred.***

Reappropriation - Delayed Invoices from Vendors. The Department requested the \$10,000 from general revenues reappropriated from FY 2025 for delayed invoices related to the Volunteer Guardianship Program portion of the WellSky online self-assessment.

The Volunteer Guardianship Program provides unpaid, volunteer court-appointed healthcare decision-makers for low-income adults and adults without families when the adult cannot make their own decisions. The Office is responsible for the costs associated with the transition to WellSky, its case management system. The reappropriation is for invoices for software licenses not paid during FY 2025; however, office staff stated that the invoice was paid, and that it will not be utilizing the reappropriation in FY 2026. *The Governor recommended funding as requested. **The Assembly concurred.***

Home and Community Care Services. The Office requested \$3.4 million less for home care and adult day care services, including \$1.5 million less from general revenues. The request reduces funding to more closely reflect FY 2025 utilization, which included \$3.0 million from general revenues and \$4.0 million from federal funds. The Office previously reported that utilization for Medicaid home and community care services declined during the pandemic and has not returned to prior levels. *The Governor recommended funding as requested. **The Assembly added \$1.1 million, including \$0.4 million from general revenues, to reflect updated spending projections in the Department's third quarter report.***

Paratransit Services for the Elderly. The Office requested the enacted amount of \$8.6 million for paratransit services. This includes \$4.0 million from general revenues, \$0.3 million from federal funds, and \$4.3 million from intermodal surface transportation funds. The Executive Office of Health and Human Services holds the transportation contract with Medical Transportation Management and allocates expenses for eligible participants without Medicaid to the Office. The current contract expires at the end of FY 2026; the Office indicated that a new contract would be negotiated in winter 2026. *The Governor recommended funding as requested, but shifted \$19,460 from general revenues to restricted receipts to account for updated gas tax estimates. **The Assembly added \$0.2 million, primarily from general revenues, to reflect updated spending projections in the Department's third quarter report.***

Elderly Nutrition Programs. The Office requested \$0.4 million more than enacted from federal funds for elderly nutrition programs, including home-delivered and congregate meals. This represents an updated award for federal Title III funding and funding from the Commodity Supplemental Food Program rolled forward to FY 2026. The revised request brings total funding to \$4.9 million, including the enacted level of \$0.7 million from general revenues. *The Governor recommended funding as requested. **The Assembly concurred.***

Supportive Services. The Office requested \$11,288 less than enacted from federal funds for supportive services for older and disabled individuals. This reflects \$44,508 less from available Title III funds and \$16,830 more from American Rescue Plan Act funds to align with projected award spending, as the funding was extended through September 30, 2025. Funds can be used for activities outlined in Title III-B of the Older Americans Act, such as health education, counseling, housing services, transportation, elder abuse prevention and response activities, and in-home services, among others. Total requested funding for supportive services is \$2.0 million for FY 2026. *The Governor recommended funding as requested. **The Assembly concurred.***

Elder Abuse Prevention. The Office requested \$0.2 million more than enacted from federal American Rescue Plan Act funds for elderly abuse prevention activities available from unspent funds from FY 2025. *The Governor recommended funding as requested. **The Assembly concurred.***

Vehicle Replacement. Consistent with its capital budget request, the Office requested \$0.1 million from indirect cost recovery restricted receipts to complete the purchase of two new vehicles for the Adult Protective Services unit. The vehicles were ordered in FY 2025 but will not be delivered until FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Office requested \$0.2 million more than enacted, including \$43,016 from general revenues, for all other operations. This primarily includes \$253,832 more than enacted for grant payments, including \$137,000 more from a new federal No Wrong Door grant received in June 2025 and \$100,000 more for benefits counseling through the Aging and Disability Resource Center. The request also reduces federal Title III funds by \$0.1 million, reflecting costs for WellSky being allocated to the Executive Office of Health and Human Services and further adjustments to available funds. *The Governor recommended funding as requested. The Assembly concurred.*

Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals

	FY 2025	FY 2026	FY 2026	FY 2026
	Reported	Enacted	Revised	Final
Expenditures by Program				
Services for the Dev. Disabled	\$ 495,970,352	\$ 507,086,713	\$ 516,009,467	\$ 516,310,718
Hospital & Comm. Rehab. Services	114,699,299	120,173,795	120,297,191	120,175,949
Rhode Island Psychiatric Hospital	35,291,337	33,687,552	34,071,417	34,131,442
Behavioral Healthcare Services	36,501,945	44,501,085	60,769,462	61,601,658
Central Management	8,576,459	11,249,454	13,713,042	13,713,042
Hosp. & Comm. System Support	6,152	-	-	-
Total	\$ 691,045,544	\$ 716,698,599	\$ 744,860,579	\$ 745,932,809
Expenditures by Category				
Salaries and Benefits	\$ 53,776,803	\$ 55,714,989	\$ 160,723,809	\$ 160,921,003
Contracted Services	11,394,990	12,595,358	14,792,664	14,892,664
Subtotal	\$ 65,171,793	\$ 68,310,347	\$ 175,516,473	\$ 175,813,667
Other State Operations	20,423,496	16,778,161	36,510,537	41,890,538
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	605,938,624	630,673,926	526,201,158	521,790,709
Capital	(488,369)	936,165	2,402,289	2,402,289
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	4,230,122	4,035,606
Total	\$ 691,045,544	\$ 716,698,599	\$ 744,860,579	\$ 745,932,809
Sources of Funds				
General Revenue	\$ 322,751,665	\$ 318,778,838	\$ 327,072,619	\$ 337,311,293
Federal Aid	355,872,526	385,365,078	391,752,899	382,206,906
Restricted Receipts	12,118,846	12,054,683	25,027,132	25,406,681
Other	302,507	500,000	1,007,929	1,007,929
Total	\$ 691,045,544	\$ 716,698,599	\$ 744,860,579	\$ 745,932,809
FTE Authorization	1,221.4	1,223.4	1,223.4	1,225.4
FTE Average	992.6			

FY 2026 Revised Request. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals requested \$19.7 million more than enacted, including \$2.6 million more from general revenues, \$4.3 million more from federal funds, and \$12.7 million more from restricted receipts. The revised request increases the staffing authorization by 1.0 full-time equivalent position, in error. Within the current staffing authorization, the revised request assumes that 13.0 full-time equivalent positions at Eleanor Slater Hospital will be repurposed for direct medical staff at the state psychiatric hospital in the final months of FY 2026.

The Governor recommended \$28.2 million more than enacted, including \$8.3 million more from general revenues, \$6.4 million more from federal funds, \$13.0 million more from restricted receipts, and \$0.5 million more from Rhode Island Capital Plan funds. He requested several amendments to reflect new

grants, including funding and two new positions for the Rural Health Transformation Program, and blizzard expenses.

The Department projected overspending at Eleanor Slater Hospital in its first quarter report and was required to submit a corrective action plan and was placed under enhanced financial controls. The oversight continued through the fiscal year. The third quarter report noted continued billing issues and a projected general revenue deficit of \$11.0 million.

The Assembly provided \$745.9 million, including \$337.3 million from general revenues, and 1,225.4 positions. This is \$1.1 million more than recommended, including \$10.2 million more from general revenues, \$9.5 million less from federal funds, and \$0.4 million more from restricted receipts. The Assembly made adjustments based on the May caseload conference estimate, concurred with the amendments, and adjusted fund sources for expenses at Eleanor Slater Hospital based on the Department's third quarter projections.

Cost Allocation Plan/Cost Reporting. The Department uses AlloCap, a cost allocation plan developed by Public Consulting Group, to spread staffing expenses across divisions and their fund sources. This is mostly applicable to administrative staff responsibilities spread departmentwide. The enacted budget includes \$385,750 from general revenues to pay for the cost allocation plan. The revised request increases the payment by \$59,359 to \$385,760 to expand the contract to include working on the Medicare cost report for Eleanor Slater Hospital. *The Governor recommended funding as requested. The Assembly concurred.*

Capital Projects. The Department requested the enacted amount of \$0.5 million from Rhode Island Capital Plan funds for hospital equipment and residential development in the Division of Developmental Disabilities. This is consistent with the FY 2027 through FY 2031 capital request. *The Governor recommended \$0.5 million more than requested to reflect unspent funds from FY 2025. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Security Services. The Department requested \$0.1 million more than enacted, including \$0.4 million less from general revenues, for total funding of \$5.6 million for security services based on updated projections. This is \$1.2 million less than FY 2025 expenses. The primary changes are \$0.6 million more for Eleanor Slater Hospital and \$0.1 million less for central management. The enacted budget assumed \$0.3 million in savings from prior spending at the psychiatric hospital, and the revised request lowers expenses by another \$0.3 million, reflecting a reduction in the need for coverage because of lower patient acuity.

The Department has not provided an explanation for the increase at Eleanor Slater Hospital or the decrease in the central management program. *The Governor recommended funding as requested. The Assembly concurred.*

Security Services						
Division	FY 2025 Actual	FY 2026 Enacted	FY 2026 Revised/Gov.	FY 2026 Final	Change to FY 2025	Change to Enacted
State Psychiatric Facility	\$ 2,867,182	\$ 2,744,000	\$ 2,400,000	\$ 2,400,000	\$ (467,182)	\$ (344,000)
Eleanor Slater Hospital	3,742,797	2,379,398	2,948,831	2,948,831	(793,966)	569,433
Developmental Disabilities	143,563	55,673	55,673	55,673	(87,890)	-
Central Management	75,028	302,167	188,263	188,263	113,235	(113,904)
Behavioral Healthcare Services	2,937	5,888	5,888	5,888	2,951	-
Total - All Funds	\$ 6,831,507	\$ 5,487,126	\$ 5,598,655	\$ 5,598,655	\$ (1,232,852)	\$ 111,529
<i>General Revenues</i>	<i>\$ 4,117,401</i>	<i>\$ 4,023,433</i>	<i>\$ 3,583,869</i>	<i>\$ 3,583,870</i>	<i>\$ (533,532)</i>	<i>\$ (439,564)</i>

Centralized Services. The Department's revised request reduces funding for centralized services provided by the Department of Administration by \$0.3 million, primarily from general revenues for total expenses

of \$23.7 million. This is \$6.8 million more than FY 2025 preliminary expenses, including \$9.5 million more from general revenues. The Department had not been able to provide information on the increase in billings above the amount paid for FY 2025. Details by division are shown in the following table.

Centralized Services by Division					
Division	FY 2025 Actual	FY 2026 Enacted	FY 2026 Revised	FY 2026 Gov/ Final	Gov. to Revised
Eleanor Slater Hospital	\$ 9,766,897	\$ 16,844,897	\$ 16,657,442	\$ 16,773,731	\$ 116,289
State Psychiatric Facility	1,389,033	1,768,538	1,701,963	1,736,087	34,124
Developmental Disabilities	4,924,668	2,534,439	2,542,439	2,520,989	(21,450)
Central Management	122,401	1,995,859	1,994,859	2,316,430	321,571
Behavioral Healthcare Services	674,410	840,600	819,282	845,519	26,237
Total - All Funds	\$ 16,877,409	\$ 23,984,333	\$ 23,715,985	\$ 24,192,756	\$ 476,771
<i>General Revenues</i>	<i>\$ 13,764,879</i>	<i>\$ 23,295,162</i>	<i>\$ 23,024,360</i>	<i>\$ 23,552,263</i>	<i>\$ 527,903</i>

The following table shows expenses by type of centralized service and the enacted budget includes \$13.8 million for facilities management, about half the request. The Department's billings for all charges through the first quarter total \$5.2 million, including \$2.3 million from general revenues and \$2.8 million from federal funds. Annualized, the total would be \$20.7 million from all sources, including \$9.4 million from general revenues. This assumes about 45 percent of expenses will be paid from general revenues.

There is a disconnect between the general revenues requested and the federal Medicaid funds available to pay for services billed to Eleanor Slater Hospital and the state-run RICLAS system for adults with developmental disabilities for centralized services, as reported in the quarterly billings. There were significant changes made to how expenses are billed to Medicaid for the two 24-hour facilities, so any federal funds available to pay for the centralized services will be included in the year-end cost reports and not necessarily apparent during the budget process.

The Governor recommended \$0.5 million more than requested to reflect adjustments to information technology billings based on updated data. The Assembly concurred.

Centralized Services by Service					
Service	FY 2025 Actual	FY 2026 Enacted	FY 2026 Revised	FY 2026 Gov./Final	Gov./Final to Revised
Facilities Management	\$ 10,178,803	\$ 13,794,849	\$ 14,121,197	\$ 14,121,197	\$ -
Information Technology	4,475,043	5,488,251	5,147,986	5,624,757	476,771
Human Resources	1,872,784	1,961,983	1,961,983	1,961,983	-
Fuel/Utilities	350,779	2,739,250	2,484,819	2,484,819	-
Total - All Funds	\$ 16,877,409	\$ 23,984,333	\$ 23,715,985	\$ 24,192,756	\$ 476,771
<i>General Revenues</i>	<i>\$ 13,764,879</i>	<i>\$ 23,295,162</i>	<i>\$ 23,024,360</i>	<i>\$ 23,552,263</i>	<i>\$ 527,903</i>

Division of Developmental Disabilities

Developmental Disabilities Programs. The state provides residential, day programming, family support, and medical services to adults with developmental disabilities. As of October 2025, 4,878 individuals received services through the state-run system or community-based providers. This includes 4,312 individuals receiving direct residential, employment, and community-based programs, as well as other support, including respite.

The Department's revised request includes \$508.9 million, of which \$218.8 million is from general revenues, for programs to support adults with developmental disabilities. This is \$1.8 million more than enacted from all sources, including \$0.1 million less from general revenues, \$1.0 million more from federal

funds, and \$0.7 million less from restricted receipts. The request includes \$472.3 million for the community-based system and \$36.6 million for the state-run one. The request is consistent with the enacted budget for programs subject to the caseload estimating conference.

The Governor recommended \$516.0 million, which is \$8.9 million more than enacted, including \$5.1 million from general revenues, and included the changes made at the November Caseload Estimating Conference. He also requested an amendment to add \$13,157 from general revenues in the state-run system for blizzard-related expenses. The Assembly concurred with the amendment and further adjusted expenses consistent with the May caseload conference estimate, which increased expenses by \$0.3 million, including \$0.2 million from general revenues, compared to the November estimate.

Privately Operated Community Programs. The Caseload Estimating Conference met on November 4, 2025, and based on current law, revised the FY 2026 expenditures for private community developmentally disabled services to \$459.4 million, including \$199.5 million from general revenues, which is \$6.9 million more than enacted from all sources and \$4.8 million more from general revenues. The Department's revised request was submitted prior to the caseload estimate and, therefore, does not reflect the adopted estimate.

The following table itemizes private community-based expenditures, including the FY 2025 preliminary closing, adopted by the caseload conference, recommended by the Governor, and enacted by the Assembly. Each category is discussed separately. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$459.7 million, including \$199.7 million from general revenues, consistent with the May caseload conference estimate. This is \$0.3 million more than the November estimate and the Governor's revised recommendation.*

Private Community Developmentally Disabled Services	FY 2025 Reported	FY 2026 Enacted	FY 2026 Nov. CEC	FY 2026 Gov. Rec.	FY 2026 May CEC	FY 2026 Final
Residential Rehabilitation (Non-L-9)	\$ 201.8	\$ 210.2	\$ 211.0	\$ 211.0	\$ 207.5	\$ 207.5
Residential Rehabilitation (L-9)	20.0	18.6	20.0	20.0	20.5	20.5
<i>Subtotal - Residential</i>	<i>\$ 221.8</i>	<i>\$ 228.8</i>	<i>\$ 231.0</i>	<i>\$ 231.0</i>	<i>\$ 228.0</i>	<i>\$ 228.0</i>
Community-Based Supports	169.3	166.8	180.0	180.0	181.2	181.2
Day Program	6.1	8.4	6.3	6.3	6.2	6.2
Professional & Other Supports	15.0	19.0	12.9	12.9	14.8	14.8
Employment	7.1	7.5	7.1	7.1	7.1	7.1
Transformation Phase III	0.3	2.5	1.2	1.2	1.5	1.5
Transportation	17.4	18.3	17.9	17.9	17.8	17.8
Non-Medicaid Funded	2.8	1.2	3.0	3.0	3.1	3.1
Total	\$ 439.7	\$ 452.5	\$ 459.4	\$ 459.4	\$ 459.7	\$ 459.7
Federal Funds	244.5	257.8	259.8	259.8	259.9	259.9
General Revenues	195.3	194.7	199.5	199.5	199.7	199.7

\$ in millions

Residential Rehabilitation. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$231.0 million, including \$98.9 million from general revenues for the residential rehabilitation program, including supplemental payments for this service granted through the process known as L-9. The estimate is \$2.2 million more than enacted, including \$0.9 million from general revenues, assuming a higher usage of services through the annual authorizations, for funding of \$211.0 million, including \$90.3 million from general revenues. Services are provided in various community-based settings, including 24-hour group homes, individual living situations such as an apartment or home, shared living arrangements, or with a relative. The estimate also includes \$20.0 million, or \$1.4 million more than enacted, for the supplemental payments.

The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$228.0 million, including \$97.6 million from general revenues, consistent with the May caseload conference estimate, which is \$3.0 million less than the November estimate to reflect current utilization of services.

Community-Based Supports. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$180.0 million, of which \$77.0 million is general revenues, for community-based support services. This is \$13.2 million more than enacted, including \$5.6 million more from general revenues, to reflect greater participation than assumed in the prior estimate. The supports include peer-to-peer support, assistance with daily activities, and training. The Department's revised request was submitted in October and does not reflect the adopted estimate.

The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$181.2 million, including \$77.8 million from general revenues, consistent with the May caseload conference estimate. This is \$1.2 million more than the November estimate and reflects an increase in utilization.

Day Program. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$6.3 million, of which \$2.7 million is general revenues, for day program services. This is \$2.1 million less than enacted, including \$0.9 million less from general revenues, to reflect lower participation than assumed in the prior estimate. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$6.2 million, including \$2.7 million from general revenues, consistent with the May caseload conference estimate. This is \$0.1 million less than the November estimate and reflects current utilization of services.*

Professional and Other Supports. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$12.9 million, including \$5.5 million from general revenues for professional and other supports. The estimate is \$6.1 million less than enacted, including \$2.6 million less from general revenues based on updated utilization. An individual can receive these assorted services, including, but not limited to, medical, psychiatric, and attendant care; home modifications; assistive technology; and support facilitation. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$14.8 million, including \$6.3 million from general revenues, consistent with the May caseload conference estimate. This is \$1.9 million more than the November estimate and reflects an increase in utilization.*

Employment. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$7.1 million, of which \$3.0 million is from general revenues for employment services based on increased utilization. The estimate is \$0.4 million less than enacted, including \$0.2 million less from general revenues for job assessment and development, job coaching, job retention, and pre-vocational training for adults with developmental disabilities. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$7.1 million, including \$3.0 million from general revenues, consistent with the May caseload conference estimate and the November estimate.*

Transformation Phase III. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$1.2 million, of which \$0.6 million is from general revenues for the pool of funding allocated to providers based on submitted proposals to enhance employment outcomes for the caseload population. The estimate is \$1.3 million less than enacted, including \$0.6 million less from general revenues for job assessment and development, job coaching, job retention, and pre-vocational training. *The Governor recommended funding consistent with the caseload estimate. The Assembly provided \$1.5 million, including \$0.8 million from general revenues, consistent with the May caseload conference estimate. This is \$0.3 million more than the November estimate.*

Transportation. The November Caseload Estimating Conference estimate includes FY 2026 expenditures of \$15.9 million, of which \$6.8 million is from general revenues for transportation expenses. The estimate is \$0.1 million more than the enacted amount based on updated utilization. Individuals are provided transportation from or in the immediate vicinity of their residence to participate in employment/day activities.

In addition to the estimate for transportation day activity, the Conference includes \$2.0 million for transportation services provided by the Rhode Island Public Transit Authority (RIPTA). The estimate is \$0.4 million more than the enacted budget, with expenses fully funded from general revenues, as the Department is still working with the Executive Office of Health and Human Services to finalize an agreement to claim a Medicaid match for these services. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$17.8 million, including \$8.7 million from general revenues, consistent with the May caseload conference estimate. This is \$0.1 million less than the November estimate reflecting lower utilization.**

Non-Medicaid Funded. The November Caseload Estimating Conference estimate includes FY 2026 general revenue expenditures of \$3.0 million for individuals in non-Medicaid-funded placements in facilities, both in- and out-of-state; this is \$1.8 million more than enacted to reflect updated placements.

The estimate also includes \$12,618, consistent with the enacted budget, for the monthly payments to family caregivers of individuals who formerly resided at the Ladd Center. The Department's revised request was submitted in October and does not reflect the adopted estimate. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly provided \$3.1 million, consistent with the May estimate and \$0.1 million more than estimated in November. This includes \$12,618 for payments to families and \$3.1 million for placements in which the provider is not enrolled in the Medicaid program.**

Transformation and Technology Fund. The Department's revised request includes \$1.3 million, of which \$0.9 million is from general revenues, for technology purchases and related technical assistance to individuals with developmental disabilities as required by the October 2021 Action Plan related to the federal consent decree. This is consistent with the enacted budget. *The Governor recommended funding consistent with the caseload estimate.* **The Assembly concurred.**

Conflict-Free Case Management Services. The Department's revised request includes \$0.2 million less than enacted, primarily from federal funds for conflict-free case management services totaling \$1.4 million from all sources. The decrease is for updated expenses for the Department's share of the statewide contract with WellSky to implement conflict-free case management services. The contract covers accepting applications, eligibility determinations, evaluations, and conflict-free case management with billings based on the number of enrollees. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Staffing and Operations. The Department requested \$1.0 million more from all sources, including \$0.2 million from general revenues, for salaries and benefits and other expenses. This includes \$0.8 million more for the Division's 79.0 full-time equivalent positions, which is \$2.1 million more than FY 2025 expenses, primarily from federal funds, and appears to reflect the updated cost allocation plan. However, information provided with the budget submission shows expenses totaling \$10.7 million to fund about 73 positions; the reason for the discrepancy is unclear. Fully funding the positions would total \$11.6 million, or \$1.0 million less than the revised request.

The revised request also includes \$0.2 million more for all other operations, of which \$0.1 million is for contracted services that have not yet been identified and another \$0.1 million for the Division's portion of the cost allocation plan expenses. *The Governor recommended \$17,306 more than requested, including*

\$5,908 more from general revenues, to reflect statewide adjustments to health benefit rates and information technology billings based on updated data. The Assembly concurred.

Rhode Island Community Living and Supports Program (RICLAS). There are 21 state-run group homes and apartments that provide overnight care and can provide residential services to 115 clients. As of October 2025, there were 91 residents in these facilities. The Department requests \$1.0 million more than enacted, of which \$0.7 million is from restricted receipts to purchase replacement vehicles. These are newly purchased vehicles and not part of the current capital plan. The Department reported that it would like to replace 37 vehicles in its FY 2026 capital request at a cost of \$1.6 million, which was not recommended.

The remaining \$0.3 million, including \$0.1 million less from general revenues, adds \$0.2 million to adjust salary and benefit expenses, and \$0.1 million for contracted services and operating expenses. As noted in the table below, the revised request assumes a lower census and a higher annual cost per person, at \$383,302, to reflect projected program expenses, which excludes vehicle purchases.

The Governor recommended \$0.1 million more than requested, including \$0.2 million more from general revenues, to reflect statewide adjustments to health benefit rates and information technology billings based on updated data. His recommendation includes the requested vehicles. He subsequently requested an amendment to add \$13,157 from general revenues for overtime expenses incurred during the February blizzard. The Assembly concurred with the amended recommendation.

RICLAS	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Governor	FY 2026 Final	Final to FY 2025
Expenses	\$ 33,339,432	\$ 35,381,423	\$ 35,647,089	\$ 35,710,264	\$ 35,723,421	\$ 2,383,989
Average # of Persons	95	101	93	93	93	(2)
Annual Cost Per Person	\$ 350,941	\$ 350,311	\$ 383,302	\$ 383,981	\$ 384,123	\$ 33,181

Division of Behavioral Healthcare Services

The state provides behavioral health services, including Medicaid-funded mental health and substance abuse services to individuals through the Executive Office of Health and Human Services, and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals provides additional services through federal resources, primarily the Substance Abuse, Mental Health, and Social Services block grants.

Substance Use and Mental Health Treatment Services Grants. The Department requested \$0.3 million more than enacted from federal mental health and substance abuse block grant funds and enhanced federal resources through recent legislation for a total of \$11.1 million. This is a revised spending plan reflecting available unspent funds from FY 2025. The following table shows the separate federal grants included in the enacted budget, revised request, and the Governor's recommendation. This excludes funding for the 988 hotline, discussed separately.

Block Grant	FY 2026				
	Enacted	Request	Governor/ Final	Change to Enacted	
Substance Use	\$ 7.1	\$ 6.8	\$ 6.8	\$ (0.3)	
ARP: Substance Use	-	0.2	0.2	0.2	
Mental Health	3.1	3.0	3.0	(0.1)	
ARP: Mental Health	0.6	1.2	1.2	0.6	
Total	\$ 10.8	\$ 11.1	\$ 11.1	\$ 0.3	

\$ in millions

The Department has identified near-term uses of the funds, including its regular annual support for Regional Task Forces, Student Assistance, and BH Link, along with enhanced funding to existing programs from time-limited grants. *The Governor recommended funding as requested. The Assembly concurred.*

ARPA - Crisis Intervention Trainings. The Assembly authorized a four-year plan totaling \$2.2 million from State Fiscal Recovery funds to provide training for law enforcement and offer technical assistance for strategies and protocols to respond to increased mental health-related calls to local police departments. Funding was first obligated for FY 2023, with \$0.9 million spent between FY 2024 and FY 2025. The Department's revised request includes \$1.0 million, leaving a balance of \$0.2 million that must be spent by December 31, 2026. According to the Pandemic Recovery Office's report for expenses through October 2025, the Department paid \$1.0 million to Thundermist Health Center to coordinate and conduct the training. *The Governor recommended the full \$1.2 million remaining. The Assembly concurred.*

988 Hotline. The Department requested \$1.2 million more than enacted for the 988 hotline, operated by Horizon Healthcare Partners, which used its BH Link program to provide the necessary staffing and operations to meet federal requirements. The following table shows federal grants and other funding sources that support crisis call center operations.

988 Hotline	Pre-FY 2025 Spent	FY 2025 Spent	FY 2026 Enacted	FY 2026 Revised	FY 2026 Gov./Final
ARPA	\$ 1.8	\$ 1.1	\$ 1.8	\$ 2.4	\$ 2.4
988 Connect to Care	0.0	0.7	0.6	0.7	0.7
Transformation Transfer Initiative Federal Funds	0.4	-	0.4	0.1	0.1
Bipartisan Safer Community Act Funds	0.3	0.2	0.4	-	-
Federal Block Grants	-	-	-	0.3	0.3
Opioid Stewardship Funds	-	-	-	0.1	0.1
Medicaid	-	-	-	0.7	0.7
Total	\$ 2.5	\$ 2.0	\$ 3.2	\$ 4.4	\$ 4.4

\$ in millions

The revised request adds \$0.6 million from available State Fiscal Recovery funds carried forward from FY 2025 for total funding of \$2.4 million. The Department extended its contract for another six months, through December 31, 2025, for a contract value of \$1.6 million. The Assembly initially provided \$3.5 million from State Fiscal Recovery funds through FY 2024. It added \$1.9 million for FY 2025, for total funding of \$5.4 million. Expenses through FY 2025 were \$3.0 million, leaving \$2.4 million available.

Other funding sources include \$0.7 million from Medicaid, with the required state match of \$0.1 million requested from opioid stewardship funds for technology support. The revised request also includes \$1.1 million from block grant and other federal funds, primarily for contracted program support. The funds had been used to purchase dispatch software for the 988 call center. The centralized dispatch enables crisis teams to assist individuals who need more intensive community-based services, primarily provided by the Community Mental Health Centers and the Certified Community Behavioral Health Centers. *The Governor recommended funding essentially as requested. He added \$7,427 of remaining State Fiscal Recovery funds. The Assembly concurred.*

BH Link. The Department's revised request includes \$3.5 million from federal funds, consistent with the enacted budget, to contract with Horizon Healthcare Partners to operate BH Link's 24/7 behavioral health facility, including the triage call center. The organization is comprised of six agencies: Community Care Alliance, Newport Mental Health, Thrive Behavioral Health, Tides Family Services, CODAC, and Galilee Mission, and is a 24/7 behavioral health facility. The center provides immediate assistance to people in crisis through intervention services and connections to ongoing treatment and care. The facility is located adjacent to the 988 call center.

BH Link operated the 414-Link hotline until it was replaced by 988, which went live in July 2022. Funding for the behavioral healthcare facility includes \$1.1 million from both substance use and mental health block grants and \$1.4 million from the State Opioid Response grant to staff the facility and provide direct services. *The Governor recommended funding as requested. The Assembly concurred.*

Crisis Care Continuum - Technology. The Department requested \$1.3 million, including \$0.3 million from general revenues, for the first-year costs of a new contract with MTX Group to operate a crisis care continuum technology platform. The Department's original FY 2026 operating budget request included \$2.0 million from general revenues for information technology services. It anticipated a tentative award by March 2025 from a request for proposals issued in April 2024. The Governor did not recommend the funding. The Department finalized a five-year, \$2.2 million contract in late September 2025.

The technology integrates the dispatch of adult and children's mobile crisis outreach teams into the 988 hotline. It will also include integrated modules to manage closed-loop treatment referrals, waitlist management, a bed and outpatient appointment availability module, and interoperability with the state's data collection and reporting system, known as BHOLD. *The Governor recommended funding as requested. The Assembly concurred.*

Behavioral Health Data Exchange Pilot - CCBHC. The Department received a \$558,300 grant from Chickasaw Federal Health for a Behavioral Health Data Exchange Pilot Project to create an electronic clinic reporting system, so Certified Community Behavioral Health Clinics can report outcomes for Medicaid beneficiaries on depression remission, social needs screening, and diabetes management. The pilot program includes five of the six clinics; Gateway chose not to participate.

The Governor requested an amendment to add \$379,549 for FY 2026 and \$178,781 for FY 2027 from restricted receipts. The Assembly concurred with the amended recommendation.

Rural Health Transformation Program. On July 4, 2025, H.R.1 established the federal \$50 billion Rural Health Transformation Program to address access to rural healthcare across the states. The program provides federal funding from federal fiscal years 2026 through 2030 and is administered by the Centers for Medicare and Medicaid Services. The Executive Office applied for the grant in early November 2025, with awards expected to be announced by the end of December. The revised requests did not include any funding in anticipation of approval of its \$200.0 million request over five years in the health and human services agencies' budgets.

The Executive Office, in coordination with the Department of Health, developed the grant application that includes five dedicated areas: workforce development, technology innovations, improving the health of rural residents, innovative access, and sustainable access to care.

The Governor's recommendation did not include funding; the expectation was that he would request an amendment reflecting the revised spending plan for this new grant. The Executive Office submitted its revised plan on January 30 for federal approval. The Governor requested an amendment to add \$0.5 million for FY 2026 and \$4.1 million for FY 2027. It also adds two positions in both years. Funding will support recovery centers, crisis and stabilization services, and Westerly Hospital's geriatric psychiatry unit. The Assembly concurred with the amended recommendation.

Opioid Funds. The Department requested to use \$9.6 million more than enacted from Opioid Stewardship, Statewide Abatement, and McKinsey Opioid Settlement funds for total funding of \$14.8 million from these sources. This reflects unspent funds from FY 2025 and an updated spending plan, though plans for \$5.6 million of that have not been identified. The revised request includes \$9.4 million more for community programs and services and \$0.4 million more for contracted and operating expenses, including technology and administrative support.

Identified funding supports: \$2.3 million for Coastline for investments in school- and community-based mental health services; \$2.8 million for recovery housing and supports; \$1.4 million for medical services; \$0.7 million for the Hope Initiative; \$0.9 million for basic needs and medication-assisted treatment; \$0.6 million for residential treatment; and \$0.7 million for regional task forces. *The Governor added \$0.2 million to reflect updated planned uses of funds.* **The Assembly concurred.**

State Opioid Response Grant. The Department included \$1.3 million more than enacted from the federal State Opioid Response grant for a total of \$10.3 million in its revised request to reflect available grant funds from FY 2025. This is \$5.4 million more than was spent in FY 2025, which included funding for projects that were not identified, leaving a balance to be used in FY 2026.

Funding examples include: \$3.7 million for recovery housing, support services and recovery community centers; \$0.5 million to CODAC for a mobile van; \$0.5 million for a media campaign; \$0.3 million each for the Hope Initiative and Enhanced Teen Institute; \$0.4 million for regional task forces; \$0.2 million for the Imani Community Recovery Program; and \$0.2 million for residential care and emergency respite services. *The Governor recommended funding as requested.* **The Assembly concurred.**

Recovery Housing Program. The Department received a new \$1.0 million two-year grant, provided through an agreement with the state's Executive Office of Housing, to use a portion of the federal funds awarded by the Department of Housing and Urban Development to expand the statewide Recovery Housing Program. The revised request includes \$0.8 million to increase access to housing that can include individuals with co-occurring mental health and substance use disorders, parents with children, and those with a history of substance use disorder who were previously incarcerated. The remaining \$0.2 million is requested for FY 2027. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Staffing and Operations. The Department requested \$0.2 million more than enacted, primarily from federal funds, for all other division staffing and operations. The staffing request is \$0.8 million less than enacted, mostly from federal funds, which appears to be based on the updated cost allocation plan that spreads expenses across the different programs. It is also \$0.2 million more than FY 2025 expenses, including \$0.4 million less from general revenues.

Other expenses are \$1.0 million above the enacted level, of which \$0.9 million is from indirect cost recovery restricted receipts for expenses not yet identified. There is also \$0.1 million more for liability insurance required by the Department of Administration for crisis response teams; this requirement began in FY 2025. The insurance covers events such as a large-scale disaster when the Division of Behavioral Health Care Services needs to oversee teams of volunteers deployed in the field to support response efforts.

The Governor recommended \$33,829 less than requested, including \$84,544 more from general revenues. He added \$26,237, including \$80,823 from general revenues, to reflect adjustments to information technology billings based on updated data. The recommendation also adds \$7,592 for statewide adjustments to health benefit rates. **The Assembly concurred.**

Eleanor Slater Hospital

The Department requested \$0.4 million less than enacted for total hospital expenses of \$119.4 million at both the Cranston campus and Zabarano unit in Burrillville. This includes \$3.4 million more from general revenues, \$4.7 million less from federal Medicaid funds, and \$0.9 million more from restricted receipts. The request shifts \$3.0 million in hospital expenses from Medicaid to general revenues, based on current estimates of billable expenses by source of funds. The annual cost per patient would be about \$921,000 if the November census of 130 patients remains consistent. The revised request includes the enacted staffing allocation of 601.2 full-time equivalent positions; as of mid-November, there are 485.6 filled positions.

The hospital is a Long-Term Care and Acute Care licensed facility providing long-term care, medical, and behavioral health services. Insurance coverage varies among patients who have it, including Medicaid, Medicare, and third-party. Medicaid coverage is available to individuals specifically approved for long-term care services. The hospital has been admitting Medicaid-eligible individuals who are not specifically approved for long-term care services. In these cases, it becomes a state-only expense. The Department has been working with the Executive Office to allow Medicaid coverage for those leaving a community hospital and entering the state-run one. As of January 2026, approval had not been received but was still assumed in the request. The shift to general revenues appears to have been requested in error.

The revised request also includes \$5.5 million from anticipated Medicare Part D payments and other third-party payments, which is \$0.9 million more than the enacted budget. The year-to-date collections through October are \$0.4 million, with a prior-year balance of \$3.1 million from FY 2022 through FY 2024, which appears to be spent in FY 2025, leaving a deficit of \$0.4 million based on the House Fiscal Staff's tracking of expenses and revenues collected. *The Governor's recommendation includes Part D and third-party receipts as requested and excludes the \$3.0 million shift to general revenues.*

The Department's corrective action plan identified significant issues with billing patient insurance coverage. These problems include patients who may be eligible for both Medicaid and Medicare; however, each patient must agree to use their Medicare "reserve" days, or the Department must bill the patient who opts out of using this coverage before it can bill Medicaid for hospital expenses. There are patients who have opted out of using the reserve days, and the Department has not done the proper billing to ensure Medicaid is the payor of last resort, resulting in state-only expenses for this population.

*Additionally, approval for Medicaid coverage upon leaving a community hospital has been received, but it is not effective until FY 2027. Finally, there were other billing issues reportedly resulting from accounting system issues that could not be explained. These problems combined resulted in a projected general revenue deficit of \$10.2 million. The Department did not identify any issues with Part D and third-party collections. **The Assembly added \$10.0 million from general revenues to offset the unavailable federal funds.***

Uses. The Department requested \$2.2 million less than enacted for hospital operations, including \$3.2 million more from general revenues. As noted earlier, the budget submission makes significant changes to account for staffing and related expenses at the 24-hour operations that bill Medicaid for a portion of the services delivered, making it difficult to analyze the specific expenses at the state hospital. The general revenue request for security services is discussed separately.

The Governor recommended \$0.3 million more than requested to reflect statewide adjustments to health benefit rates and information technology billings based on updated data. As noted, he did not include the shift of expenses from Medicaid funds to general revenues. The average annual cost per patient, assuming 154 patients, is \$747,646. He also requested an amendment to add \$73,274 from general revenues for blizzard-related overtime expenses.

The Assembly added \$10.0 million from general revenues to offset federal funds, as noted above, and concurred with the amendment for blizzard expenses and corrected the hospital license fee expense.

The following table shows the daily rate paid by Medicaid, matched by general revenues, for the eligible patients, included in the revised request, recommendation, and final budget.

Medicaid Billings	FY 2025 Final	FY 2026 Enacted	FY 2026 Rev. Req.	FY 2026 Governor	FY 2026 Final	Final to Governor
# Patients	135	136	135	135	135	-
Daily Rate	\$ 2,342	\$ 1,732	\$ 2,412	\$ 2,412	\$ 2,412	\$ -
Total	\$ 105,521,384	\$ 115,037,342	\$ 113,678,953	\$ 113,678,953	\$ 113,678,953	\$ -
Medicaid	\$ 53,243,808	\$ 61,515,889	\$ 57,072,381	\$ 60,072,381	\$ 50,072,381	\$ (10,000,000)

Security Services. The revised request includes \$0.6 million more than enacted, including \$0.1 million less from general revenues for updated security services at Eleanor Slater Hospital, for total funding of \$2.9 million. This is \$0.8 million less than was spent in FY 2025. The Department has not provided an explanation for this change. *The Governor recommended funding as requested.* **The Assembly concurred.**

Shared Services. The Department's request includes food and laundry services provided by Eleanor Slater Hospital staff to the state psychiatric hospital, and expenses are billed back. The revised request for the psychiatric hospital reduces expenses by \$0.2 million, assuming costs of \$2.9 million billed back to Eleanor Slater Hospital. *The Governor recommended funding as requested.* **The Assembly concurred.**

Unachieved Savings - Contracted Services. The enacted budget includes \$52,000 for the contract with Pinnacle Healthcare Solutions, initially ending on September 30, 2025. The original contract, effective from August 2021 through January 2022, totaled \$52,000 and was intended to assist the Department in addressing Medicaid billing issues and restoring long-term acute care functions at the hospital. The contract has been extended over several fiscal years. The enacted budget assumed savings of \$156,000 from terminating the contract. The Department extended the contract through September 2026, with two one-year renewal options, for a total of \$220,000. The contract is \$220 an hour for 20 hours a week. The revised request includes \$216,000 from general revenues.

The new contract terms include evaluating current operations, with the emphasis on admission and discharge functions, developing a business plan to ensure financial solvency, with emphasis on Medicaid and Medicare funding, evaluating staffing plans and requirements, optimizing revenue, and proposing and evaluating compliance strategies for avoiding designation as an Institute for Mental Disease. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hospital License Fee. The Department requested \$4.2 million to pay the license fee set at 5.25 percent of 2023 hospital revenues. *Section 1 of Article 8 of 2026-H 7127 extends the FY 2027 hospital license fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues for collections totaling \$4.0 million.* **The Assembly reduced expenses by \$0.2 million to reflect the correct fee due under law.**

Rhode Island State Psychiatric Facility

The Rhode Island State Psychiatric Facility is a 53-bed facility primarily funded from general revenues. The revised request is \$0.5 million more than enacted and \$1.6 million less than FY 2025 expenses from general revenues. The revised request includes the current staffing authorization of 135.4 positions. It is assumed that 13.0 soon-to-be-vacant positions eliminated at Eleanor Slater Hospital will be added to the state hospital and used to convert contracted positions to direct care staff. It is assumed that this process will be completed by February 2026. However, for FY 2027, this change is included only as a savings proposal in the constrained budget. *The Governor recommended \$0.1 million less than requested and \$0.4 million more than enacted. He also requested an amendment to add \$60,025 from general revenues for blizzard-related overtime expenses.* **The Assembly concurred with the amended recommendation.**

Overtime - Unachieved Savings. The enacted budget assumed savings of \$0.5 million from an initiative to reduce overtime expenses, based on the Department's request and the Governor's recommendation. The revised request restores the assumed savings and further increases expenses by \$0.2 million, bringing the

total to \$3.7 million. This is \$0.1 million less than the \$3.8 million spent in FY 2025. The FY 2027 request maintains the revised \$3.7 million for overtime expenses. The Department noted that the lack of access to employee attendance data from using a manual reporting system, including overtime, makes it difficult to track expenses. *The Governor recommended funding as requested. As noted, he requested an amendment to add \$60,025 from general revenues for blizzard-related overtime expenses.* **The Assembly concurred with the amended recommendation.**

Other Staffing and Other Medical Services. The Department included \$0.4 million more than enacted from general revenues for salaries and benefits and \$0.5 million more for contracted medical services for the psychiatric hospital. The requested staffing authorization is for 135.4 positions, consistent with the enacted budget. Although the staffing allocation among the facilities was not altered in the revised request, the intent is to convert some contracted services to full-time equivalent positions. That authorization would be available from pending reductions at Eleanor Slater Hospital. As of mid-November, there are 121.1 positions filled.

The revised request adds \$0.5 million for salary and benefit expenses for this conversion and assumes offsetting savings of \$0.6 million in contracted medical services expenses to achieve current-year savings of \$0.1 million. Other adjustments restore funding for 3 vacant positions; 13 were assumed in the enacted budget. The revised request appears to partially or fully fund 142.7 full-time equivalent positions, reflecting the distribution of staffing expenses based on the cost allocation plan. *The Governor recommended \$85,291 less than requested. This reflects \$47,187 more to reflect statewide adjustments to health benefit rates, offset by \$0.1 million in additional savings from converting contracted staff.* **The Assembly concurred.**

Security Services. As described earlier, the Department requested \$0.3 million less than enacted from general revenues, for a total of \$2.4 million, to fund security services at the psychiatric hospital. The revised request is \$0.5 million less than FY 2025 expenses of \$2.9 million. The enacted budget assumes savings of \$0.3 million from a new security contract; the revised request increases those savings by another \$0.3 million based on updated need. The Department notes that these savings will offset the unachieved overtime savings included in the enacted budget. The Division reports a daily average of 24 guards for three shifts, but recent experience shows a lower patient acuity compared to FY 2025, resulting in reduced expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Shared Services. The Department's request includes food and laundry services provided by Eleanor Slater Hospital staff to the state psychiatric hospital, for which expenses are billed back. The revised request for the psychiatric hospital reduces these expenses by \$0.2 million, assuming \$2.9 million is billed back to Eleanor Slater Hospital. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Expenses. The Department requested \$0.5 million less than enacted from general revenues for a total of \$3.1 million for all other expenses. This includes \$0.1 million less for pharmaceuticals and medical supplies, \$0.1 million less for centralized utility services, and \$0.2 million less for maintenance, janitorial, and other supplies and expenses. It is \$0.3 million more than FY 2025 expenses, including \$0.4 million more for centralized services provided by the Department of Administration. The Department has not provided an explanation for this change. *The Governor recommended \$34,124 more than requested to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Central Management

Forensic Outpatient Clinic. The Department requested \$0.5 million more than enacted for total general revenue funding of \$2.5 million for the forensic outpatient clinic at Eleanor Slater Hospital's Regan Medical Building. This includes \$0.4 million more for examinations and \$0.1 million more for salary and benefit expenses. The revised request is also \$0.4 million more than spent in FY 2025. The Department's original FY 2026 budget request included \$0.1 million more for examinations, but it was neither recommended by

the Governor nor appropriated by the Assembly. *The Governor recommended \$1,008 more than requested from general revenues to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Legal Settlements. The Department included \$1.3 million from general revenues in its revised request for litigation related to the state’s current matter involving former Department employees. The FY 2025 final budget included \$1.0 million from general revenues in anticipation of expenses. Funds were not spent because the process is still ongoing. The revised request increases that prior amount by \$250,000. The FY 2027 request includes \$1.0 million, more than doubling the total initial anticipated settlement expenses. *The Governor recommended funding as requested. The Assembly concurred.*

Other Staffing and Operations. The Department requested \$0.4 million more than enacted, including \$12,982 more from general revenues, for staffing and other operations in the administrative program. The revisions include \$0.1 million less for salary and benefit expenses, reflecting the updated cost allocation plan. All other expenses are \$0.5 million higher, including \$0.2 million more from general revenues. This includes \$0.3 million more for contracted administrative support through Knowledge Services, \$0.2 million more for software maintenance and supplies, and \$0.1 million less for security services.

The enacted budget includes general revenue savings of \$1.6 million from shifting staffing expenses to indirect cost recovery, restricted receipts, and federal Medicaid funds. It also assumed the Department would be approved for a 32.5 percent indirect cost recovery rate on certain Medicaid-related expenses. The Department applied for the rate in June 2024, but as of December 2025, it has not received approval for it. The revised request reduces eligible Medicaid federal match expenses by \$1.0 million, lowering the required general revenue match by \$0.8 million. As shown in the table below, there is an increase in state-only expenses of \$0.6 million for net general revenue savings of \$0.2 million. The revised request increases indirect cost recovery restricted receipts by \$1.1 million, resulting in overall savings of \$0.1 million. This increase offsets the loss of Medicaid federal funds.

Central Management	General Revenues	Medicaid		Restricted Receipts	Total
		General Revenues	Federal Funds		
Enacted	\$ 3,586,964	\$ 2,482,384	\$ 2,631,491	\$ 559,071	\$ 9,259,910
Request	4,365,307	1,717,023	1,800,634	1,744,122	9,627,086
Recommended	4,690,181	1,718,869	1,802,422	1,746,023	9,957,495
Change to Enacted	\$ 1,103,217	\$ (763,515)	\$ (829,069)	\$ 1,186,952	\$ 697,585
Change to Request	\$ 324,874	\$ 1,846	\$ 1,788	\$ 1,901	\$ 330,409

The Governor added \$330,409, primarily from general revenues, to reflect statewide adjustments to health benefit rates and information technology billings based on updated data. He recommended the requested adjustment between fund sources, increasing indirect cost recovery receipts, as shown in the prior table. The Assembly concurred.

Office of the Child Advocate

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,559,786	\$ 2,059,493	\$ 1,965,308	\$ 1,965,308
Contracted Services	3,420	3,000	10,000	10,000
Subtotal	\$ 1,563,206	\$ 2,062,493	\$ 1,975,308	\$ 1,975,308
Other State Operations	150,889	200,120	207,702	207,702
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	680	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,714,775	\$ 2,264,613	\$ 2,185,010	\$ 2,185,010
Sources of Funds				
General Revenue	\$ 1,707,792	\$ 2,264,613	\$ 2,185,010	\$ 2,185,010
Federal Aid	6,983	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,714,775	\$ 2,264,613	\$ 2,185,010	\$ 2,185,010
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	10.5			

FY 2026 Revised Request. The Office of the Child Advocate requested \$123,951 less than enacted from general revenues. *The Governor recommended \$44,348 more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$123,951 less than enacted from general revenues. The enacted budget fully funds the Office's authorized 13.0 positions. As of the beginning of November, the Office has 1.0 vacancy and has maintained 12.0 filled positions in FY 2026. The request includes turnover savings equivalent to about half of a position and savings related to medical benefit assumptions. *The Governor recommended \$29,766 more than requested. This primarily reflects updated staffing cost projections and includes \$1,437 to reflect statewide adjustments to medical benefit rates.* **The Assembly concurred.**

Other Expenses. The Office requested \$0.2 million for all other expenses, which is consistent with the enacted budget. The request is \$50,131 more than FY 2025 reported spending; the difference primarily reflects an increase in centralized services included in the enacted budget to reflect statewide adjustments decentralizing utility billings. The Office did not adjust its spending based on FY 2025 experience and continues to maintain estimates for out-of-state travel and staff training that were previously underspent. However, it does indicate that its higher staffing level will allow for increased travel and professional learning opportunities. *The Governor recommended \$14,582 more, including \$4,000 to reflect a supplemental request from the Office for legal filing fees related to ongoing investigations and potential litigation, and \$10,582 to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Commission on the Deaf and Hard of Hearing

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 482,329	\$ 617,983	\$ 590,113	\$ 590,113
Contracted Services	128,698	210,700	210,700	210,700
Subtotal	\$ 611,027	\$ 828,683	\$ 800,813	\$ 800,813
Other State Operations	108,742	100,471	176,139	176,139
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 719,769	\$ 929,154	\$ 976,952	\$ 976,952
Sources of Funds				
General Revenue	\$ 670,846	\$ 786,233	\$ 767,663	\$ 767,663
Federal Aid	-	-	-	-
Restricted Receipts	48,923	142,921	209,289	209,289
Other	-	-	-	-
Total	\$ 719,769	\$ 929,154	\$ 976,952	\$ 976,952
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	3.2			

FY 2026 Revised Request. The Commission on the Deaf and Hard of Hearing requested \$28,546 less than enacted from all sources, including \$8,322 more from general revenues and \$36,868 less from restricted receipts. *The Governor recommended \$76,344 more than requested from all sources, including \$26,892 less from general revenues.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$28,546 less than enacted from all sources to fully fund all 4.0 authorized positions. The request reduces restricted receipts by \$36,868 and shifts \$8,322 to general revenues. The reduction reflects a position being filled at a lower salary than assumed in the enacted budget. The Commission had a balance of \$179,205 in its restricted receipts account at the end of FY 2025. The Commission reported that it reduced restricted receipt funding for staffing based on guidance from the Budget Office. *The Governor recommended \$676 more than requested from general revenues to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Computer Aided Real Time Translation and Interpreter Services. The Commission on the Deaf and Hard of Hearing requested the enacted level of \$0.2 million from all sources for computer-aided real-time translation and interpreter referral services. This includes \$102,000 from general revenues and \$100,000 from restricted receipts. *The Governor's recommendation maintains the enacted level of funding but shifts the general revenues to restricted receipts.* **The Assembly concurred.**

Centralized Services. The Commission on the Deaf and Hard of Hearing requested the enacted level for centralized information technology services provided by the Department of Administration. *The Governor*

*recommended \$16,939 more than enacted to reflect adjustments to information technology billings based on updated data. **The Assembly concurred.***

Other Expenses. The Commission on the Deaf and Hard of Hearing requested the enacted level for office supplies and equipment. *The Governor recommended \$58,729 more than requested for renovation costs for the Commission's office based on a quote from the Division of Capital Asset Management and Maintenance as part of a larger-scale project at the Powers Building. **The Assembly concurred.***

Governor's Commission on Disabilities

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 598,369	\$ 662,720	\$ 640,042	\$ 640,042
Contracted Services	98,260	154,275	168,228	168,228
Subtotal	\$ 696,629	\$ 816,995	\$ 808,270	\$ 808,270
Other State Operations	79,913	101,756	91,840	91,840
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,145,892	886,379	1,806,944	1,501,912
Capital	144	912	912	912
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,922,578	\$ 1,806,042	\$ 2,707,966	\$ 2,402,934
Sources of Funds				
General Revenue	\$ 1,588,365	\$ 1,386,032	\$ 2,300,684	\$ 1,995,652
Federal Aid	331,444	340,067	340,092	340,092
Restricted Receipts	2,769	79,943	67,190	67,190
Other	-	-	-	-
Total	\$ 1,922,578	\$ 1,806,042	\$ 2,707,966	\$ 2,402,934
FTE Authorization	5.0	5.0	5.0	5.0
FTE Average	5.0			

FY 2026 Revised Request. The revised request is \$27,223 less from all sources than enacted, including \$14,495 less from general revenues. It inadvertently omits the required reappropriation of \$585,533 for the Livable Home Modification Grant Program, and the Governor's discretionary reappropriation of \$30,000 for outreach services. *The Governor's recommendation is \$0.9 million more than enacted and requested, primarily reflecting FY 2025 reappropriated funds; this is overstated by \$305,032. He subsequently requested an amendment to correct overstated expenses.* **The Assembly concurred with the amended recommendation.**

Reappropriation - Livable Home Modification Grant Program. The revised request includes the enacted amount of \$0.5 million from general revenues for the Livable Home Modification Grant Program, which provides funding to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The program is administered by the Commission in consultation with the Executive Office of Health and Human Services and reimburses 50.0 percent of project costs, up to a maximum of \$4,500. The request inadvertently omits the required reappropriation of \$585,533 from FY 2025 unspent funds. *The Governor's recommendation inadvertently overstates the reappropriation by \$305,032. He requested an amendment on February 10 to correct the error.* **The Assembly concurred with the amended recommendation.**

Reappropriation - Outreach Services. The FY 2026 revised request includes the enacted amount of \$35,610 from all sources for outreach services. The funds are awarded to community-based organizations that are located in underserved communities to publicize services and programs that are available to

individuals who are having accessibility issues. Of the \$127,780 provided in FY 2025, \$60,000 was spent, resulting in a surplus balance of \$67,780. The Governor reappropriated \$30,000 in discretionary reappropriation; the request inadvertently omits this. *The Governor included the reappropriation.* **The Assembly concurred.**

Salaries and Benefits. The Commission's revised request includes \$28,223 less from general revenues than enacted for salary and benefit expenses for its authorized 5.0 full-time equivalent positions. As of late October, there were no vacancies. Subsequently, the Budget Office noted that the reduction appears to be attributable to an error in its system regarding the Commission's personnel information. *The Governor recommended \$5,545 more than requested, including \$4,849 to properly fund all positions, and \$696 to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Indirect Cost Recovery. The FY 2026 enacted budget includes general revenue savings of \$12,753, to be achieved by applying a 5.0 percent indirect cost recovery rate to the federal Statewide Independent Living grant. A state match of 10.0 percent, which can be provided in cash or in kind, is required. The revised request restores the savings. The Commission noted that it already includes the 5.0 percent cost recovery as part of the state match requirement. The Commission is working with the Office of Accounts and Control on how to capture and represent this in the new personnel system. *The Governor concurred.* **The Assembly concurred.**

Other Expenses. The revised request includes \$1,000 more from all sources than enacted for all remaining expenses. This includes \$975 from general revenues for the required 5.5 percent assessment on certain contractual costs. It includes \$25 from federal funds for single audit fees associated with the Statewide Independent Living grant. It also includes the enacted amount for the Office's share of centralized services provided by the Department of Administration. The revised request for these expenses is \$6,400 more than FY 2025 reported expenses of \$152. *The Governor concurred and added \$3,037 from general revenues to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Office of the Mental Health Advocate

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 664,555	\$ 945,777	\$ 761,619	\$ 761,619
Contracted Services	754	2,700	3,700	3,700
Subtotal	\$ 665,309	\$ 948,477	\$ 765,319	\$ 765,319
Other State Operations	87,061	167,687	166,122	166,122
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 752,370	\$ 1,117,164	\$ 932,441	\$ 932,441
Sources of Funds				
General Revenue	\$ 752,370	\$ 1,117,164	\$ 932,441	\$ 932,441
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 752,370	\$ 1,117,164	\$ 932,441	\$ 932,441
FTE Authorization	6.0	6.0	6.0	6.0
FTE Average	4.0			

FY 2026 Revised Request. The Office of the Mental Health Advocate requested \$4,283 more than enacted from general revenues. *The Governor recommended \$184,723 less than enacted and \$189,006 less than requested. The Assembly concurred.*

Operations. The Office requested \$4,283 more than enacted from general revenues for salary and benefit expenses for its six positions. As of mid-October, there are two vacancies; the quarterly savings are \$70,270 for the positions. The revised request is intended to fully fund all positions; however, it allocates expenses in a way that results in about \$31,000 less than full funding. With the current vacancies, the request is sufficient, and there are likely additional savings.

The Governor recommended \$184,723 less than enacted. He added \$851 to reflect statewide adjustments to health benefit rates and included savings of \$185,009, assuming the vacant positions will be filled in May.

The Governor also included a decrease of \$565 to reflect adjustments to information technology billings based on updated data. The Assembly concurred.

Department of Elementary and Secondary Education

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
State Aid	\$ 1,329,923,837	\$ 1,311,183,289	\$ 1,320,852,191	\$ 1,320,856,547
School Housing Aid	106,198,555	119,887,755	119,887,755	114,019,174
Teachers' Retirement	135,020,903	137,991,006	133,600,078	133,600,078
RI School for the Deaf	10,452,930	10,278,768	11,068,756	11,068,756
Central Falls School District	54,041,889	54,567,882	54,567,882	54,567,882
Davies Career & Technical School	27,559,220	67,154,981	36,916,447	36,066,447
Met. Career & Tech. School	12,781,808	13,216,926	15,188,274	15,188,274
Administration	284,331,101	295,169,535	318,997,321	320,291,609
Total	\$ 1,960,310,243	\$ 2,009,450,142	\$ 2,011,078,704	\$ 2,005,658,767
Expenditures by Category				
Salaries and Benefits	\$ 53,261,265	\$ 54,893,406	\$ 54,708,698	\$ 54,708,698
Contracted Services	83,425,069	72,016,144	94,949,670	85,534,545
Subtotal	\$ 136,686,334	\$ 126,909,550	\$ 149,658,368	\$ 140,243,243
Other State Operations	13,171,677	11,039,956	14,121,707	12,865,127
Aid to Local Units of Government	1,759,669,771	1,780,304,186	1,783,131,490	1,778,181,632
Assistance, Grants, and Benefits	48,232,563	47,507,515	61,106,406	61,061,656
Capital	768,673	42,613,935	2,262,387	12,508,763
Capital Debt Service	-	-	-	-
Operating Transfers	1,781,225	1,075,000	798,346	798,346
Total	\$ 1,960,310,243	\$ 2,009,450,142	\$ 2,011,078,704	\$ 2,005,658,767
Sources of Funds				
General Revenue	\$ 1,587,101,129	\$ 1,659,208,810	\$ 1,660,507,362	\$ 1,654,942,004
Federal Aid	311,056,079	256,918,301	275,865,572	276,916,993
Restricted Receipts	58,747,612	50,745,881	61,349,157	61,443,157
Other	3,405,423	42,577,150	13,356,613	12,356,613
Total	\$ 1,960,310,243	\$ 2,009,450,142	\$ 2,011,078,704	\$ 2,005,658,767
FTE Authorization				
Administration	156.1	156.1	156.1	156.1
Davies	123.0	125.0	125.0	125.0
School for the Deaf	61.0	61.0	61.0	61.0
Total Authorized Positions	340.1	342.1	342.1	342.1
FTE Average	326.7			

FY 2026 Revised Request. The Council on Elementary and Secondary Education requested \$33.7 million more than enacted for FY 2026, including \$4.5 million from general revenues, \$18.9 million from federal funds, and \$10.3 million from restricted receipts. The general revenue change includes a reappropriation for out-of-school time education providers, three new initiatives, and increased support for Davies Career

and Technical School. *The Governor recommended \$32.1 million less than requested, including \$3.2 million less from general revenues and \$29.2 million less from Rhode Island Capital Plan funds.*

The Assembly provided \$5.4 million less than recommended, including \$5.6 million less from general revenues. The general revenue change primarily reflects the elimination of the transfer of savings from traditional construction aid to the School Building Authority Capital Fund pursuant to Article 7 of 2026-H 7127 Substitute A, as amended.

Education Aid. The Council requested \$4,186 more than enacted from general revenues for education aid to reflect an anticipated correction of a calculation error included in the enacted budget. *The Governor recommended funding as requested. He subsequently requested an amendment to add \$4,356 to correct a separate understatement. The Assembly concurred with the amended recommendation.*

Group Home Aid. The Council requested the enacted level of \$3.5 million from general revenues for aid to communities hosting group homes. The law uses the number of open beds as of December 31 for the budget year's aid. Increases in beds before December 31 of each year are paid as part of the supplemental budget for that year. Prior to FY 2026, the law required the number of group home beds to be deducted from enrollment data to determine average daily membership. This reduction was removed by the 2025 Assembly, and the funding for each bed is \$17,000. The request assumes a bed count of 208, consistent with the enacted budget. *The Governor recommended \$34,000 more, reflecting two new beds in Providence. The Assembly concurred.*

Metropolitan Career and Technical School. The Council requested the enacted level of \$13.2 million for the Metropolitan Career and Technical School. This includes \$13.0 million of general revenue support through the funding formula and \$250,000 from Rhode Island Capital Plan funds. The request does not reflect the carryforward of \$2.0 million from FY 2025 to complete roof replacement projects. The Department indicated that the intent of the request was to match the capital request. *The Governor recommended \$2.0 million more from Rhode Island Capital Plan funds to accurately reflect the carryforward of unspent FY 2025 funds, which is consistent with his capital recommendation. The Assembly concurred.*

Reduced-Price Meals. The Council requested the enacted level of \$0.8 million for the program that makes reimbursable breakfasts and lunches free for students from families who qualify for free or reduced-price meals. As recommended by the Governor, the FY 2025 enacted budget created this program, which requires the state to provide public schools with funds equal to the difference between the federal reimbursement rate for free breakfast and lunch meals and the reimbursement received for students eligible for reduced-price meals.

Funding included in the enacted budget was based on the FY 2025 estimate to cover 1.2 million breakfasts and lunches for eligible students. Reported spending in FY 2025 was \$0.3 million, and data suggest the program paid for approximately 200,000 breakfasts and 500,000 lunches. The original estimate also appears to have included all students who qualified for reduced-price meals, including those who already receive free meals in their district through the community eligibility provision, which could account for most of the difference between the assumption and actual program activity. *The Governor recommended funding as requested. The Assembly concurred.*

Statewide Student Transportation. The Council requested \$9.3 million more than enacted from restricted receipts for the statewide student transportation system. Restricted receipts are collected from districts for transportation expenditures, not including transportation categorical funds. The request reflects anticipated out-of-district transportation use by local education agencies for students attending charter schools, vocational schools, and special education programs, based on the FY 2025 experience. The request is \$3.0 million or 6.7 percent more than FY 2025 spending.

For FY 2025, the Department reprocured its transportation vendors, and the budget assumed lower costs resulting from route redistribution and contract negotiations. However, an additional vendor was contracted to address an issue with servicing all necessary routes, and 40 routes were added after the start of the school year to reflect late sign-ups. *The Governor recommended funding as requested. The Assembly concurred.*

Education Telecommunications Access Fund. The Council requested \$0.8 million from restricted receipts for the Education Telecommunications Access Fund, which is \$0.3 million more than enacted. The enacted budget discontinued general revenue support, which was \$0.4 million in FY 2025, leaving only \$0.5 million from restricted receipts. The increase is based on anticipated program expenses and essentially backfills the reduction with available carryforward. The requested funding includes support for 0.8 full-time equivalent positions. Based on the budget request for FY 2026 and FY 2027, the remaining carryforward funding will be \$0.1 million after FY 2027.

The Education Telecommunications Access Fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line. Prior to FY 2026, state general revenues supplemented these reserves. The federal rate is based on the percentage of students eligible for free and reduced-price lunches, is determined through a calculation, and is paid directly to the vendor, not reflected in the Department's budget. *The Governor recommended \$186 more to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

School Housing Aid. The Council requested the enacted level of \$119.9 million from general revenues for school housing aid. Compared to the enacted budget, the request shifts \$5.9 million from the traditional program to the School Building Authority Capital Fund, reflecting the difference in actual distributions for the traditional program, consistent with current law. The enacted total represents traditional project entitlements based on anticipated projected completions.

The savings reflect some delays in completing projects, including \$3.0 million for Pawtucket, \$1.3 million for Charlestown, \$1.2 million for Cumberland, \$1.1 million for Warwick, and \$0.9 million for Foster-Glocester. These savings are partially offset by several projects for which the requested housing aid exceeds the amounts assumed in the enacted budget, including \$1.5 million for Providence and \$1.4 million for Smithfield. The School Building Authority noted that, similar to project delays, some districts completed more projects than were included in projections from the prior year, which the budget is based on. It also indicates that debt service payments occasionally exceed projections once the debt is issued.

The Governor recommended the total funding requested and proposed eliminating the required transfer to the School Building Authority Capital Fund, effective for FY 2027. Current practice is for the revised budget to identify the difference as a separate appropriation line authorizing the transfer, but the Governor's budget does not designate appropriation authority for it. The Assembly concurred with the proposal to eliminate the transfer to the School Building Authority Capital Fund but made the change in Article 7 effective in FY 2026. This provides \$5.9 million less than recommended in the FY 2026 final budget but restores savings the Governor assumed in FY 2027.

Teacher Retirement. The Council requested the enacted \$138.0 million to fund the state's share of the employer contribution for teacher retirement costs. The Department's request does not reflect updated estimates for FY 2026 or FY 2027, based on the FY 2025 experience of \$135.0 million. Using the state share of 11.42 percent, this equates to a base salary amount for teachers of \$1,138.9 million. Assuming a 2.0 percent payroll increase for teachers for FY 2026 and a state share of 11.09 percent would result in a state share of \$133.9 million for FY 2026. The request is \$4.1 million more, and the Department has indicated that it is working with the Budget Office on updated estimates.

The state shares in the cost of teacher retirement with teachers and local districts. Teachers contribute 8.75 percent of their salaries, which is set in statute. The state and the local district pay the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40 percent of the employer's share, and the local district pays 60 percent. *The Governor recommended \$133.6 million, which is \$4.4 million less than requested to reflect up-to-date payroll information and rates consistent with planning values. The Assembly concurred.*

Advanced Placement Tests. The Council requested \$0.8 million from general revenues to provide advanced placement tests to low-income students for free through the fee waiver program established by the 2021 Assembly. In FY 2025, the Department spent \$0.2 million for test waivers and \$0.2 million for teacher stipends and professional development. The request is \$0.4 million above enacted and reflects a proposal to expand current teacher professional development and stipend opportunities to increase the availability of exams for high-need students. The FY 2027 request includes an increase of \$0.5 million. The Department signed a memorandum of agreement with the College Board to pay for all low-income student test waivers in June 2022 and has been working to increase awareness about advanced placement test offerings. *The Governor recommended the enacted level of funding. The Assembly concurred.*

Multilingual Learner Regulation Support. The Council requested \$200,000 from general revenues to support the implementation of updated multilingual learner regulations promulgated on April 23, 2025. They were last updated in 2007. The requested funding would be used to hire a vendor to develop trainings that meet state and federal requirements for teachers and to provide direct support to local education agencies as they work toward meeting the updated regulations. The FY 2027 request also includes \$450,000 for this initiative. The Department indicates that it primarily uses federal funds to support professional development for local education agencies, and that if funding is lost, general revenues may be necessary to maintain the same level of support for districts. *The Governor recommended \$0.2 million less than requested, which is consistent with the enacted budget. The Assembly concurred.*

ARPA - Adult Education Providers. The Council requested \$1.4 million more than enacted from State Fiscal Recovery funds to support adult education providers, representing a carryforward of unspent FY 2025 funds. The request represents the balance of the \$5.0 million allocation. The project initially experienced delays, but the Department reports that all funding has been allocated and that it will meet the December 2026 spending deadline. *The Governor recommended \$153 less, correcting a minor error in the request and maintaining the \$5.0 million total. The Assembly concurred.*

ARPA - Out-of-School Time Education Providers. The Council requested \$4.8 million more than enacted, including a carryforward of \$2.0 million from unspent State Fiscal Recovery funds and a reappropriation of \$2.7 million from general revenues to be distributed to community organizations to expand access to out-of-school educational programs. The general revenue request is \$0.2 million lower than the Governor's reappropriation, which appears to result from updated FY 2025 spending data that lowers the available funds. *The Governor recommended \$33 less than requested, correcting a minor error in the request and maintaining the \$4.0 million total from State Fiscal Recovery funds. He recommended general revenues as requested and his FY 2027 recommendation includes \$2.0 million to continue state support. The Assembly concurred.*

Executive Climate Change Coordinating Council Projects. In September 2025, the Executive Climate Change Coordinating Council approved the School Infrastructure Readiness Initiative to provide a framework to enhance climate resilience, energy efficiency, and decarbonization in high-need public schools. The FY 2025 final budget included \$175,000 to help municipalities access Inflation Reduction Act funding. No funds were spent in FY 2025; the Department indicates that as of early December, it is in the process of awarding the FY 2025 grant and is preparing to begin work on the FY 2026 initiative. The Council's request does not include funding for this project. *The Governor added \$231,000 from restricted*

receipts to reflect the Council's FY 2026 spending plan approved in September 2025. He subsequently requested an amendment to provide \$56,000 less to align planned spending with a delayed timeline. The Assembly concurred with the amended recommendation.

Providence Public School District Oversight. The Council's request does not include specific funding for oversight of the Providence Public School District. In October 2019, the Commissioner of Elementary and Secondary Education exercised control over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also called the Crowley Act. In August 2024, the Council approved Commissioner Infante-Green's decision to extend the takeover until October 15, 2027, with the ability to recommend an early return to local control if certain conditions are met. While the city remains financially responsible for the school district, the Department continues to support the district's Turnaround Action Plan. It reports that leadership and staff from various program areas support the district when needed. *The Governor concurred. At the May 2026 Council on Elementary and Secondary Education meeting, the Council voted to approve the Commissioner's recommendation to return the district to local control, effective July 1, 2026. The Assembly concurred.*

Special Education Grants. The Council requested authorization to spend \$29,893 more than enacted from federal special education funds, reflecting anticipated awards and available carryforward. The funds are distributed to school districts and provide administrative support. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free, appropriate public education, including special education and related services. *The Governor recommended funding as requested. The Assembly concurred.*

Title I Grants. The Council's revised request for federal Title I funds is \$2.0 million less than enacted, reflecting updated anticipated awards. Most Title I funds go directly to local schools, where they are used to provide extra help to low-achieving students. Title I fund distributions to states are calculated using four distinct formulas based on different levels of poverty; however, funds are allocated to districts as a single amount. *The Governor recommended funding as requested. The Assembly concurred.*

Public Charter School Program Grant. The Council requested authorization to spend \$3.1 million from a new federal grant to increase education opportunities for disadvantaged students in charter schools. The Department received a five-year, \$14.3 million grant to expand high-performing charter schools and increase educational opportunities for disadvantaged students. The FY 2027 request also includes \$3.1 million, and no state match is required. The request indicates that funding will be provided to new and expanding charter schools to support partnerships between charter schools and traditional programs and plan for new academic programs. *The Governor concurred. The Assembly concurred.*

Nutrition Grants. The Council requested authorization to spend \$0.1 million more than enacted from federal nutrition program funds, reflecting updated awards for the Fresh Fruit and Vegetable Program. The request is \$0.3 million more than FY 2025 reported spending. *The Governor concurred. The Assembly concurred.*

School Mental Health Grants. The Council requested authorization to spend \$2.8 million more than enacted from seven federal grants designated to address adolescent and youth mental health. The request primarily reflects the carryforward of unspent FY 2025 funding. It also includes \$2.1 million for the last year of a cohort-based grant that provided recruitment and retention support for school-based mental health providers in Coventry, Exeter-West Greenwich, Johnston, and the Segue Institute for Learning. This grant was originally programmed through FY 2027, but was ended early by the federal government, leaving approximately \$6.5 million unspent. The request includes this funding in FY 2026, but not in FY 2027. *The Governor recommended funding as requested. The Assembly concurred.*

Comprehensive Literacy Development Grant. The Council requested authorization to spend \$8.6 million from a new federal grant to strengthen literacy programs. In August 2024, the Department received a new five-year, \$40.0 million Comprehensive Literacy Grant to advance literacy skills from pre-kindergarten through twelfth grade, focusing on improving reading instruction for multilingual learners and students with disabilities. The Council's prior year request did not include this new funding. This grant did require additional federal review after the change in administration. The grant will support early childhood, elementary, and secondary programs in developing literacy coaching structures and standards, improving partnerships with educator preparation programs, and refining multi-tier systems of supports to improve student outcomes. *The Governor concurred.* **The Assembly concurred.**

Healthy Environments Advance Learning Grant. The Council requested \$1.3 million more from federal funds to implement the Healthy Environments Advance Learning Program grant to support school infrastructure improvements. The focus of this five-year, \$5.0 million grant is to provide support to Central Falls, Providence, Pawtucket, West Warwick, and Woonsocket. The 2024 Assembly added authorization for 3.0 new positions and included language in the appropriations act that explicitly limits the authorization of the new full-time equivalent position for this use. The requested increase reflects a carryforward of unspent FY 2025 funding. *The Governor recommended \$572 more to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Preschool Development Grant. The Department requested \$1.0 million from federal preschool development grant funds, which are passed through the Department of Human Services. The funding will support a needs assessment of the developmental education system, and the Department has hired a vendor to upgrade the prekindergarten lottery system and establish a monitoring system focused on improving the state prekindergarten program. The maximum state match is \$1.5 million, to be met through Early Childhood categorical education aid funding. This appears to cover the full value of the Preschool Development grant in both agencies. *The Governor recommended funding as requested.* **The Assembly concurred.**

Reappropriation - Special Education Settlement. The Council's request does not include the reappropriation of \$1.9 million from general revenues from FY 2025 for a legal settlement regarding the education of 21-year-olds with disabilities. The Department indicated that this was an error and intended to request the funding in FY 2026.

This reflects an approved settlement related to *K.L. v. R.I. Board of Education*, in which the court ruled that local education agencies in Rhode Island must provide a free appropriate public education to students with a disability who have not earned a regular high school diploma until their 22nd birthday. The \$1.9 million must be held in escrow, and claimants will be able to receive distribution for specified compensatory services, up to a maximum of \$46,000. *The Governor's recommendation included the reappropriation.* **The Assembly concurred.**

Legal Staff Capacity (2.0 FTE). The Council requested \$184,782 in new funding from general revenues for 2.0 new full-time equivalent positions to expand the Department's internal legal capability. The request includes an attorney and an investigator to handle teacher misconduct cases. The Department reports that the responsibilities of its 4.0 current attorneys have increased, particularly related to labor issues, the funding of Providence Public Schools, public records requests, and special education. The request assumes that the positions would be filled by November 2025, which did not occur. *The Governor did not recommend funding in FY 2026; the FY 2027 recommendation includes \$0.2 million for one position.* **The Assembly concurred and did not provide funding or authorization for the new position in FY 2027.**

Other Salaries and Benefits. The Council requested \$0.1 million less than enacted, including \$0.2 million less from federal funds and \$0.1 million more from restricted receipts, for all other salaries and benefits for the Department's remaining 152.3 full-time equivalent positions. The enacted budget assumed turnover

savings equal to approximately nine positions; the request maintains a similar level. As of mid-November, the administrative program had 9.1 vacancies, and averaged 8.7 vacancies since the beginning of the fiscal year. *The Governor recommended \$24,967 more than requested, including \$17,952 from general revenues to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Grant and Programming Revisions. The Council requested \$0.7 million more than enacted, including \$0.7 million from federal funds and \$0.1 million more from restricted receipts for all other expenses. This reflects adjustments to various grants, primarily the carrying forward of unspent funding. *The Governor recommended \$104,998 more than requested, including \$76,998 from general revenues to reflect adjustments to information technology billings based on updated data. He also added \$28,000 from restricted receipts to reflect the accurate amount for a Council of State School Officers grant.*

He subsequently requested amendments to add \$0.3 million to reflect anticipated billings for facilities management and electricity and natural gas charges and add \$1.1 million from federal funds for the first year of the state's award from the Rural Health Transformation Program included in H.R. 1. Funding will primarily support Career and Technical Education programs and workforce development. **The Assembly concurred with the amended recommendation.**

Davies Career and Technical School

Operations. The Council requested \$1.2 million more than enacted from all sources for operations at Davies Career and Technical School, including \$0.9 million from general revenues and \$0.3 million from federal funds. The general revenue difference includes \$0.1 million to shift funding for the 2.0 positions added in the FY 2026 enacted budget from restricted receipts to general revenues and \$0.7 million for anticipated costs for transportation. There are adjustments to federal special education, Title I, and teacher quality grants based on available funding and formula allocations. *The Governor recommended \$19,412 more than requested, including \$18,986 from general revenues to reflect statewide adjustments to health benefit rates. He subsequently requested an amendment to add \$150,000 from restricted receipts to reflect the updated allocation of career and technical education categorical funding for the school.* **The Assembly concurred with the amended recommendation.**

Capital Projects. The Council requested the enacted \$42.2 million from Rhode Island Capital Plan funds for projects at Davies Career and Technical School. This is not consistent with the capital request; the Department indicates that this was an error and that the capital request should prevail. *The Governor recommended \$31.5 million less than requested to correct the error. His recommendation also reflects a revised timeline for the Wing Renovation project.* **The Assembly shifted \$1.0 million for the heating, ventilation, and air conditioning project from FY 2026 to FY 2027 to align planned expenditures with major work associated with the Wing Renovation project and concurred with the remainder of the recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.**

Rhode Island School for the Deaf

Operations. The Council requested \$463,585 more than enacted from all sources for the School for the Deaf. This includes \$500,000 more from fee-for-service restricted receipts, \$10,050 more from general revenues, and \$46,465 less from federal funds. The general revenue increase reflects pay step changes and benefit assumptions, and the school has 1.0 vacancy as of late November. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first base level of service. The School reported an increased need for specialized positions to support students with behavior and special education needs, primarily behavior specialists. It indicated that as of November, it has 22 contracted staff to address this need. *The Governor recommended \$326,403 more than requested, including \$311,780 to reflect carryforward of Rhode Island Capital plan funds not included in the request. He also added \$9,623 from general revenues to reflect statewide adjustments to health benefit rates and \$5,000*

from restricted receipts for the School's meal program based on updated estimates. The Assembly concurred.

Public Higher Education

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Office of Postsecondary Comm.	\$ 53,426,973	\$ 55,263,498	\$ 60,538,773	\$ 60,061,150
University of Rhode Island	1,033,888,301	1,111,723,299	1,109,249,900	1,104,713,555
Rhode Island College	205,841,522	216,421,110	234,118,548	234,118,548
Community College of RI	187,176,442	214,486,829	212,311,622	207,299,066
Total	\$ 1,480,333,238	\$ 1,597,894,736	\$ 1,616,218,843	\$ 1,606,192,319
Expenditures by Category				
Salaries and Benefits	\$ 640,111,772	\$ 673,899,019	\$ 675,322,477	\$ 675,090,148
Contracted Services	52,414,160	46,343,551	155,315,798	45,319,441
Subtotal	\$ 692,525,932	\$ 720,242,570	\$ 830,638,275	\$ 720,409,589
Other State Operations	276,797,536	291,287,444	295,538,017	295,538,017
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	361,242,717	376,601,089	385,834,934	385,189,640
Capital	75,159,713	137,231,072	28,979,973	129,827,429
Capital Debt Service	71,308,635	72,532,561	75,227,644	75,227,644
Operating Transfers	3,298,705	-	-	-
Total	\$ 1,480,333,238	\$ 1,597,894,736	\$ 1,616,218,843	\$ 1,606,192,319
Sources of Funds				
General Revenue	\$ 314,864,729	\$ 327,246,516	\$ 331,685,905	\$ 331,208,282
Federal Aid	12,716,182	5,642,208	11,704,544	11,704,544
Restricted Receipts	5,323,850	12,736,631	12,686,729	12,686,729
Other	1,147,428,477	1,252,269,381	1,260,141,665	1,250,592,764
Total	\$ 1,480,333,238	\$ 1,597,894,736	\$ 1,616,218,843	\$ 1,606,192,319
Uses of Funds				
Unrestricted Use Funds	\$ 887,378,606	\$ 938,864,604	\$ 933,007,726	\$ 932,530,103
Restricted Use Funds	592,954,632	659,030,132	683,211,117	673,662,216
Total	\$ 1,480,333,238	\$ 1,597,894,736	\$ 1,616,218,843	\$ 1,606,192,319
FTE Authorization	3,895.5	3,972.5	1,680.3	3,548.0
<i>Limited to Third Party Funds</i>	<i>519.8</i>	<i>544.8</i>	<i>166.0</i>	<i>544.8</i>
<i>Limited to Auxiliary Operations</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>424.5</i>
Total Authorized Positions	4,415.3	4,517.3	1,846.3*	4,517.3
FTE Average	4,005.4			

**The Governor proposed retroactively exempting the University from any limitations effective July 1, 2025, which removed 2,671.0 full-time equivalent positions from the total.*

FY 2026 Revised Request. The 2019 Assembly created a 17-member Board of Trustees for the University of Rhode Island, effective February 1, 2020. Authority for various functions was transferred from the Council on Postsecondary Education to the new Board, and the University was removed from the

Commissioner of Postsecondary Education's authority. It preserved all the General Assembly's authority over the University. The budget is still presented with the other entities.

The governing bodies' revised request is \$17.4 million more than enacted, including \$0.7 million more from general revenues. It also includes \$13.8 million less from tuition and fee revenues, \$3.4 million more from other unrestricted sources, and \$27.0 million more from restricted sources.

The Governor recommended \$18.3 million more than enacted from all sources, which is \$0.9 million more than requested. General revenues are \$4.4 million more than enacted. He also proposed retroactively exempting the University of Rhode Island from any limitations on full-time equivalent positions, effective July 1, 2025.

The Assembly adjusted expenses for scholarship programs by \$0.2 million based on the May reports, reduced general revenue staffing expenses for RI DATA staff by \$0.2 million to reflect turnover savings and shifting expenses to available federal funds, shifted \$9.5 million from Rhode Island Capital Plan funds from FY 2026 to later years based on revised project schedules, and concurred with the remainder of the Governor's amended recommendation.

Office of the Postsecondary Commissioner

DATA RI. The Office requested \$24,400 less than enacted from all sources for DATA RI. DATA RI was created in the FY 2026 enacted budget and serves as the state's central repository for inter-agency, longitudinal, linked, and individual data. The request includes \$0.2 million more from general revenues, \$44,297 less from restricted receipts, and \$0.2 million less from federal funds. The increase in general revenues is, in part, a result of anticipated reductions to the federal Statewide Longitudinal Data System grant program. All operations conducted for the longitudinal data system prior to September 30, 2025, are covered through the current grant. Restricted receipts are lower to correct an error in the retirement contribution rate. Consistent with the enacted budget, the request funds all 9.0 full-time equivalent positions and lowers salary expenditures by replacing a staff member at a lower salary grade. However, 4.0 positions remain vacant as of December 17, 2025, including the 2.0 new positions authorized by the 2025 Assembly.

The Governor recommended \$0.1 million less than requested, almost all of which is from general revenues. This includes \$922 to reflect statewide adjustments to health benefit rates offset by \$0.1 million of additional turnover savings. Based on the Office's third quarter report, the Assembly included \$0.2 million less from general revenues to reflect turnover savings and shifting general revenue expenses to available federal funds.

Other Staffing. The Office requested \$0.1 million more than enacted from all sources for 39.0 positions not allocated to DATA RI. This includes \$0.1 million more from general revenues, \$0.1 million less from restricted receipts, \$13,154 less from federal funds, and \$0.1 million more from other funds. Consistent with the enacted budget, the request funds approximately 37 full-time equivalent positions. The increase in funding reflects increased seasonal employee salaries and changes in employee benefit selection. As of December 17, 2025, the Office had 33.0 filled positions not allocated to DATA RI. *The Governor recommended \$0.1 million less than requested, almost all of which is from general revenues. This includes \$6,277 to reflect statewide adjustments to health benefit rates offset by \$0.1 million of additional turnover savings. The Assembly concurred.*

Rhode Island Promise. The 2017 Assembly established the Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is a "last dollar scholarship," meaning that after a student has exhausted all other sources of student aid, the program will cover the remaining tuition balance using

general revenues. This program does not cover other non-mandatory fees. Created as a pilot program, it was made permanent in 2021. The 2022 Assembly excluded College Crusade, renamed Onward We Learn, scholarships as financial aid from Promise award determination.

The funding for Rhode Island Promise is not reflected in the Community College's budget request, as it is a scholarship awarded by the Office of Postsecondary Commissioner. The Office requested \$7.4 million from general revenues, consistent with the enacted budget. The request is \$0.1 million less than the November 2025 Promise report indicates is needed to support a projected 2,724 students. *The Governor recommended an additional \$149,266, consistent with the November report.* **The Assembly added \$20,047 based on the May report.**

Hope Scholarship. The 2023 Assembly provided \$4.0 million from general revenues for the first year of the new Hope Scholarship for FY 2024. Like the Community College Promise Scholarship, it provides last-dollar scholarships to eligible students and appears in the Office of Postsecondary Commissioner's budget. The scholarship is provided to students during their third and fourth years, originally limited to those graduating in 2024, 2025, and 2026. The 2024 Assembly concurred with the Governor's request to extend the program to include the last cohort entering their junior year in the fall of 2029 to allow for better program evaluation. It also modified the reporting requirements to be like those for the Promise program.

To be eligible for the scholarship, a student must be a first-time, in-state student, meet minimum grade requirements, accumulate sufficient credits towards their major field of study in their freshman and sophomore years to ensure they can stay on track to graduate, and have not received an award from the Rhode Island Promise Scholarship Program. The pilot program is designed to incentivize and support students on their path to graduation.

The Office requested \$5.5 million from general revenues, consistent with the enacted budget. The November 2025 Hope Scholarship report indicates that around 575 juniors and seniors will be eligible for the scholarship in FY 2026 with an estimated award of \$5.2 million, \$0.2 million less than the requested amount. *The Governor recommended \$0.2 million less, consistent with the November report.* **The Assembly provided \$0.3 million less based on the May report.**

ARPA - Rhode Island Reconnect. The FY 2024 budget includes \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program and fund it for two years. Funding is being used for direct supports, such as targeted coaching and wraparound support for those 16 and older to continue their education. A portion of these funds must be used to address barriers to the attainment of teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. For FY 2026, \$4.6 million remains to be spent. *The Governor's recommendation includes the remaining \$4.6 million.* **The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$350,000 of unspent funds to operating support for the Enterprise Resource Planning System.**

ARPA - Fresh Start Scholarship. The FY 2024 budget includes \$5.0 million from State Fiscal Recovery funds for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. Funding represents two years of scholarships. For FY 2026, \$1.2 million remains to be spent. *The Governor's recommendation includes the remaining \$1.2 million.* **The Assembly concurred.**

ARPA - Cybersecurity Center. The FY 2024 budget includes \$2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College

launched the Center in November 2023. For FY 2026, \$0.5 million remains to be spent. *The Governor's recommendation includes the remaining \$0.5 million.* **The Assembly concurred.**

Capital Improvements. The Office's request includes the enacted amount of \$1.2 million from Rhode Island Capital Plan funds. *The Governor recommended \$820,000 less based on updated plans.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Office requested the enacted amount of \$0.2 million from general revenues for centralized facilities management and information technology services provided by the Department of Administration. *The Governor recommended \$11,678 more than requested from general revenues to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Nursing Education Center. The Nursing Education Center provides a centralized nursing program for students enrolled at the University of Rhode Island or Rhode Island College. Staffing and operating expenses are shared between the two institutions, with funding and staffing authorizations reflected in the Office of Postsecondary Commissioner's budget. *The Governor recommended adding a new expenditure of \$30,000 from restricted receipts from facility rental charges. The Center has received rental fee income this year, and this will allow it to spend those revenues.* **The Assembly concurred.**

Unrestricted Source Expenditures

The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the institutions' education and general operations. They include state general revenue appropriations, tuition, general fees, and sponsored research overhead. The unrestricted budget is similar to the general revenue budget of other agencies and departments.

University of Rhode Island. The University requested \$12.4 million less from unrestricted sources than enacted. The enacted budget assumes \$17.3 million in additional tuition and fee revenue than the University had estimated. This would have required identifying additional revenues or expenditure reductions, or both. Changes include \$15.1 million or 3.4 percent less than enacted from tuition and fees, and \$2.7 million more from other University sources. The enacted budget assumes enrollment of 14,623, with 6,850 in-state students and 7,773 out-of-state students. The revised request includes enrollment of 14,631, or eight more than enacted. However, there were 95 fewer out-of-state enrollments, resulting in overall lower tuition and fees than anticipated. *The Governor recommended \$3.2 million more than requested from general revenues to reflect an updated debt service schedule.* **The Assembly concurred.**

Rhode Island College. The College requested \$26,356 less than enacted from unrestricted sources for FY 2026. This includes \$55,198, or 0.1 percent more, from tuition and fees, and \$81,554, or 1.7 percent less, from other unrestricted sources. The enacted budget assumes \$1.3 million more from unrestricted sources than the College had estimated. This would have required identifying additional revenues or expenditure reductions, or both. Additional revenues from increased enrollment, turnover savings, and reduced operating expenses helped close the gap between expected revenues and expenditures.

The revised request includes \$0.4 million more than enacted for salaries and benefits, \$2.1 million more for contracted services, \$1.5 million less for student aid, \$0.8 million less for debt service, and \$0.3 million less for other operating expenses. *The Governor recommended \$0.9 million more than requested, including \$0.7 million from general revenues, almost all of which is to reflect an updated debt service schedule.* **The Assembly concurred.**

Community College of Rhode Island. The Community College requested \$2.4 million, or 1.8 percent more than enacted, from unrestricted sources. This includes \$0.3 million more from general revenues. It

also includes \$1.3 million, or 2.0 percent more than enacted, from tuition and fees from prior-year balances, and \$0.8 million more from other unrestricted sources. The revised request includes 7,570 full-time equivalent students, 109 fewer than enacted.

The revised budget is based on a fall headcount of 11,649, compared with 11,777 in the enacted budget. In the enacted budget, full-time students accounted for approximately 38.8 percent, and part-time students accounted for 61.2 percent. In the revised budget, it is 37.5 percent full-time and 62.5 percent part-time, resulting in lower tuition revenue from lower credit hours. To offset a potential deficit, the Community College will use prior year balances from tuition and fee revenues.

The expenditure changes include \$0.9 million more for salaries and benefits, \$33,067 less for contracted services, \$1.0 million less for student aid, and \$2.5 million more for other operating expenses. *The Governor recommended \$5,760 less than requested, including \$0.2 million more from general revenues to reflect an updated debt service schedule.* **The Assembly concurred.**

Restricted Source Expenditures

The restricted budget consists of what are generally considered restricted receipt funds or enterprise funds. It includes residence hall funds, dining funds, and any other funds whose sources are limited to specific purposes. Federal funds are considered restricted use.

Capital Improvements. The revised budget includes a \$9.3 million increase from Rhode Island Capital Plan funds for restricted source capital expenditures. *The Governor recommended \$8.4 million less than requested.* **The Assembly shifted \$9.5 million from Rhode Island Capital Plan funds from FY 2026 to later years based on revised project schedules. A detailed description of the projects is included in the Capital Budget section of this publication.**

Debt Service. The revised budget decreases restricted-use debt service costs by \$0.6 million, reflecting revisions to multiple debt service schedules. *The Governor recommended \$16,265 more than requested.* **The Assembly concurred.**

University of Rhode Island Other Operations. The University included a \$9.6 million increase from restricted sources for all other operations. This includes \$0.1 million more in restricted student aid, \$3.7 million less for the University's auxiliary enterprises, mainly the bookstore, \$9.4 million more from sponsored research grants, and \$2.2 million more from private and other restricted sources. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island College Other Operations. The College included a \$4.2 million increase from restricted sources for all other operations. This reflects a \$4.9 million increase in restricted student aid, \$0.2 million more in sponsored research, \$0.2 million less for the residence halls, \$0.3 million more for dining facilities, and \$0.1 million less for the student union. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Community College of Rhode Island Other Operations. The Community College included a \$2.7 million increase from restricted sources for all other operations. This includes \$4.7 million more for restricted student aid, \$15,333 more for the driver's education program, \$0.3 million more for the bookstore, \$0.1 million less from private grants, and \$2.1 million less for sponsored research. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island State Council on the Arts

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,384,662	\$ 1,561,665	\$ 1,563,567	\$ 1,563,567
Contracted Services	342,984	340,363	383,974	383,974
Subtotal	\$ 1,727,646	\$ 1,902,028	\$ 1,947,541	\$ 1,947,541
Other State Operations	212,995	208,924	236,430	236,430
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,456,433	1,593,502	1,486,201	1,486,201
Capital	330,250	538,000	540,529	540,529
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,727,324	\$ 4,242,454	\$ 4,210,701	\$ 4,210,701
Sources of Funds				
General Revenue	\$ 2,412,492	\$ 2,414,685	\$ 2,416,128	\$ 2,416,128
Federal Aid	825,040	1,022,711	1,093,573	1,093,573
Restricted Receipts	-	115,058	-	-
Other	489,792	690,000	701,000	701,000
Total	\$ 3,727,324	\$ 4,242,454	\$ 4,210,701	\$ 4,210,701
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average	9.5			

FY 2026 Revised Request. The Rhode Island State Council on the Arts requested \$40,153 less than enacted, including \$115,058 more from general revenues, \$63,905 more from federal funds, \$230,116 less from restricted receipts, and \$11,000 more from other funds. The Council's revised request mistakenly included a negative value of \$115,058 from restricted receipts; the intention was to request no funding from restricted receipts. Adjusted for this, the Council's request is \$74,905 more than enacted. *The Governor recommended \$31,753 less than enacted and \$8,400 more than requested.* **The Assembly concurred.**

Indirect Cost Recovery. The Council requested the restoration of \$115,058 from general revenues to support agency operations in lieu of indirect cost recovery restricted receipts. The FY 2026 enacted budget includes general revenue savings of \$115,058 to be achieved by applying a 15.0 percent indirect cost recovery rate to federal grants received. The Council reported that it was informed by the National Endowment for the Arts that indirect costs are not allowable because the Council already charges \$0.3 million of operational and administrative expenses in its annual partnership agreement, and the grant agreement prohibits charging both direct and indirect costs.

The Council intended to remove restricted receipts but mistakenly included a negative value. *The Governor did not recommend the additional general revenues but did correct the error and included no restricted receipts.* **The Assembly concurred.**

National Endowment for the Arts Grants. The Council requested \$107,301 less from federal National Endowment for the Arts funds to support grants to individuals and organizations that advance the arts and encourage artists to keep the arts visible in the community. The reduction reflects anticipated funds available for FY 2026. *The Governor recommended the requested funding.* **The Assembly concurred.**

Percent for Art Program. The Council requested \$11,000 more than enacted for the Percent for Art program to support public art projects at state-owned facilities based on planned expenditures. There are 13 ongoing projects, two of which are new, and six planned future projects. *The Governor recommended the requested funding.* **The Assembly concurred.**

Other Staffing and Operations. The Council requested \$171,206 more than the enacted amount, entirely from federal funds, for all other staffing and operations. The increase includes the restoration of \$0.1 million from federal funds for operations from not charging indirect cost recovery, as noted previously. The revised request would increase funds for contracted professional services by \$34,611 for the fiscal year to better match the Council's expected programmatic needs, including support for temporary employees, increased professional service fees for grant panelists, and management and consultancy services. *The Governor recommended \$8,400 above the requested amount, reflecting adjustments to information technology billings based on updated data and statewide adjustments to health benefit rates.* **The Assembly concurred.**

Rhode Island Atomic Energy Commission

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,298,362	\$ 1,399,109	\$ 1,364,011	\$ 1,364,011
Contracted Services	42,565	-	57,966	-
Subtotal	\$ 1,340,927	\$ 1,399,109	\$ 1,421,977	\$ 1,364,011
Other State Operations	262,075	237,350	243,264	243,264
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	7,936
Capital	5,027	78,036	28,036	96,002
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,608,029	\$ 1,714,495	\$ 1,693,277	\$ 1,711,213
Sources of Funds				
General Revenue	\$ 1,187,148	\$ 1,278,282	\$ 1,282,191	\$ 1,282,191
Federal Aid	63,200	-	-	7,936
Restricted Receipts	(980)	25,036	25,036	35,036
Other	358,661	411,177	386,050	386,050
Total	\$ 1,608,029	\$ 1,714,495	\$ 1,693,277	\$ 1,711,213
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.6			

FY 2026 Revised Request. The Rhode Island Atomic Energy Commission requested \$35,688 less than enacted. This includes \$2,540 less from general revenues and \$33,148 less from University funds. *The Governor recommended \$21,218 less than enacted and \$14,470 more than requested. General revenues are \$3,909 more than enacted and \$6,449 more than requested.*

The Governor requested an amendment to add \$17,936. This includes \$10,000 from reactor fee restricted receipts to reflect anticipated usage for FY 2026, and \$7,936 from available federal nuclear education program funds from the United States Nuclear Regulatory Commission. This funding is available to support student projects focused on nuclear education. The Assembly concurred.

Salaries and Benefits. The Commission's revised request includes \$35,688 less than enacted for staffing expenses, including \$2,540 less from general revenues and \$33,148 less from University funds. The use of University funds for staffing is governed by a contract, and the revised request corrects an overstatement in the enacted budget. The enacted budget fully funds all staff, which the Commission intended to maintain in the revised request. Through the beginning of October 2025, all positions are filled. *The Governor recommended \$590 more than requested, including \$535 from general revenues, to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Capital. The Commission requested \$50,000 from Rhode Island Capital Plan funds for capital asset protection projects, consistent with the enacted amount. *The Governor recommended \$7,966 more to reflect available carryforward funds from FY 2025. The Assembly concurred.*

Other Operations. The Commission requested the enacted amount of \$0.3 million for all other operations, including \$0.2 million from general revenues. This includes \$20,536 for centralized information technology services provided by the Department of Administration. *The Governor recommended \$5,914 more from general revenues than requested. This includes \$3,374 to reflect adjustments to information technology billings based on updated data and \$2,540 more for building supplies to offset the requested general revenue reduction to maintain the agency at the enacted general revenue level.*

*The Governor requested an amendment to add \$17,936. This includes \$10,000 from reactor fee restricted receipts to reflect anticipated usage for FY 2026, and \$7,936 from available federal nuclear education program funds from the United States Nuclear Regulatory Commission. This funding is available to support student projects focused on nuclear education. **The Assembly concurred.***

Historical Preservation and Heritage Commission

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,983,138	\$ 2,493,072	\$ 2,475,184	\$ 2,275,184
Contracted Services	6,438	6,825	6,825	6,825
Subtotal	\$ 1,989,576	\$ 2,499,897	\$ 2,482,009	\$ 2,282,009
Other State Operations	330,410	345,354	391,124	391,124
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	129,204	593,380	593,380	593,380
Capital	24,175	10,000	60,000	60,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,473,365	\$ 3,448,631	\$ 3,526,513	\$ 3,326,513
Sources of Funds				
General Revenue	\$ 1,713,665	\$ 1,969,751	\$ 2,017,033	\$ 1,817,033
Federal Aid	724,842	822,451	807,253	807,253
Restricted Receipts	57	511,827	511,827	511,827
Other	34,801	144,602	190,400	190,400
Total	\$ 2,473,365	\$ 3,448,631	\$ 3,526,513	\$ 3,326,513
FTE Authorization	15.6	15.6	15.6	15.6
FTE Average	11.8			

FY 2026 Revised Request. The Historical Preservation and Heritage Commission requested \$19,337 more than enacted from all sources, including \$54,663 more from general revenues, \$31,124 less from federal funds, and \$4,202 less from Department of Transportation reimbursements. *The Governor recommended \$58,545 more than requested, mostly from Rhode Island Capital Plan funds. The Assembly provided \$0.2 million less than recommended.*

Salaries and Benefits. The Commission requested \$16,937 more than enacted from all sources for salaries and benefits for the Commission's 15.6 full-time equivalent positions, including \$52,263 more from general revenues, \$31,124 less from federal funds, and \$4,202 less from Department of Transportation reimbursements. As of mid-November, the Commission had an average of 3.6 vacancies and expects to have one vacancy filled by the end of the calendar year. The FY 2026 enacted budget includes turnover savings equal to about one full-time equivalent position, while the revised request restores turnover savings equal to about half of one position. *The Governor recommended \$34,825 less than requested, reflecting additional turnover savings, and includes \$2,190 for statewide adjustments to health benefit rates. The Assembly provided \$0.2 million less than recommended, reflecting additional turnover savings; as of the third quarter, the Commission had 3.6 vacancies.*

Capital. The Commission's revised request contains no funds for capital projects consistent with the enacted budget but not its capital request, which the Commission indicated should prevail. The Commission's capital request includes \$500,000 from federal funds for FY 2026 for renovations to the Old State House. Renovations were scheduled to be completed in FY 2025, but not all funding has been

disbursed. The Commission's capital request also includes \$150,000 from federal and Rhode Island Capital Plan funds for FY 2026 for its artifact relocation efforts. *The Governor recommended \$50,000 from Rhode Island Capital Plan funds, consistent with the capital request.* **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.**

Other Operations. The Commission requested \$2,400 more than enacted from general revenues for all other expenses, primarily software costs. *The Governor recommended \$43,370 more than requested to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Office of the Attorney General

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Criminal	\$ 28,255,727	\$ 28,647,621	\$ 28,931,915	\$ 28,931,915
Civil	9,242,486	12,125,944	11,344,005	11,344,005
Bureau of Criminal Identification	4,652,582	3,834,787	4,439,054	4,439,054
General	5,347,271	7,879,455	8,211,333	5,686,333
Total	\$ 47,498,066	\$ 52,487,807	\$ 52,926,307	\$ 50,401,307
Expenditures by Category				
Salaries and Benefits	\$ 38,163,878	\$ 39,643,874	\$ 39,397,805	\$ 39,397,805
Contracted Services	2,236,752	3,499,087	6,143,790	3,618,790
Subtotal	\$ 40,400,630	\$ 43,142,961	\$ 45,541,595	\$ 43,016,595
Other State Operations	5,671,231	5,787,508	5,730,090	5,730,090
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	53,769	215,000	215,000	215,000
Capital	1,372,436	3,342,338	1,439,622	1,439,622
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 47,498,066	\$ 52,487,807	\$ 52,926,307	\$ 50,401,307
Sources of Funds				
General Revenue	\$ 36,669,822	\$ 38,244,427	\$ 38,389,891	\$ 38,389,891
Federal Aid	3,388,275	3,568,559	3,348,549	3,348,549
Restricted Receipts	7,325,139	8,149,821	8,662,867	8,662,867
Other	114,830	2,525,000	2,525,000	-
Total	\$ 47,498,066	\$ 52,487,807	\$ 52,926,307	\$ 50,401,307
FTE Authorization	264.1	268.1	268.1	268.1
FTE Average	256.4			

FY 2026 Revised Request. The Office of the Attorney General requested \$1.0 million more than enacted from all sources, including \$0.7 million more from general revenues, \$0.2 million less from federal funds, and \$0.5 million more from restricted receipts. *The Governor recommended \$0.6 million less than requested, primarily from general revenues. The recommendation is \$145,464 more than enacted from general revenues to account for statewide adjustments. Spending is shifted among items, but otherwise is the same enacted total. The Assembly provided \$2.5 million less than the recommendation from Rhode Island Capital Plan funds.*

Staffing. The 2025 Assembly authorized 268.1 full-time equivalent positions for FY 2026, which included 4.0 new positions within the Civil Division based on a request from the Attorney General. As of the budget submission, the positions are vacant. Five positions are shifted from the Civil Division, with two of those positions allocated to the General Division and three positions allocated to the Criminal Division. These are revisions to staffing among divisions compared to the enacted budget assumptions. The Office appears

to be shifting the additional authorizations for new positions to other divisions. *The Governor recommended staffing consistent with the revised request.* **The Assembly concurred.**

Healthcare Litigation - Restricted Receipts. The Office requested the enacted amount of \$1.0 million from restricted receipts for potential costs associated with subject matter healthcare experts. The Office must review and approve proposed hospital conversions pursuant to Rhode Island General Laws, Section 23-17.14-5. The Attorney General and Department of Health deemed the Centurion Foundation application to purchase Roger Williams Hospital and Our Lady of Fatima Hospital from Prospect Medical holdings complete on December 14, 2023. The sale was approved with conditions in June 2024 and amended in November 2024. The sale was anticipated to close in January 2025, but it remains open as of November 2025. This amount was also authorized for FY 2025, and \$0.5 million was spent. The restricted receipts are available from an account established to hold a portion of attorney's fees recovered from non-multistate initiatives. *The Governor recommended funding as requested.* **The Assembly concurred. It also enacted legislation in February 2026 to provide \$18.0 million to support the Foundation's acquisition of the hospitals through a debt service reserve fund. The sale was completed in March 2026.**

Salaries and Benefits. The Office requested \$461,524 more from all sources for salaries and benefits for its 268.1 authorized positions. This includes \$308,927 more from general revenues, \$41,438 less from federal funds, and \$194,035 less from restricted receipts. The request shifts funding for 3.0 full-time positions from the Civil Division to the Criminal Division and 2.0 positions to the General Unit. The enacted budget includes turnover savings equivalent to about eight positions. The revised request appears to assume turnover equivalent to about five positions, which is about three fewer than the enacted budget assumed. As of mid-November 2025, the Office averaged 260.1 positions filled or 7.9 vacancies. As of mid-April, it had six vacancies. *The Governor recommended \$0.7 million less than requested, primarily from general revenues. This includes \$34,021 more to reflect statewide adjustments to health benefit rates. The revisions to the request otherwise maintain funding at the enacted level after accounting for requested spending increases elsewhere.* **The Assembly concurred.**

Complex Litigation. The Office requested \$0.2 million more than enacted from general revenues to support the complex litigation cases that often require expert witnesses and additional legal services. Spending from general revenues was \$0.3 million in FY 2025, or \$0.5 million less than the revised request. Office staff indicated that criminal defendants are increasingly utilizing mental capacity defenses, which require additional medical experts to assess the validity of those claims. *The Governor recommended funding as requested.* **The Assembly concurred.**

Fingerprint Checks. The Office requested \$607,284 more from restricted receipts to support the automated fingerprint identification system. The FY 2025 final budget included \$1.5 million for a project to update the system's hardware and software. The Office indicated that progress has been slower than expected, so a payment was shifted to FY 2026. The request maintains \$0.4 million from federal equitable sharing funds included in the enacted budget.

Traditionally, the restricted receipts collected are specifically used to fund the operation of the national background check system. The Office has previously maintained a carry-forward balance, which it indicated is necessary to plan for maintenance and upgrades to the system. The Office also requested that the enacted level of fees be paid to the Federal Bureau of Investigation to run the background checks. *The Governor recommended funding as requested.* **The Assembly concurred.**

Automatic Expungement. The Office requested \$226,000 less from restricted receipts for costs associated with the automatic expungement of marijuana-related possession offenses based on an updated estimate of costs. The enacted budget included \$0.4 million for anticipated contract costs.

The 2022 Assembly enacted legislation providing for the automatic expungement of prior marijuana-related possession offenses. Spending for this project has totaled \$190,372 as of the end of FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Equitable Sharing - Forfeitures. Excluding the capital budget and the fingerprint system, the Office requested \$0.2 million less than enacted from its share of Federal Equitable Sharing funds. This includes \$64,500 less for building maintenance to more closely align funding with historical spending, and \$86,000 less to reflect the final cost of the data backup systems being less than assumed in the enacted budget. *The Governor recommended funding as requested. The Assembly concurred.*

Medicaid Fraud Unit. The Office requested \$0.3 million more for technology expenses for its Medicaid Fraud Unit, delayed from FY 2025. This includes \$0.1 million from general revenues and \$0.2 million from federal funds. The Medicaid Fraud Unit prosecutes cases of abuse, neglect, and mistreatment of patients in state healthcare facilities and investigates fraud in the state Medicaid program. The request includes funding to develop case management software for more accurate reporting at the recommendation of a federal audit. *The Governor recommended funding as requested. The Assembly concurred.*

Consumer Education. The Office requested \$85,000 less than enacted from the National Association of Attorneys General consumer education restricted receipts based on anticipated spending. These funds are primarily used to protect consumers against scams and to hire specialized consultants for more complicated cases. The Office routinely underspends budgeted amounts, and the revised request attempts to adjust that somewhat. FY 2025 spending was \$0.2 million. The request notes an opening FY 2026 balance of \$2.4 million. *The Governor recommended funding as requested. The Assembly concurred.*

Body-Worn Camera Software. The Office requested \$0.3 million from general revenues for body-worn camera software. The Office stated that additional general revenues are needed for software to maintain body-worn camera footage. Funding for new body-worn camera software was unsuccessfully requested in the FY 2026 budget request. The Office confirmed that it has moved forward with this expense. *The Governor recommended funding as requested. The Assembly concurred.*

Capital. The Office requested the enacted amount from Rhode Island Capital Plan funds to support capital improvement projects. It also requested \$0.2 million less than enacted from federal Equitable Sharing funds to reflect the installation of an electric vehicle charger being funded by the Office of Energy Resources. This is consistent with its capital request. *The Governor recommended funding as requested. The Assembly shifted \$2.5 million from Rhode Island Capital Plan funds to later years based on an updated timeline. A detailed description of the project is included in the Capital Budget section of this publication.*

Other Operations. The Office requested \$150,205 less than enacted from all sources for all other expenses, including \$140,000 less from general revenues, \$30,205 less from federal funds, and \$20,000 more from restricted receipts. General revenue changes reflect \$140,000 less for maintenance and supplies for the Criminal program to reflect historical spending. The decrease from federal funds primarily aligns spending with available National Criminal History Improvement Program funds. The Office requested \$20,000 more from Forfeiture of Property restricted receipts to reflect expected cost increases for software maintenance. *The Governor's recommendation includes \$115,053 more than requested from general revenues to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Department of Corrections

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 23,202,580	\$ 24,875,748	\$ 26,163,680	\$ 25,818,871
Parole Board	1,547,392	1,673,257	1,612,102	1,612,102
Custody and Security	183,033,046	211,451,012	209,383,432	193,689,230
Institutional Support	39,730,503	51,556,927	51,201,652	51,600,924
Institutional Based Rehab/Pop	18,481,680	16,713,357	16,829,621	16,829,621
Healthcare Services	34,682,378	37,051,880	40,176,007	40,176,007
Community Corrections	21,143,149	23,029,277	22,788,463	22,760,014
	\$ 321,820,728	\$ 366,351,458	\$ 368,154,957	\$ 352,486,769
Expenditures by Category				
Salaries and Benefits	\$ 237,444,030	\$ 253,079,582	\$ 252,321,901	\$ 254,818,749
Contracted Services	26,995,913	19,461,382	57,234,762	19,821,582
Subtotal	\$ 264,439,943	\$ 272,540,964	\$ 309,556,663	\$ 274,640,331
Other State Operations	49,722,736	51,741,361	53,923,631	54,252,797
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	4,824,113	2,170,525	2,165,815	2,166,031
Capital	2,833,936	39,898,608	2,508,848	21,427,610
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 321,820,728	\$ 366,351,458	\$ 368,154,957	\$ 352,486,769
Sources of Funds				
General Revenue	\$ 302,877,505	\$ 324,014,603	\$ 325,669,067	\$ 329,496,750
Federal Aid	4,328,475	1,758,102	3,576,844	2,575,391
Restricted Receipts	1,615,745	1,303,091	1,495,866	1,495,866
Other	12,999,003	39,275,662	37,413,180	18,918,762
Total	\$ 321,820,728	\$ 366,351,458	\$ 368,154,957	\$ 352,486,769
FTE Authorization	1,461.0	1,461.0	1,461.0	1,461.0
FTE Average	1,337.3			
Prison Population	2,337	2,536	2,375	2,375

FY 2026 Revised Request. The Department of Corrections requested \$5.8 million more than enacted from all sources, including \$2.7 million from general revenues, of which \$0.6 million was reappropriated by the Governor; \$1.8 million from federal funds; \$0.4 million from restricted receipts; and \$1.0 million from Rhode Island Capital Plan funds. The Department's FY 2026 revised request is based on a population of 2,414, which is 122 fewer inmates than assumed in the enacted budget. *The Governor's recommendation is \$4.0 million less than requested, including \$1.0 million from general revenues, \$0.2 million from restricted receipts, and \$2.8 million from Rhode Island Capital Plan funds. He subsequently requested an amendment to add \$1.6 million for blizzard expenses. The Assembly provided \$17.3 million less than the amended recommendation, including \$2.2 million more from general revenues, \$1.0 million less from federal funds, and \$18.5 million less from Rhode Island Capital Plan funds.*

Staffing. The Department requested \$0.9 million less than enacted, including \$0.6 million from general revenues and \$0.3 million from federal funds, for the enacted level of 1,461.0 full-time equivalent positions. The request shifts authorized vacant positions among programs, including 6.0 more within Healthcare Services, 2.0 more within Community Corrections, 7.0 less within Custody and Security, and 1.0 less within Institutional Support. The request assumes an average of 1,313.6 positions filled or 147.4 vacancies. Through November, the Department averaged 1,354.8 positions filled, which is 41.2 more than assumed in the request. The Department subsequently indicated that its request overstates turnover savings by \$0.7 million, equivalent to 4.5 vacancies.

The request maintains \$1.6 million of overtime savings from efficiency initiatives included in the enacted budget that were proposed by the Department in lieu of its facilities consolidation proposal that was recommended by the Governor but subsequently proved infeasible. *The Governor recommended \$0.2 million more than requested from general revenues, which reflects \$0.1 million of additional turnover savings and statewide adjustments to health benefit rates.*

The Assembly provided \$2.5 million more than recommended based on anticipated spending. This reflects \$0.3 million less for accreditation, \$1.2 million more for overtime related to the February blizzard and restoration of all efficiency savings included in the FY 2026 enacted budget based on the Department’s third quarter report.

Population. The FY 2026 revised request is based on a population of 2,414, which is 122 fewer inmates than assumed in the enacted budget. The Department contracts with a firm to prepare population estimates. The House Fiscal Staff uses a simple model using trend data and the population through the end of November, which suggests the Department is on track for a population of 2,406 or 8 fewer than assumed in the revised request. Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase its allowed capacity from 4,085 to 4,265; the maximum capacity is now 3,886, updated for current facilities.

As required by the 2024 Assembly, in February 2025, the Department released a study evaluating recidivism trends and existing program outcomes along with recommendations to reduce recidivism. The report contains required recidivism data and reveals a moderate correlation between program participation and reduced recidivism rates. It contains five recommendations, all of which are for additional data collection and analysis. The following table depicts the recent history of the budgeted and actual prison population from FY 2019 through FY 2027. *The Governor’s recommendation assumes 39 fewer inmates. The Assembly concurred.*

History	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Request	2,865	2,762	2,671	2,387	2,357	2,278	2,470	2,536	2,455
Governor	2,865	2,691	2,549	2,354	2,357	2,278	2,470	2,536	2,455
Enacted	2,849	2,671	2,267	2,354	2,357	2,278	2,470	2,536	2,455
Revised Request	2,760	2,671	2,267	2,181	2,357	2,396	2,439	2,414	-
Governor Revised	2,730	2,671	2,267	2,181	2,251	2,396	2,439	2,375	-
Final	2,730	2,633	2,155	2,115	2,297	2,396	2,339	2,375	-
Actual	2,665	2,544	2,144	2,132	2,298	2,346	2,338	-	-

Population: Per Diem Expenditures. The Department requested \$0.6 million more than enacted from general revenues for population-related expenditures that are calculated on a per diem basis. These expenses include items such as food, inmate clothing and linens, janitorial supplies, inpatient and outpatient care, doctor and dental costs, and medical testing. The Department bases per diem projections on the most recent population information, contract costs, and prior year spending. The revised request assumes expenses of \$8,548 per inmate, or \$642 more than the enacted budget assumption of \$7,905. The request

is \$92 less per inmate than FY 2025 actual expenses of \$8,640 per inmate, reflecting a projected increase for pharmaceutical costs, nursing, food, and clothing, partially offset by reduced doctor and dental and other equipment expenses. *The Governor recommended \$0.3 million less than requested to reflect his assumptions regarding a lower inmate population.* **The Assembly concurred.**

State Criminal Alien Assistance Program. The Department requested \$0.3 million less than enacted from federal State Criminal Alien Assistance Program funds, offset by a like amount of general revenues. The revised request reflects the most recent award received by the Department as of its budget submission. These federal funds are awarded on a formula basis and provide support for costs of incarcerating undocumented criminals with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. *The Governor concurred. The Department subsequently indicated that grants were not awarded in FY 2026 but should be made in FY 2027, and award amounts may reflect forgone FY 2026 support.* **The Assembly shifted \$1.0 million from federal funds to general revenues to reflect that grant funds were not awarded.**

Nursing Services. The Department requested \$1.6 million more than enacted from general revenues for nursing services. This includes \$1.2 million more for salary and benefit expenses based on an updated projection of step increases and benefit changes, and \$0.4 million more for contracted nursing pools. As of December, the Department has 4.0 vacant certified nursing positions. The Department utilizes nursing pool contracts to cover necessary shifts when state employees do not volunteer for overtime, and has continued to pay enhanced rates to nursing staff to compete with demand from other organizations. Nursing pool expenses would total \$1.7 million for FY 2026. They were \$2.1 million in FY 2025 and \$1.8 million in FY 2024, compared to a low of \$0.3 million in FY 2021. *The Governor recommended \$22,904 less than requested, which reflects \$32,105 less for contracted services to reflect reduced demand from a lower estimated inmate population, offset by statewide adjustments to health benefit rates.* **The Assembly concurred.**

Reappropriation - Healthcare Enhancements. The request includes \$581,138 from reappropriated general revenues for healthcare staff enhancements not spent in FY 2025. The Assembly appropriated \$665,340 from general revenues for FY 2023, and remaining funds have been reappropriated every year since; as of the end of FY 2025, \$84,202 has been spent. Support includes \$487,340 for participation in the education pathways initiative, \$31,000 for an equipment allowance, \$59,000 for mentoring bonuses for training, and \$88,000 for recruitment incentives. As of October 2025, the Department indicates it is disbursing these funds. *The Governor recommended funding as requested.* **The Assembly concurred.**

Discharge Planning. The Department requested \$77,672 less than enacted from general revenues for discharge planning services. The request reflects additional turnover savings and adjustments based on FY 2025 spending, partially offset by an increase in payments to vendors, assuming they will fully meet their obligations. Discharge planning services seek to prevent recidivism, including assistance with residence, employment, or qualifying for entitlement programs. Services were provided by a single vendor beginning in FY 2019, which experienced high levels of turnover, resulting in service delivery issues. The 2021 Assembly authorized 7.0 new staff to deliver these services in-house in concurrence with a recommendation from the Governor. All positions were filled in FY 2022. Individuals with specialized needs, such as inmates with gang affiliations or mental health needs, still receive specialized services through a contracted provider. *The Governor recommended \$964 more than requested, which primarily reflects statewide adjustments to health benefit rates.* **The Assembly concurred.**

Medication Assisted Treatment. The Department requested \$0.2 million more than enacted for its medication assisted treatment program for opioid users. This is \$0.2 million less from general revenues offset by \$0.4 million more from Opioid Settlement restricted receipts, reflecting updated contract costs and anticipated equipment purchases using these funds. *The Governor recommended \$34,715 more than*

enacted and shifted \$158,664 from general revenues to available restricted receipts based on FY 2025 experience. The Assembly concurred.

Mental Health Services. The Department requested \$79,160 less than enacted from general revenues for mental health services for inmates based on updated spending estimates. Mental health services are largely delivered in the correctional facilities through vendors, primarily Lifespan, by therapists, clinicians and other mental health professionals. The Department indicated that its providers have experienced staffing issues that have led to a lower level of service delivery. It renegotiated provider contracts in FY 2024 to include retention benefits, such as mandatory cost-of-living adjustments, which it expects will improve its contractors' ability to reliably provide services. However, its request acknowledges that utilization is still projected to be less than the enacted budget assumes. *The Governor recommended \$23,425 less than requested based on FY 2025 spending. The Assembly concurred.*

Behavioral Management Unit. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a cell for 22 hours a day or more. The 2022 Assembly provided \$250,000 for a feasibility study to determine the best facility to house the unit. Beginning in FY 2024, the Assembly provided \$4.5 million and 32.0 new positions to support the unit. The approved capital plan also includes \$10.8 million from Rhode Island Capital Plan funds to construct a new behavioral management unit at the Maximum Security Facility. The pilot Behavioral Management Unit program began in January 2025 at the Intake Service Center and can support 12 inmates. The Department is updating requirements based on feedback from court monitors and is confident that the courts will deem the pilot program as sufficient. Its current request excludes the capital project and no longer tracks these expenses separately. *The Governor concurred. The Assembly concurred.*

Inmate Payroll. The Department requested \$37,501 less from general revenues for inmate payroll to more closely reflect FY 2025 expenses. Inmates are compensated for services provided to the Department and other state agencies. They typically use the money received to pay for medical co-pays, copies of medical records, court fines, and various commodities provided by the inmate commissary unit, and repayment for damage to state property. *The Governor concurred. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$2.0 million less than enacted, primarily from general revenues, for all other institutional corrections staffing expenses. The request reflects additional turnover savings and \$0.9 million less for overtime expenses, based on current trends. The request includes \$21.1 million in turnover savings and \$40.1 million for overtime, and funds approximately 1,079 of the 1,215 authorized positions. In FY 2025, the Department spent \$38.9 million on overtime.

The revised request funds two full correctional officer classes and the majority of a third that began in FY 2025 but ended in August. These classes are anticipated to graduate an estimated 116 recruits who will all begin work in FY 2026. Class 93 graduated with 16 recruits, while Classes 94 and 95 are expected to graduate 50 recruits each. At the time of the request, the Department had 86.0 vacant correctional officer positions. The request does not include an associated reduction in overtime costs; recruits will fill existing vacancies and replace correctional officers anticipated to retire. *The Governor recommended \$0.1 million more than requested from general revenues, which reflects statewide adjustments to health benefit rates, offset by additional turnover savings. The Assembly provided \$2.8 million more than recommended, reflecting \$1.2 million more for overtime related to the February blizzard, and restoration of \$1.6 million of efficiency savings the Department testified it would identify but subsequently indicated was unachievable.*

Inmate Education and Professional Development. The Department requested \$34,896 more than enacted from all sources for education and development services for inmates, including \$22,214 less from general revenues and \$57,110 more from federal funds, based on anticipated offerings. General revenues support classes provided through Roger Williams University for inmates who demonstrate good behavior.

Federal grants are used to provide academic opportunities for inmates to prepare them for reentry into society. This includes special education grants, which are administered by the Department of Elementary and Secondary Education. *The Governor recommended \$2,716 less than requested from general revenues. The Assembly concurred.*

Property Maintenance. The Department requested \$6.1 million for property maintenance expenses. This is \$0.5 million more than enacted to reflect updated information and expected repairs; spending was \$5.6 million in FY 2025. The Department indicates that the age of its facilities has necessitated escalating maintenance costs to prevent further deterioration. Any building repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan funding made available through asset protection and are charged to general revenues. Regular asset protection activity is intended to reduce ad hoc repair costs. *The Governor recommended \$0.2 million less than requested based on FY 2025 spending. The Assembly concurred.*

Correctional Officer Uniforms. The Department requested \$48,865 less than enacted from general revenues for correctional officer uniforms. The request is determined based on inventory and the number of new correctional officers. These expenses tend to fluctuate annually; FY 2025 expenses were \$0.4 million, and FY 2024 expenses were \$0.3 million. *The Governor concurred. The Assembly concurred.*

Transport Vehicles. The Department received a \$1.2 million federal grant in FY 2025 to replace inmate transport vehicles. The revised request shifts funding to FY 2026 based on when expenses are expected to occur. Vehicles are pre-customized to enable the safe transport of inmates. The Department indicated it is replacing those in its current stock with the most mileage and wear. Funds will replace 19 vehicles, 13 of which have been delivered as of December. *The Governor recommended funding as requested. The Assembly concurred.*

Correctional Industries Equipment. The Department requested \$0.3 million from federal funds to reflect remaining federal grant funds to purchase equipment for the correctional industries program. The Department was awarded \$0.5 million for this purpose in FY 2025, but most expenses are now expected to fall within FY 2026. From FY 2016 to FY 2023, program expenses exceeded revenues. The 2022 Assembly provided \$1.9 million to pay back previous general fund loans, cover a projected shortfall, and required quarterly reports on the Department's progress to modernize the program. The 2024 Assembly passed legislation requiring customers to pay 50.0 percent of the cost of goods upfront. *The Governor recommended funding as requested. The Assembly concurred.*

Narcotics Scanners. The Department requested \$0.4 million from federal funds to reflect federal grant awards for narcotics scanners. The Department is installing scanners at all of its facilities to screen inmate mail for substances such as synthetic cannabis. These funds supplement Opioid Settlement restricted receipts, which are also being used to install scanners. *The Governor recommended funding as requested. The Assembly concurred.*

Other Institutional Corrections Operations. The Department requested \$0.4 million more than enacted from general revenues for all other institutional corrections expenses. The request includes \$0.4 million more for insurance costs, partially offset by adjustments to more closely reflect FY 2025 spending. The Department subsequently indicated that its request overstates insurance costs by \$0.3 million. *The Governor recommended \$0.4 million less than requested to correct for the overstatement. The Assembly concurred.*

Other Programs

Accreditation. The Department requested \$0.3 million from general revenues for an initiative to achieve American Correctional Association accreditation. The request shifts 3.0 associated positions from other

tasks and assumes turnover savings equivalent to an average of 0.7 vacancies. The Department indicates that accreditation would establish conformance with national best practices, ensure consistency across its facilities, grant access to Association expert witness testimony, and reduce liability and insurance costs. The Department was unable to estimate the value of these benefits or if they exceed the cost of complying with Association standards. The 2025 Assembly did not concur with this initiative when the Department proposed it last year; however, staff continue to perform this work, and \$0.2 million was spent in FY 2025. *The Governor concurred and added \$89 to reflect statewide adjustments to health benefit rates. The Assembly did not concur with this initiative and assumed turnover savings equivalent to the redundant positions.*

Training Unit. The Department requested \$0.5 million less than enacted from general revenues for costs related to training correctional officer classes. Consistent with the Department's request, the enacted budget includes \$0.2 million for additional radio and television advertisements to increase recruitment. The request contains \$0.2 million less for all advertising, as the Department evaluates if its existing outreach is sufficient. The remaining reduction reflects additional turnover savings. The request assumes turnover savings equivalent to an average of 2.8 vacancies and that three classes will be trained in FY 2026 with a total of 116 trainees. The enacted budget assumes only two classes; however, Class 93, which began in FY 2025, graduated 16 recruits in August 2025. *The Governor concurred and added \$2,025 to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Cognitive Behavioral Therapy. The Department requested \$0.2 million less than enacted from general revenues for its cognitive behavioral therapy program and 5.0 associated full-time equivalent positions. The program provides individualized supervision of offenders on probation or parole, allowing greater consideration of factors such as likelihood to re-offend, appropriate level of supervision, and needs, such as treatment for substance use disorders. The Department indicates this model is more effective than assessments focused solely on an individual's offenses. Consistent with the Department's request, the enacted budget added 2.0 positions within the existing authorization and included turnover savings equivalent to 0.7 vacancies. The request reflects reallocating the 2.0 positions elsewhere and restoring all turnover savings. As of December, the program has 6.0 filled positions. *The Governor concurred and added \$835 to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$569 more than enacted from general revenues for all other staffing expenses. The request includes \$0.4 million less to reflect the transfer of 3.0 positions to accreditation work from other tasks, partially offset by lower turnover savings. The request would fund 204.5 of 219.0 positions within central management, community corrections, and the Parole Board. *The Governor concurred and added \$30,731 to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Rented Property. The Department requested \$71,488 more from general revenues for costs associated with its rented property. These include rented spaces within the Courts, the Department of Labor and Training, firing ranges, and probation and parole offices. The Department indicated that its request attempts to account for known lease expenses and cost increases. *The Governor concurred. The Assembly concurred.*

Temporary Staff. The Department requested \$20,120 less than enacted from general revenues for temporary staff to offset vacancies in institutional corrections. The Department anticipated filling more positions than assumed for FY 2026, decreasing the expected use of these services to \$121,519. FY 2025 expenses were \$163,381, down from a high of \$213,542 in FY 2024. *The Governor concurred. The Assembly concurred.*

Capital Projects. The Department requested \$1.0 million more than enacted from Rhode Island Capital Plan funds for its capital projects, such as replacements to heating, ventilation, and cooling systems. The

request is \$9.3 million more than the Department's capital request; it indicated that its operating request should supersede. *The Governor recommended \$1.9 million less than requested, consistent with his capital recommendation, which includes \$2.1 million for each FY 2026 and FY 2027 for rental costs of temporary chillers, heaters, and generators for Medium Security after an irreparable steam line rupture in spring 2025. A feasibility study is currently underway. The recommendation appears to understate intended funding by \$1.7 million. The Governor requested an amendment on February 10 to correct the error. The Assembly provided \$18.5 million less than recommended, which corrects the understatement and shifts funding to later years. A detailed description of the projects is included in the Capital Budget section of this publication.*

Centralized Services. The Department requested \$1.2 million more than enacted from general revenues for centralized services provided through the Department of Administration. This reflects payments for June 2025 that should have occurred during FY 2025, but were delayed so the Department could meet its general revenue appropriation. It should be noted that doing so obfuscates where expenses are incurred and does not result in any savings. *The Governor recommended \$0.9 million more than enacted to reflect adjustments to information technology billings based on updated data. The recommendation assumes that the \$1.2 million will be billed to FY 2025. The Assembly concurred.*

Travel. The Department requested \$175,449 from general revenues, \$70,106 more than enacted, for out-of-state travel, primarily by agency leadership. The Department indicated that additional travel could help it obtain federal funding and attend conferences regarding national best practices. The Department unsuccessfully requested a similar increase last year; FY 2025 spending was \$138,068, which is \$35,063 more than the final budget. *The Governor recommended funding as requested. The Assembly provided funding consistent with the enacted budget.*

Other Operations. The Department requested \$262,875 more than enacted for all other expenses, including \$136,965 more each from general revenues and federal funds, and \$604 less from indirect cost recovery restricted receipts. This reflects adjustments to more closely reflect FY 2025 spending, and is primarily associated with contracted legal, accounting, and other professional services. *The Governor concurred. The Assembly provided \$0.4 million more for rental and equipment costs related to the February blizzard.*

Judicial Department

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Supreme Court	\$ 45,391,542	\$ 44,808,119	\$ 46,535,697	\$ 46,535,697
Defense of Indigent Persons	6,885,332	7,875,432	7,855,432	7,855,432
Commission on Judicial Tenure & Discipline	154,352	188,686	188,775	188,775
Superior Court	28,424,471	30,541,228	30,608,051	30,608,051
Family Court	32,797,958	34,560,500	34,205,332	34,205,332
District Court	18,480,066	18,454,727	18,153,622	18,153,622
Traffic Tribunal	11,825,086	11,704,985	11,741,517	11,741,517
Workers' Compensation Court	10,241,247	11,090,756	11,083,539	11,083,539
Total	\$ 154,200,054	\$ 159,224,433	\$ 160,371,965	\$ 160,371,965
Expenditures by Category				
Salaries and Benefits	\$ 116,718,329	\$ 125,973,201	\$ 123,867,736	\$ 123,867,736
Contracted Services	2,209,579	2,510,428	6,909,280	5,386,662
Subtotal	\$ 118,927,908	\$ 128,483,629	\$ 130,777,016	\$ 129,254,398
Other State Operations	20,220,476	11,584,347	13,119,869	11,470,801
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	12,590,134	13,619,396	13,901,937	13,901,937
Capital	2,461,536	5,537,061	2,573,143	5,744,829
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 154,200,054	\$ 159,224,433	\$ 160,371,965	\$ 160,371,965
Sources of Funds				
General Revenue	\$ 131,104,672	\$ 133,516,539	\$ 135,551,052	\$ 135,551,052
Federal Aid	5,198,136	6,294,895	5,424,840	5,424,840
Restricted Receipts	13,173,981	15,787,999	15,721,305	15,721,305
Other	4,723,265	3,625,000	3,674,768	3,674,768
Total	\$ 154,200,054	\$ 159,224,433	\$ 160,371,965	\$ 160,371,965
FTE Authorization	745.3	749.3	749.3	749.3
FTE Average	725.4			

FY 2026 Revised Request. The Judiciary requested \$2.9 million more than enacted for FY 2026, including \$3.9 million more from general revenues, \$0.9 million less from federal funds, \$0.1 million less from restricted receipts, and \$38,752 more from Rhode Island Capital Plan funds. The Judiciary identified \$1.8 million of unspent general revenues from FY 2025 for reappropriation to FY 2026. *The Governor recommended \$1.1 million more than enacted. This includes \$2.0 million more from general revenues, which is essentially equal to the value of the reappropriation and statewide adjustments. The Assembly concurred.*

Reappropriation. The Judiciary is authorized to have unspent general revenues reappropriated upon request. It has typically ended each year with unused general revenues, including \$3.9 million reappropriated from FY 2024 to FY 2025. The Judiciary ended FY 2025 with \$1.8 million of unspent general revenues and requested their reappropriation. These funds are allocated in its revised request for personnel expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Unidentified Savings Restoration. Consistent with the Governor's recommendation, the enacted budget includes \$6.0 million of savings to be identified by the Judiciary in order to bring the budget closer to a current service level after the Judiciary implemented a series of personnel initiatives, including raises and new pay schedules. The unspecified savings are budgeted as operating expenses, though they would likely take the form of additional turnover savings. The request restores \$4.1 million of these savings; the Judiciary would still be required to identify \$1.8 million of savings. To do so, the Judiciary implemented a partial hiring freeze, and its revised request assumes it will hold vacant nine judge and magistrate positions. *The Governor recommended restoring \$2.1 million of these savings; the Judiciary would still be required to identify \$3.9 million of savings, \$2.0 million more than contained in its request.* **The Assembly concurred.**

Staffing. The Judiciary requested \$2.2 million less than enacted from all sources for salaries and benefits for the authorized level of 749.3 full-time equivalent positions. The request includes \$4.8 million of turnover savings, \$1.8 million more than enacted, equivalent to an average of 29.7 vacancies. As of mid-November, the Judiciary has averaged 33.4 vacancies, which is 1.2 fewer positions filled than the prior two years on average. The request separately budgets \$1.8 million in unspecified reductions as operating expenses. *The Governor recommended \$109,191 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Indigent Defense Services. The Judiciary requested the enacted level of \$7.7 million from general revenues for indigent defense services. This program assigns private attorneys to clients for whom the Office of the Public Defender is unable to provide legal representation because of conflicts of interest. This expense fluctuates annually, and the Judiciary cannot determine the number of clients who will be transferred from the Office. Spending on indigent defense has increased significantly in recent years, primarily because the Judiciary increased rates paid to attorneys, which it indicates was required to adjust for inflation and attract law firms to perform the required work. It should be noted that FY 2025 spending was only \$6.7 million. *The Governor recommended funding as requested.* **The Assembly concurred based on spending through the third quarter.**

Pay-Go Judges Pensions. The Judiciary requested \$0.3 million more than enacted, almost entirely from general revenues, for retirement costs for judges and magistrates hired before 1990 who are not part of the State Employees' Retirement System. The request reflects current retirements and beneficiaries, which changed during FY 2025 but were not accounted for in the enacted budget. Pension costs are paid on a pay-as-you-go basis rather than through the retirement trust fund. As of January 2026, there are two active judges whose pensions will be paid this way, both of whom are eligible to retire. *The Governor concurred.* **The Assembly concurred.**

Community Outreach and Public Support. The Judiciary requested \$0.2 million more from general revenues to support the community outreach and public support function, including interpreters, and 15.0 associated full-time equivalent positions. The 2025 Assembly provided 2.0 new positions, including 1.0 special assistant and 1.0 interpreter fluent in Cabo Verdean Creole and Portuguese. The requested increase reflects replacing the special assistant with another interpreter for Cabo Verdean Creole and adding a seasonal interpreter for Spanish. The Judiciary subsequently indicated that its request inadvertently added 1.0 legal position and is overstated by \$140,791. *The Governor recommended \$1,793 more than requested to reflect statewide adjustments to health benefit rates, retaining the overstatement.* **The Assembly corrected the overstatement and concurred with the remainder of the recommendation.**

Domestic Violence Training and Monitoring Unit. The Judiciary requested \$7,527 less than enacted, including \$66,610 more from general revenues and \$74,317 less from federal funds, for the Supreme Court's domestic violence unit and 3.0 full-time equivalent positions. The request reflects a lower level of support from federal Violence Against Women Act grant funding. The Judiciary indicates that federal support has been halved in the past year and that this trend is anticipated to continue. *The Governor recommended \$302 more than requested, primarily from general revenues, to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Veterans Treatment Court. The Judiciary requested \$0.2 million less than enacted from all sources for the Veterans Treatment Court and 1.0 associated position. The Judiciary indicated that its application to renew competitive grant funding was not successful. As a result, its revised request reduces federal fund expenses by \$374,123, partially offset by shifting \$129,356 of salary and benefit expenses to general revenues. The existing grant is intended to allow the Court to serve 115 unduplicated clients annually, with a total of 575 unduplicated clients served over the five-year grant. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Judiciary requested \$2.3 million less than enacted for salaries and benefits for its remaining 730.3 authorized full-time equivalent positions, including \$1.7 million from general revenues, \$0.4 million from federal funds, and \$0.2 million from restricted receipts. The enacted budget includes \$3.0 million of turnover savings equivalent to an average of 18.3 vacant positions. The Judiciary's revised request includes turnover savings of \$4.8 million, equivalent to 29.7 vacancies. As of mid-November, the Judiciary has averaged 33.4 vacancies. The remaining decrease reflects turnover from positions filled in the summer of 2025. The Judiciary subsequently indicated that its request inadvertently removes 1.0 legal position and is understated by \$140,791. *The Governor recommended \$107,096 more than requested, primarily from general revenues, to reflect statewide adjustments to health benefit rates, but retains the understatement.* **The Assembly corrected the understatement and concurred with the remainder of the recommendation.**

Law Library. The Judiciary requested \$65,000 less from general revenues for operating costs of the law library. The library is a complete, publicly accessible legal reference service with over 110,000 volumes and computer-aided legal research. The change reflects reductions to program supply costs, based on anticipated utilization. *The Governor concurred.* **The Assembly concurred.**

Court Technology. The Judiciary requested \$0.2 million less than enacted from general revenues, for court computer technology expenses and the case management system. This unit is responsible for overseeing the development and implementation of technology systems, including intra-agency training and help desk support, maintenance systems, and 24/7 network monitoring. *The Governor recommended funding as requested.* **The Assembly concurred.**

Facilities and Operations. The Judiciary requested \$0.6 million more than enacted from general revenues for judicial complex facilities operations and utilities to account for a higher level of planned work. This function is responsible for the execution and coordination of various services relating to the courthouses, infrastructure, and grounds. The increase reflects the Judiciary's expectation that upcoming retirements will allow it to utilize the turnover period to conduct a large number of minor space renovations. Spending in FY 2025 was \$40,434 more than the revised request; however, spending on electricity was \$0.2 million less than requested, and these savings were spent on additional facilities improvements. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Judiciary requested \$38,752 more than enacted from Rhode Island Capital Plan funds for four capital projects. These include heating, ventilation, and air conditioning replacements, upgrades to fan coil units, and asset protection. Its capital request is consistent with the enacted budget. The Judiciary indicated that its operating request is based on more accurate FY 2025 spending information,

and it requests that unspent prior year funds be allocated to the same projects for FY 2026. *The Governor recommended \$11,016 more than requested, reflecting unspent prior year funds.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Security Detail. The Judiciary requested \$365,000 more than enacted from general revenues for security services at the Licht and Garrahy judicial complexes for a total of \$546,500. The Division of Sheriffs within the Department of Public Safety is responsible for providing security in state courthouses, transporting inmates, executing writs, and summoning witnesses. As of September 2025, the Division has 30 sheriff vacancies, a level that has remained consistent since 2022 and which the Judiciary indicates has delayed and impaired court proceedings. It has paid overtime to Sheriffs and utilized the Providence Police Department to meet the continued need for officers in courtrooms and hallways. The requested increase reflects the cost of four officers working five-hour shifts five days a week. FY 2025 spending was \$316,774, which is \$229,726 less than the current request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Leased Property. The Judiciary requested \$82,027 more than enacted, including \$83,627 more from general revenues and \$1,600 less from restricted receipts, for costs associated with its rented property. These include three employee parking lots, one juror parking lot, and the Records Center building in Pawtucket. The Judiciary indicated that its request accounts for known lease expenses and cost increases. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Judiciary requested \$141,588 more than enacted for all other spending, including \$45,756 more from general revenues, \$26,445 less from federal funds, and \$122,277 more from restricted receipts. The request reflects shifting \$62,160 from federal funds to general revenues based on anticipated grants, partially offset by reductions to more closely reflect FY 2025 spending and additional federal Juvenile Justice Program funds. The Judiciary indicated that its request inadvertently understates restricted receipts by \$27,774; the remaining increase reflects Workers' Compensation Court janitorial services. *The Governor recommended \$88,825 more than requested, primarily from general revenues, to correct the understatement and reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

Military Staff

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 11,033,018	\$ 11,227,034	\$ 11,611,566	\$ 11,611,566
Contracted Services	3,214,584	3,031,269	18,022,493	2,820,619
Subtotal	\$ 14,247,602	\$ 14,258,303	\$ 29,634,059	\$ 14,432,185
Other State Operations	12,239,792	10,541,739	15,746,998	13,853,050
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	257,669	312,300	312,300	312,300
Capital	6,365,741	16,535,389	42,808,823	51,604,645
Capital Debt Service	-	-	-	-
Operating Transfers	1,577,456	-	-	-
Total	\$ 34,688,260	\$ 41,647,731	\$ 88,502,180	\$ 80,202,180
Sources of Funds				
General Revenue	\$ 3,045,936	\$ 3,424,058	\$ 3,508,092	\$ 3,508,092
Federal Aid	27,436,429	28,982,412	67,232,266	67,832,266
Restricted Receipts	25,602	66,000	66,000	66,000
Other	4,180,293	9,175,261	17,695,822	8,795,822
Total	\$ 34,688,260	\$ 41,647,731	\$ 88,502,180	\$ 80,202,180
FTE Authorization	93.0	93.0	93.0	93.0
FTE Average	87.0			

FY 2026 Revised Request. The Military Staff requested \$47.4 million more from all sources than enacted for FY 2026. The request includes increases of \$0.3 million from general revenues, \$38.2 million from federal funds, and \$9.0 million from Rhode Island Capital Plan funds. *The Governor recommended \$0.6 million less than requested, including \$0.2 million less from general revenues, \$0.4 million less from Rhode Island Capital Plan funds, and \$0.1 million more from federal funds.*

He subsequently requested an amendment to increase federal funds by \$0.6 million for FY 2026. The Assembly shifted \$8.9 million from Rhode Island Capital Plan funds to later years and concurred with the remainder of the amended recommendation.

Firefighters. The Military Staff requested \$0.4 million more than enacted, including \$0.1 million more from general revenues for the firefighter program to reflect staffing changes and increased overtime costs. Firefighter costs are paid from federal funds except for those on injured on duty status, in which case the state is responsible. The request would support 29.0 full-time equivalent positions, 1.0 fewer than enacted, consistent with National Guard Bureau guidance; this position was eliminated as a result of an extended vacancy and has been repurposed within the agency. The request includes funding for 1.6 positions on injured on duty status, 0.6 more positions than assumed in the enacted budget, and assumes an average of 27.7 full-time equivalent positions are filled, 0.3 fewer positions than assumed in the enacted budget. As of mid-November, one firefighter was on injured on duty status, and 28.0 of 29.0 positions were filled.

The Military Staff indicated that the increased request for general revenues reflects increased injured on duty estimates as well as \$10,000 for the potential military deployment of firefighters who are also members of the Guard. It indicated that the increased request from federal funds reflects overtime payments that are not included in the enacted budget. *The Governor recommended \$84,648 less than requested, including \$89,911 less from general revenues, primarily to reflect actual injured on duty experience to date. This also includes about \$4,000 more than requested from all sources to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Salaries and Benefits. The Military Staff requested \$34,878 more than enacted, including \$8,992 less from general revenues, for its remaining 64.0 full-time equivalent positions. This allocation is 1.0 position more than assumed in the enacted budget to account for the reduction to the Firefighter program, but is consistent with the distribution of staffing costs attributable to federal funds, as agreed upon with the federal National Guard Bureau. The new Chief Procurement Specialist position is entirely federally funded. The revised request assumes an average of 61.3 full-time equivalent positions are filled, which is 0.2 more positions than assumed in the enacted budget, and may understate actual salaries. As of mid-November 2025, 58.0 positions were filled.

The Military Staff indicated that the request also includes costs associated with the deployment of a security guard who is also a member of the National Guard. During this time, general revenues must support the difference between the deployed individual's military and civilian staffing expenses. *The Governor recommended \$33,708 more than requested, including \$1,983 more from general revenues, primarily to correct for understated salaries and benefits in the request. This also includes about \$5,000 from all sources to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Utilities. The Military Staff requested \$91,870 more than enacted, including \$26,644 from general revenues, for utilities expenses, which are shared with the federal National Guard Bureau. The increase largely reflects a 5.0 percent rate increase based on the greater of prior year usage or the enacted allotment, as well as adjustments for previously unpaid electricity billings, partially offset by certain utility credits. Cost sharing varies from 100 percent federally funded to 75 percent or 50 percent. The revised request reflects an average federal share of 82.6 percent; the enacted budget assumes 82.9 percent. In FY 2025, spending totaled \$3.3 million, \$0.5 million less than the revised request; this includes \$0.6 million from general revenues, or \$73,729 less than the revised request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Security Services. The Military Staff requested \$231,125 less than enacted from federal funds for security services at all its locations, based on a decrease in the appropriation from the National Guard Bureau. Federal regulations require levels of security, including protection from active shooters, and the decreased appropriation meets the minimum amount required to uphold federal regulations. *The Governor recommended funding as requested.* **The Assembly concurred.**

Building Maintenance and Repairs. The Military Staff requested \$0.7 million more than enacted, including \$16,405 less from general revenues, for building maintenance and repairs. The change reflects updated project timelines, predominantly federally funded projects that began in FY 2025 but were not included in the FY 2025 budget and have been extended to FY 2026. The federal government pays for maintenance and repairs it deems necessary or required by federal mandate; work deemed ineligible is paid for from general revenues. *The Governor recommended funding as requested.* **The Assembly concurred.**

Counter Drug Training Facility. The Military Staff requested \$6.1 million more than enacted for FY 2026 to construct a new counter drug facility at Camp Fogarty in East Greenwich. This includes \$2.6 million from Rhode Island Capital Plan funds and \$4.5 million from federal funds; the increase reflects unspent funds from FY 2025, consistent with the agency's capital request. *The Governor recommended*

funding as requested. The Assembly concurred. A detailed description of this project is included in the Capital Budget section of this publication.

Other Capital Projects. The Military Staff requested \$39.5 million more than enacted for its other capital projects, including \$32.1 million from federal funds and \$7.4 million from Rhode Island Capital Plan funds, largely carried forward from FY 2025. This is \$18.2 million less than the Military Staff's capital request; the Military Staff indicated that this discrepancy is caused by the exclusion of certain federal funding that does not flow through the state operating budget for certain projects. *The Governor recommended \$0.4 million less than requested from Rhode Island Capital Plan funds, which largely reflects the omission of asset protection work for which no federal funding is available.*

He subsequently requested an amendment to increase federal funds by \$0.6 million for FY 2026 and \$3.5 million for FY 2027 to replace water supply infrastructure at the Army National Guard Readiness Center in Coventry and to connect the facility to the Kent County Water Authority municipal water system.

The Assembly shifted \$8.9 million from Rhode Island Capital Plan funds to later years to reflect updated schedules for two projects and concurred with the remainder of the amended recommendation. A detailed description of the projects is included in the Capital Budget section of this publication.

Other Operations. The Military Staff requested \$0.8 million more than enacted for all other expenses, including \$0.2 million more from general revenues and \$0.6 million more from federal funds. The increase includes several one-time general revenue expenses, including \$68,349 for outstanding payments to fulfill an Airport Joint Usage Agreement with the Rhode Island Airport Corporation and \$63,600 to replace lawnmowers. The request also includes increases for grant management software expenses that will not be reimbursed by the federal government, quarterly fire and safety inspections, and \$13,994 from insurance fees that were previously mischarged to the Rhode Island State Police.

The Governor recommended \$89,752 less than requested, including \$125,101 less from general revenues. This includes \$26,152 less to reflect adjustments to information technology billings based on updated data, including \$61,501 less from general revenues. It also excludes funding to replace lawnmowers, which is included in the Governor's recommendation for FY 2027. The Assembly concurred.

Rhode Island Emergency Management Agency

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 5,353,808	\$ 5,870,352	\$ 5,675,666	\$ 5,675,666
Contracted Services	1,287,944	1,577,874	968,862	568,296
Subtotal	\$ 6,641,752	\$ 7,448,226	\$ 6,644,528	\$ 6,243,962
Other State Operations	9,380,671	11,564,601	12,504,548	11,890,548
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	7,286,829	23,437,240	37,452,013	37,452,013
Capital	398,683	1,207,517	446,040	1,460,606
Capital Debt Service	500,000	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 24,207,935	\$ 43,657,584	\$ 57,047,129	\$ 57,047,129
Sources of Funds				
General Revenue	\$ 6,920,906	\$ 7,457,256	\$ 7,644,182	\$ 7,644,182
Federal Aid	15,153,025	34,906,616	47,746,964	47,746,964
Restricted Receipts	150,781	428,308	641,417	641,417
Other	1,983,223	865,404	1,014,566	1,014,566
Total	\$ 24,207,935	\$ 43,657,584	\$ 57,047,129	\$ 57,047,129
FTE Authorization	38.0	38.0	38.0	38.0
FTE Average	35.7			

FY 2026 Revised Request. The Rhode Island Emergency Management Agency requested \$20.8 million more than enacted, including \$20.5 million more from federal funds, \$0.2 million more from restricted receipts, and \$0.1 million more from Rhode Island Capital Plan funds. *The Governor recommended \$13.4 million more than enacted and \$7.9 million less than requested. General revenues are \$186,926 more than enacted and requested. The Assembly concurred.*

Salaries and Benefits. The Agency requested \$54,104 more than enacted, including \$0.3 million more from general revenues, \$0.2 million less from federal funds, and \$16,092 less from restricted receipts to fully fund all 38.0 authorized positions. The request also shifts more staffing costs to general revenues, which it attributes to reductions to its two largest federal grants over the last two years. The enacted budget assumes around \$0.1 million in turnover savings, which accounts for less than one position. The Agency had 1.0 vacancy as of October 18, 2025, and has averaged 37.3 filled positions in the first quarter of FY 2026. *The Governor recommended \$248,790 less than requested, including \$255,521 from general revenues. The recommendation adds \$3,983, including \$1,358 from general revenues, to reflect statewide adjustments for health benefit rates. It assumes additional turnover savings equivalent to 1.5 positions. The Assembly concurred.*

ARPA - Public Health Response Warehouse Support. Excluding salaries and benefits, the Agency's request identifies \$1.8 million from all sources, including \$1.2 million from State Fiscal Recovery funds in the Department of Administration's budget for lease expenses for the warehouse, and \$0.6 million from general revenues in the Agency's budget. The request is \$0.3 million less than enacted. This reflects a

reduction in lease costs covered by general revenues, while federal State Fiscal Recovery funds included in the Department of Administration's budget covers the remaining rental costs. *The Governor recommended funding as requested; his revised budget includes \$1.0 million from State Fiscal Recovery funds in the Department of Administration's budget.* **The Assembly concurred. On June 8, after the House passed the Budget, the Governor requested to reclassify \$16,011 of unspent funds to operating support for the Enterprise Resource Planning System.**

Emergency Operations and Performance Grants. The Agency requested \$1.5 million less than enacted from federal emergency operations and performance grants provided by the Federal Emergency Management Agency. This reflects the award of one new grant and revisions to planned spending from other grants. The funding, which is primarily retained by the agency, with the remainder passed through to local emergency management agencies, is used to support personnel, emergency operations centers, communications, and capability enhancement. *The Governor recommended funding as requested.* **The Assembly concurred.**

RIEMA Emergency Operations Center Grant. The Agency requested \$0.1 million more than enacted from the federal Emergency Operations Center Grant Program to renovate its emergency operations center, reflecting the remaining grant awards. The enacted budget contains the full amount of the grants, which provide funding for constructing or renovating a state or local government's principal emergency operations center. The funds will supplement the Agency's ongoing capital project to upgrade its center, which is described in more detail in the Capital Budget section of this publication, but are not included in the Agency's capital request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hazard Mitigation Grants. The Agency requested \$18.3 million more than enacted from Federal Emergency Management Agency Hazard Mitigation funds that support local emergency management agencies, reflecting updated grant information and anticipated usage in the current year. The request also reflects the award of a grant for the Department of Environmental Management and adjustments based on the previous year's expenditures. Localities must apply through the state to receive these funds. These projects must be designed to increase resiliency and public safety; reduce injuries and loss of life; and reduce damage and destruction to property, critical services, facilities, and infrastructure from natural hazards and climate change. *The Governor recommended \$4.2 million less than requested, which appears to reflect available funding and the spending plan between FY 2026 and FY 2027.* **The Assembly concurred.**

Homeland Security Grants. The Agency requested \$0.1 million more from federal homeland security grants that provide the resources required for implementation of the National Preparedness System and working toward the National Preparedness Goal of a secure and resilient nation. The request reflects updated award information and the award of a new grant provided by the Federal Emergency Management Agency. *The Governor recommended funding as requested.* **The Assembly concurred.**

Natural Disaster Relief. The Agency requested \$1.0 million less than enacted for reimbursements to entities in the state that have applied for federal disaster relief. The request adjusts for the remaining grant funds and the close-out of the Exeter fire and pre-disaster mitigation projects. There are no active disasters in the state at the time of the request. *The Governor recommended funding as requested.* **The Assembly concurred.**

Non-Profit Security Grants. The Agency requested \$1.3 million more than enacted from Federal Emergency Management Agency and Department of Homeland Security Nonprofit Security Grant Program funds that provide support for physical security enhancements to nonprofit organizations that are at high risk of terrorist attacks. The increase in the request is a result of a new grant. *The Governor recommended \$148,080 less than requested, reflecting available funding from the 2022 grant.* **The Assembly concurred.**

Cybersecurity Grants. The Agency requested \$3.4 million more than enacted from grants made available through the Infrastructure Investment and Jobs Act from FY 2023 through FY 2028 to combat cyber threats and enhance cybersecurity grant programs. This primarily reflects the award of new grants. Funds are intended to help states, local governments, rural areas, and tribes address cybersecurity risks and cybersecurity threats to information systems. Of the total allocation, 80.0 percent must be passed through to local entities. Proposed initiatives include strengthening multi-factor authentication and cyber training programs. The request includes the full amount of the grants. The Cybersecurity Planning Committee runs through the Department of Administration. *The Governor recommended \$3.2 million less than requested, reflecting planned expenditures from the 2023 grant.* **The Assembly concurred.**

Hazardous Material Emergency Preparedness Grants. The Agency requested \$0.1 million less from Hazardous Material Emergency Preparedness grants supported by the Federal Department of Transportation's Interagency Hazardous Materials Public Sector Training and Planning Grant. The request reflects the remaining grant funds and the closure of one grant. This grant program is designed to give grantees the flexibility to implement training and planning programs that address differing needs in each location, based on demographics, emergency response capabilities, commodity flow studies, and hazard analyses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Capital Projects. The Agency requested \$0.1 million more than enacted from Rhode Island Capital Plan funds for FY 2026 for three capital projects consistent with its capital budget request. *The Governor recommended \$1,227 more than requested, consistent with his capital budget.* **The Assembly concurred.** **A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Agency requested \$0.2 million more than enacted for all other operations, including \$2,637 more from general revenues and \$0.2 million more from restricted receipts. This includes \$0.2 million for operational expenses and \$2,637 for internet services. It also includes \$0.3 million from general revenues for centralized services provided through the Department of Administration. It should be noted that the FY 2026 revised request for centralized services is \$40,575 less than FY 2025 expenditures. Historically, the Agency has spent more than requested for these centralized services.

The Governor recommended \$398,840 more than requested, including \$442,447 from general revenues. This includes \$250,000 in one-time general revenues to serve as a contingency for unreimbursed security expenses for the 2026 FIFA World Cup. The recommendation also includes \$148,840 more, including \$192,447 more from general revenues to reflect adjustments to information technology billings based on updated data, and \$43,607 less from federal funds based on updated information from the Agency. **The Assembly concurred.**

Department of Public Safety

	FY 2025	FY 2026	FY 2026	FY 2026
	Reported	Enacted	Revised	Final
Expenditures by Program				
Central Management	\$ 16,179,879	\$ 21,147,460	\$ 31,279,880	\$ 31,279,921
E-911	10,114,801	10,730,138.0	10,974,080	10,974,080
Capitol Police	5,890,356	6,766,608	6,691,043	6,691,043
Sheriffs	22,427,432	26,918,947	25,685,028	24,315,028
Municipal Police Training Academy	579,127	766,895	854,688	854,688
State Police	122,372,227	131,538,133	139,851,157	152,810,182
Total	\$ 177,563,822	\$ 197,868,181	\$ 215,335,876	\$ 226,924,942
Expenditures by Category				
Salaries and Benefits	\$ 122,444,473	\$ 132,535,748	\$ 130,979,532	\$ 130,079,573
Contracted Services	2,065,169	2,077,465	24,529,159	2,787,444
Subtotal	\$ 124,509,642	\$ 134,613,213	\$ 155,508,691	\$ 132,867,017
Other State Operations	23,300,063	24,470,662	36,102,411	36,102,411
Aid to Local Units of Government	320,633	-	-	-
Assistance, Grants, and Benefits	12,255,945	17,169,387	17,890,877	17,890,877
Capital	17,177,539	21,614,919	5,833,897	40,064,637
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 177,563,822	\$ 197,868,181	\$ 215,335,876	\$ 226,924,942
Sources of Funds				
General Revenue	\$ 128,369,781	\$ 132,842,119	\$ 142,198,690	\$ 141,298,690
Federal Aid	19,811,771	27,053,323	30,282,853	30,282,894
Restricted Receipts	11,981,883	14,313,880	14,778,066	14,778,066
Other	17,400,387	23,658,859	28,076,267	40,565,292
Total	\$ 177,563,822	\$ 197,868,181	\$ 215,335,876	\$ 226,924,942
FTE Authorization	633.0	634.0	635.0	635.0
FTE Average	572.6			

FY 2026 Revised Request. The Department of Public Safety requested \$14.8 million more than enacted from all sources, including \$8.5 million more from general revenues, \$1.7 million less from federal funds, \$0.3 million more from restricted receipts, \$1.8 million more from Rhode Island Capital Plan funds, and \$2.4 million from other sources. It requested 635.0 full-time equivalent positions, 1.0 more than enacted, reflecting a position transfer from the Department of Administration. *The Governor recommended \$17.5 million more than enacted, including \$9.4 million from general revenues. This is \$2.7 million more than requested, including \$0.8 million more from general revenues. He recommended the position transfer, as requested.*

The Governor subsequently requested an amendment to add \$12.5 million from Rhode Island Capital Plan funds for FY 2026, which were mistakenly omitted from the recommendation, and \$41 from available State

Fiscal Recovery funds. **The Assembly concurred and also included \$900,000 of general revenue turnover savings for the Division of Sheriffs, based on spending through the end of April.**

Staffing. The Department requested \$1.9 million less than enacted from all sources for staffing expenses, including \$3.1 million less from general revenues, \$37,300 less from federal funds, \$52,954 less from restricted receipts, and \$1.2 million more from transportation funds for construction details. As of early November, the Department had an average of 572.6 of its 634.0 authorized positions filled. The enacted budget assumes turnover savings equivalent to about 28 vacancies; the revised request assumes about 44 vacancies. The revised request also includes the transfer of a Data Processing Systems Manager position from the Department of Administration to the State Police, which would increase the total State Police authorized full-time equivalent positions to 329.0 and the Department total to 635.0. *The Governor concurred with the staffing distribution and added \$0.4 million, including \$0.3 million more from general revenues, to reflect statewide adjustments to health benefit rates.* **The Assembly included \$0.9 million of additional turnover savings in the Division of Sheriffs based on the Department's third quarter report and concurred with the remainder of the recommendation.**

15-Year Vehicle Plan. The Department requested \$3.0 million more than enacted from all sources for its 15-year vehicle replacement plan for State Police, Sheriffs, and Capitol Police, including \$1.8 million from general revenues and \$1.2 million from transportation funds for road construction reimbursements. The increase in funding is to purchase 38 vehicles outright in FY 2026. This contrasts with the enacted budget, which uses the State Fleet Replacement Revolving Loan Fund to purchase vehicles, thereby incurring costs only in the next three fiscal years, as purchases made with the fund require repayment over a three-year period. The request repurposes current year personnel savings to cover these one-time expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

Statewide Records Management System. The Department requested \$0.1 million less from federal funds than enacted to implement the statewide records management system, pursuant to Rhode Island General Law, Section 42-28.10. Funding supports the purchase and implementation of the software, operational costs, and the project manager's personnel costs. The decrease in federal funding reflects the closure of a Homeland Security grant. To cover associated expenses, the Department used funding from a National Highway Safety grant. *The Governor recommended funding as requested.* **The Assembly concurred.**

Reappropriation - Body-Worn Camera Statewide Project. The Department's request includes the \$9.0 million general revenues reappropriation, and \$35,320 less from federal funds for the statewide body-worn camera project to be awarded as grants to local municipalities. The federal funding represents a revision to the allocation of staffing costs for a portion of a central management position.

The 2021 Assembly approved 2021-H 6438, thereby establishing a statewide program for police body-worn cameras, allocating \$15.0 million from general revenues for this purpose. The request reflects the automatic reappropriation of remaining funding. Prior spending from the original allocation includes \$1.0 million in FY 2023, \$2.5 million in FY 2024, and \$2.5 million in FY 2025. Any unspent general revenue balance as of June 30, 2026, will be reappropriated to next year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Central Management

Salaries and Benefits. The Department requested \$0.1 million more than enacted from all sources to fully fund the 15.0 full-time equivalent positions in the Central Management Office, including \$18,606 less from general revenues. This excludes cost allocations for the Body-Worn Camera project and shared legal counsel. The enacted budget includes funding for approximately 14 positions in the Office. The request restores turnover savings, reduces staff overtime by \$9,678, and includes two staff members at higher costs. The Department has averaged about 14 filled positions in the first quarter of FY 2026, and as of October

2025, it was interviewing to fill its remaining vacant positions. *The Governor recommended \$3,093 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

ARPA - Support for Survivors of Domestic Violence. The Department requested \$3.0 million from State Fiscal Recovery funds to support survivors of domestic violence, carried forward from FY 2025. The 2022 Assembly provided a total of \$10.5 million from State Fiscal Recovery funds to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault. Funding will supplement the federal Victims of Crime Act, which has declined in recent years. As of the end of FY 2025, \$5.9 million has been spent. The Department has until December 31, 2026, to expend all funds, and requests the remaining \$1.2 million for FY 2027. *The Governor included \$4.5 million for FY 2026 and the remaining \$64,786 for FY 2027. The Governor requested an amendment on February 10 to add \$41 to accurately reflect available funds for FY 2026.* **The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$144,145 of unspent funds to operating support for the Enterprise Resource Planning System.**

Reappropriation - GO Team Support. The Department requested \$158,089 reappropriated from unused FY 2025 funds for the Family Service of Rhode Island's GO Team. The GO Team includes trauma experts who respond to scenes alongside the Rhode Island State Police. They support children who are victims of violence and other traumas. The unspent funds result from a timing issue in the appropriation's disbursement. The Department has disbursed funds on a reimbursement basis; going forward, it plans to provide funds in advance and collect quarterly spending reports. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Federal Funds. The Department requested \$4.1 million less from federal funds than enacted to reflect adjustments to several grants based on available funds. Notable reductions include \$0.4 million from Crime Victim Assistance grants, \$0.5 million from the Sexual Assault Services Formula program, \$1.8 million from the Edward Byrne Memorial Justice grant program, \$0.8 million from the Violence Against Women Formula Grants, and \$0.5 million from the Juvenile Justice and Delinquency Prevention program. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Department requested \$200 less than enacted from general revenues for all other Central Management expenses, reflecting adjustments to insurance costs based on anticipated expenditures. *The Governor recommended \$0.5 million more than requested, including \$0.3 million from general revenues, to reflect adjustments to information technology billings based on updated data.* **The Assembly concurred.**

E-911

Salaries and Benefits. The Department requested \$0.1 million less than enacted from restricted receipts for salaries and benefits for the Division's 56.0 full-time equivalent positions. The request funds 54.0 full-time equivalent positions, 1.0 more than assumed in the enacted budget. The revised request reduces overtime expenses, restores turnover savings, and updates benefit costs. As of early October, an average of 53.3 full-time equivalent positions were filled. *The Governor recommended \$7,843 more than requested to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

Other Operations. The Department requested \$0.4 million more than enacted from restricted receipts for all other E-911 operations to reflect the delayed purchase of a video wall, which was initially planned for FY 2025. The video wall will replace an outdated unit at the public safety answering point and ensure the public safety answering point is aware of events via live video. *The Governor recommended funding as requested.* **The Assembly concurred.**

Sheriffs

Salaries and Benefits. The Department requested \$1.7 million less than enacted from general revenues for staff costs in the Division of Sheriffs to reflect the anticipated graduation date of the new recruit class. The revised request funds approximately 158 of 179 full-time equivalent positions, including the 20 recruits anticipated to graduate in May 2026. The enacted budget funds approximately 170 of 179 positions, including all 20 anticipated recruits for the entire fiscal year.

The Department has averaged only 147.0 filled positions during the first quarter of FY 2026. *The Governor recommended \$23,381 more than requested to reflect statewide adjustments to health benefit rates. Based on spending in the Department's third quarter report, the Assembly included \$0.9 million of additional general revenue turnover savings.*

Motor Vehicles. The Department requested \$370,000 more than enacted from general revenues to purchase two vehicles outright in the current fiscal year, including a \$300,000 bus. The Department intends to utilize personnel savings to purchase vehicles in FY 2026 rather than using the State Fleet Replacement Revolving Loan Fund authorized in the enacted budget, which requires a three-year payback. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Delayed Procurement. The Department requested \$51,718 from general revenues reappropriated from FY 2025 for the delayed delivery of uniforms, dispatch workstation equipment, and computer replacements. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$655 more than enacted from general revenues for insurance costs to reflect FY 2025 expenditures. The revised request does not appear to account for lower expenditures on other items in FY 2025. *The Governor recommended \$14,454 more than requested to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Capitol Police

Salaries and Benefits. The Department requested \$0.3 million less than enacted from general revenues for salaries and benefits in the Division of Capitol Police to account for the anticipated graduation date of the recruit class. The revised request funds approximately 40 of 41 positions not allocated to internal service funds, including all 3 recruits anticipated to graduate in January 2026. The enacted budget assumes funding for the recruits for the entire fiscal year.

The Capitol Police also have 13.0 full-time equivalent positions allocated to internal service funds, for which expenses appear as operating costs in the agencies billed. As of October 2025, there were 6.0 vacancies. *The Governor recommended \$5,833 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Motor Vehicles. The Department requested \$0.2 million more than enacted from general revenues for the outright purchase of three vehicles for the Capitol Police, using personnel savings as part of the updated fifteen-year vehicle plan. The enacted budget assumes all purchases will be made through the State Fleet Replacement Revolving Loan Fund, which requires a three-year repayment term. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$1,500 more than enacted from general revenues for insurance costs to reflect FY 2025 expenses. All other expenses remain the same as enacted and appear to exceed recent experience. *The Governor recommended \$15,432 more than requested to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Municipal Police Training Academy

Personnel and Operations. The Department requested \$86,814 more than enacted for Municipal Police Training Academy expenses, including \$15,041 from general revenues. The \$71,773 increase from federal funds reflects one-time funding for laptop replacements at the training academy in East Greenwich. The general revenue increase primarily covers current staff and adds \$10,000 for overtime to accommodate continuing education needs. *The Governor recommended \$979 more than requested from general revenues to reflect statewide adjustments to health benefit rates.* **The Assembly concurred.**

State Police

Data Processing Systems Manager (1.0 FTE). The Department's request reflects the transfer of a data processing systems manager from the Department of Administration to the State Police. This is shown as a \$0.2 million reduction in operating expenses paid to the Department of Administration to fund this position, offset by a similar increase in salaries and benefits. The result is a \$1,519 reduction from general revenues. This position was previously directly budgeted within the State Police and works exclusively on those items. The position is also physically located at the State Police headquarters. *The Governor concurred with the request.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.4 million less than enacted from all sources for all other State Police salaries and benefits, including \$1.3 million less from general revenues, \$0.3 million less from federal funds, and \$1.2 million more from other funds. The enacted budget funds around 312 of 327 positions, and the Department had filled an average of 312 through the end of the first quarter. The revised request reflects an increase in turnover savings and funds approximately 307 positions. This is partially offset by a \$1.4 million increase in overtime, primarily from transportation funds from road construction reimbursements related to details for the Washington Bridge.

The Governor recommended \$0.4 million more than requested, most of which is from general revenues. This includes \$0.1 million to reflect statewide adjustments to health benefit rates and \$0.2 million to reflect a revision to the State Police retirement rate approved in October to reflect 2025 Assembly revisions. It also includes \$0.1 million per the November 5, 2025, settlement agreement with the Troopers Association. The contract includes a provision that, if the state fails to implement wage increases within 60 days of contract ratification or receipt of an award, interest accrues at the prime rate and is paid to members. **The Assembly concurred.**

Training Academy. The Department requested \$0.7 million more than enacted from general revenues for operational expenses associated with conducting a future State Police training academy, based on FY 2025 expenditures. The proposed FY 2026 class is expected to begin in March 2026 and graduate 15 troopers in August 2026. The enacted budget assumes no class for FY 2026.

Recruitment for new classes begins after the previous class graduates, with media buys and promotional materials. Advertising costs are approximately \$0.1 million, consistent with the enacted budget. Recruitment continues throughout the year at job fairs and college fairs. The Department collects the names of interested candidates. The class takes approximately six months to graduate. *The Governor recommended funding as requested.* **The Assembly concurred.**

Motor Vehicles. The Department requested \$2.5 million more than enacted from all sources, including \$1.2 million from general revenues available from personnel savings, \$0.1 million from federal funds, and \$1.2 million from transportation funds for road construction reimbursements for the outright purchase of 33 vehicles, consistent with the Department's 15-year vehicle replacement plan. This contrasts with the enacted budget, which assumes a similar amount will be used through the State Fleet Replacement

Revolving Loan Fund for all vehicle purchases in FY 2026. There are no payments owed to the loan fund in FY 2026. *The Governor recommended funding as requested. The Assembly concurred.*

Anti-Heroin Task Force Program. The Department requested \$1.5 million more than enacted from federal funds for the Anti-Heroin Task Force Program, which supports a joint operation with the State Police and representatives from other law enforcement and federal agencies. It began in FY 2025 and extends into FY 2028. The grant funds the purchase of more advanced equipment, the allocation of additional overtime hours for investigations, and advanced training for personnel in illicit drug investigations. The increase reflects carry-forward funding from FY 2025. *The Governor recommended funding as requested. The Assembly concurred.*

Other Federal Funds. The Department requested \$1.4 million more from federal funds for all other grant expenses. Notable increases include \$0.4 million for the Homeland Security program for supplies and contracted services, \$0.4 million from federal asset forfeitures for furniture, equipment, and program supplies, and \$0.2 million from the National Criminal History Improvement program for technology improvements. A large portion of the increase appears to be attributable to under expenditures in FY 2025. The revised FY 2026 request represents a 58.7 percent increase over the enacted budget and a 74.3 percent increase over FY 2025 expenditures.

These federal funds are used for a variety of equipment and operations costs, including units, software maintenance, furniture, computer and program supplies, indirect costs, and contract services. *The Governor recommended funding as requested. The Assembly concurred.*

Reappropriation - Delayed Procurement. The Department requested \$46,440 from general revenues reappropriated from FY 2025 for items planned and/or procured but not delivered, including uniforms, equipment, and cleaning services. Cleaning services were delayed pending the resolution of ongoing roof issues and office damage. Additionally, vendors failed to deliver gear and radio equipment by June 30, 2025, despite orders placed as early as November 2024. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$7,818 less than enacted from general revenues for all other State Police expenses. Expenses, including tuition reimbursement, centralized human resource services, building maintenance, and uniforms and equipment, have only minor revisions. Spending on these items over the last three fiscal years has averaged \$8.3 million, which is \$1.0 million less than the revised request. *The Governor recommended \$0.1 million more than requested from general revenues to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Capital Projects. The Department requested an additional \$1.8 million from Rhode Island Capital Plan funds for six capital projects consistent with its capital budget request. *The Governor recommended \$0.2 million more than requested.*

The Governor subsequently requested an amendment to add \$12.5 million from Rhode Island Capital Plan funds for FY 2026, which were mistakenly omitted from the recommendation. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.

Office of the Public Defender

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 15,125,818	\$ 16,509,287	\$ 16,519,797	\$ 16,519,797
Contracted Services	238,715	247,507	251,507	251,507
Subtotal	\$ 15,364,533	\$ 16,756,794	\$ 16,771,304	\$ 16,771,304
Other State Operations	1,211,593	1,376,920	1,373,505	1,373,505
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	90,108	85,000	85,000	85,000
Capital	22,433	45,000	45,000	45,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 16,688,667	\$ 18,263,714	\$ 18,274,809	\$ 18,274,809
Sources of Funds				
General Revenue	\$ 16,598,498	\$ 18,178,679	\$ 18,189,774	\$ 18,189,774
Federal Aid	90,169	85,035	85,035	85,035
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 16,688,667	\$ 18,263,714	\$ 18,274,809	\$ 18,274,809
FTE Authorization	104.0	104.0	104.0	104.0
FTE Average	101.9			

FY 2026 Revised Request. The Office of the Public Defender requested \$162 less from general revenues than provided in the enacted budget. *The Governor recommended \$11,257 more than requested. The Assembly concurred.*

Salaries and Benefits. The Office requested \$5,871 less from general revenues for staffing expenses. The request reflects updated medical benefit selections and turnover savings essentially consistent with the enacted budget, which funds about 103.5 of the 104.0 authorized positions. As of early November, the Office has averaged 102.2 positions filled or 1.8 vacancies. *The Governor recommended \$16,381 more than requested to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

Other Operations. The Office requested \$5,709 more from general revenues for all other operations. The increase reflects payments to the Judiciary for office space in courthouses. The request also includes the enacted amount of \$85,035 from federal funds for the student loan repayment assistance program, even though no awards were issued in federal FY 2025. The Office indicated that it will exhaust \$62,292 of available funding from previous years, but does not anticipate additional support. *The Governor recommended \$5,124 less from general revenues than requested. This includes \$21,684 less to align expenses with FY 2025 experience, partially offset by \$16,560 more to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Department of Environmental Management

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditure by Program				
Office of the Director	\$ 16,142,645	\$ 15,732,070	\$ 17,084,501	\$ 17,084,501
Bureau of Natural Resources	80,733,169	106,502,682	101,717,314	100,668,614
Bureau of Environmental Protection	37,614,758	42,189,435	45,321,731	45,321,731
Subtotal	\$ 134,490,572	\$ 164,424,187	\$ 164,123,546	\$ 163,074,846
Expenditures by Category				
Salaries and Benefits	\$ 68,222,237	\$ 68,620,658	\$ 71,313,049	\$ 72,825,752
Contracted Services	16,867,503	16,900,049	45,646,715	17,539,689
Subtotal	\$ 85,089,740	\$ 85,520,707	\$ 116,959,764	\$ 90,365,441
Other State Operations	18,282,219	22,317,725	21,731,803	21,041,133
Aid to Local Units of Government	35,426	-	-	-
Assistance, Grants, and Benefits	13,074,118	10,826,333	11,414,535	11,414,535
Capital	18,009,069	45,759,422	14,017,444	40,253,737
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 134,490,572	\$ 164,424,187	\$ 164,123,546	\$ 163,074,846
Sources of Funds				
General Revenue	\$ 56,014,410	\$ 58,380,368	\$ 58,553,292	\$ 60,091,920
Federal Aid	46,572,385	44,708,519	48,187,396	48,187,396
Restricted Receipts	21,295,688	24,775,624	26,710,589	26,710,589
Other	10,608,089	36,559,676	30,672,269	28,084,941
Total	\$ 134,490,572	\$ 164,424,187	\$ 164,123,546	\$ 163,074,846
FTE Authorization	439.0	439.0	439.0	439.0
FTE Average	414.3			

FY 2026 Revised Request. The Department of Environmental Management's revised request is \$5.4 million more than enacted from all sources, including \$1.1 million more from general revenues, \$3.5 million more from federal funds, \$0.8 million more from restricted receipts, and \$9,378 less from other funds. *The Governor recommended \$164.1 million from all sources, or \$0.3 million less than enacted, including \$0.2 million more from general revenues.*

He subsequently requested an amendment to add \$90,338 from general revenues to reflect overtime and emergency repair costs incurred during the February 2026 blizzard. The Assembly shifted \$2.6 million from Rhode Island Capital Plan funds from FY 2026 to later years based on revised project schedules. It also added \$1.4 million from general revenues for unbudgeted staffing expenses and concurred with the remainder of the amended recommendation.

Staffing. The Department requested \$2.6 million more than enacted from all sources for 439.0 full-time equivalent positions. This includes \$1.7 million more than enacted from general revenues, \$0.8 million

more from restricted receipts, \$0.1 million more from federal funds, and \$9,378 less from Department of Transportation funds. The revised request would fund about 436 full-time equivalent positions. As of early November, the Department has 4.0 positions vacant. It also shifted one position from the Bureau of Natural Resources to the Bureau of Environmental Protection, while retaining the 43.0 full-time equivalent positions within the Office of the Director. *The Governor recommended position allocations as requested, and \$2.7 million more than enacted from all sources, including \$0.7 million more from general revenues. This includes \$63,826 to reflect statewide adjustments to health benefit rates.*

He subsequently requested an amendment to add \$64,413 from general revenues to reflect overtime costs incurred during the February 2026 blizzard. The Assembly concurred and added \$1.4 million from general revenues for increased seasonal and law enforcement staffing expenses.

Centralized Services. The Department requested \$135,000 less from Oil Spill Prevention, Administration and Response Fund restricted receipts for centralized facilities management provided through the Department of Administration. According to the Department, this amount should not have been included in the enacted budget and was added in error. *The Governor's recommendation corrects the error and adds \$29,898 from all sources to reflect adjustments to information technology billings based on updated data. The Assembly concurred.*

Office of the Director

Salaries and Benefits. The Department requested \$0.6 million more than enacted from all sources for salaries and benefits in the Office of the Director, including \$0.1 million less from general revenues and \$0.7 million more from restricted receipts. In addition to restoring turnover savings for 0.3 of a position, the Office also funded approximately 1.8 positions more than enacted from indirect cost recovery restricted receipts. The Bays, Rivers, and Watersheds Fund, Boat Registration Fees and Penalties, and Regional Greenhouse Gas Initiative restricted receipts also fund positions within the Office, approximately 2.2 positions fewer than enacted. At the time of the budget submission, the Office had one vacancy. *The Governor recommended \$0.5 million more than requested, primarily from Bays, Rivers, and Watersheds Fund restricted receipts to pay for some positions within the Office of Water Resources, and included \$9,327 more from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred.*

FEMA Reimbursable Expenses. The Department requested \$0.3 million from federal funds to reflect a new Federal Emergency Management Agency grant to repair Monahan's State Pier 5 in Narragansett from damages related to a storm in January 2024. The plan was originally included in the Department's most recent capital budget request as a segment of the Marine Infrastructure and Pier Development project. Funds will go toward repairs located on the dock that supports Monahan's Seafood. The Department's capital request also includes \$0.1 million from Rhode Island Capital Plan funds to support repairs to State Pier 5. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$16,491 less than enacted from general revenues for all other expenses for the Office of the Director, based on expected expenditures. The largest changes are \$20,000 less for computer equipment and \$5,000 less for stenographic services. *The Governor recommended \$10,000 more than requested from the Executive Climate Change Coordinating Council's restricted receipts based on its FY 2026 spending plan, approved on September 15, 2025. The Assembly concurred.*

Bureau of Natural Resources

Parks and Recreation. The Department requested \$0.1 million more than enacted from all sources for Parks and Recreation operations, including \$51,330 more from general revenues, \$60,000 more from

federal funds, and \$11,392 less from restricted receipts. General revenue changes include \$183,140 more for staffing costs, including seasonal staff. Expenses reflect the transfer of \$138,810 for water safety and other contracted services to the Director of Natural Resources' office. The addition of federal funds is for the Fort Wetherill Trail Improvements project to enhance park connectivity.

Unlike previous years, the Department experienced significant seasonal employee recruitment in FY 2025, resulting in an overspend of \$0.2 million. The request includes a \$90,000 increase from the enacted seasonal budget of \$3.5 million. The request restores turnover equivalent to one position and is \$0.6 million or 3.2 percent less than spent in FY 2025. This includes \$0.8 million more for salaries and benefits. At the time of the budget's submission, the Department reported 3.0 vacancies from the Division of Parks and Recreation. *The Governor recommended \$13,691 more than requested in general revenues, including \$5,820 for reimbursements to host beach communities and \$7,871 to reflect statewide adjustments to health benefit rates.* **The Assembly added \$325,000 from general revenues based on anticipated costs for seasonal employees as of the third quarter.**

Burlingame Campground Reservation Fees. The Department requested \$1.7 million, \$0.4 million more from Burlingame Campground Reservation Fees restricted receipts, based on anticipated receipts. Receipts fund maintenance and upkeep of the campground. The Department reimburses expenses incurred by the company managing the campground. The request represents expected FY 2026 reimbursement amounts, derived from anticipated receipts and expenditures. *The Governor recommended funding as requested.* **The Assembly concurred.**

Enforcement. The Department requested \$0.2 million less than enacted for enforcement, including \$0.2 million more from general revenues. This includes \$0.2 million more from boating registration restricted receipts and \$0.6 million less from federal funds. The revised request includes \$0.4 million more from general revenues for salaries and benefits, which reflects a fully staffed Division of Law Enforcement and restores turnover savings equivalent to approximately one position. It also shifted expenses from federal funds to Boating Registration restricted receipts, reflecting reductions to the Recreational Boating Safety grant. Other general revenue changes include \$60,000 less for contracted security services, which are no longer needed with a fully staffed Division. *The Governor recommended \$0.4 million less from all sources than requested for salaries and benefits, representing a shift of some positions to Oil Spill Prevention, Administration and Response fund restricted receipts. This includes \$5,042 more from all sources to reflect statewide adjustments to health benefit rates.* **The Assembly added \$1.1 million from general revenues to fund a shortfall reported as of the third quarter.**

Other Salaries and Benefits. The Department requested \$0.7 million more than enacted from all sources for the remaining 117.0 full-time equivalent positions for the Bureau of Natural Resources. This includes \$0.2 million more from general revenues. The request transfers one position from the Bureau of Natural Resources to the Bureau of Environmental Protection, bringing its allocation to 216.0 positions. It includes \$0.2 million more for overtime and transfers the equivalent of five positions to other Department programs paid from federal funds budgeted in the Bureau. The enacted budget assumes turnover savings equivalent to 4.6 positions; the revised request also restores approximately two of those. *The Governor recommended \$16,266 more than requested from all sources to reflect statewide adjustments to health benefit rates. He subsequently requested an amendment to add \$64,413 from general revenues for overtime accrued during the February 2026 blizzard.* **The Assembly concurred with the amended recommendation.**

Capital Projects. The request includes the enacted amount from Rhode Island Capital Plan funds of \$36.3 million for nine capital projects. With the inclusion of three federal grants, the request is \$3.4 million more than enacted. Two grants to renovate the Blackstone River State Park Kelly House and to elevate Wickford Dock were not included in the enacted budget. The amounts in the capital budget request are \$2.1 million less than requested in the operating budget. The Department indicated that the intended request is the capital request.

The Department's operating budget request is also consistent with its capital request for \$2.0 million from a Federal Emergency Management Agency grant for the Wickford Dock project in FY 2027. *The Governor recommended \$2.5 million less than enacted from Rhode Island Capital Plan funds. The Assembly shifted \$1.7 million from the Natural Resource Offices and Visitor's Center and \$0.9 million from the Newport Piers projects to later years based on a revised schedule. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Federal Grants. The Department requested \$2.9 million less from federal funds than included in the enacted budget for the Bureau of Natural Resources. This reflects revisions to current and new federal funds. In FY 2025, the Department spent \$23.7 million, which is \$1.2 million or 4.8 percent less than budgeted, reversing an earlier department trend of requesting more federal funds than it would typically spend. *The Governor recommended funding as requested. The Assembly concurred.*

Other Operations. The Department requested \$107,025 less than enacted from all sources for all other expenses in the Bureau of Natural Resources, including \$148,725 less from general revenues and \$41,700 more from restricted receipts. The revised request reduces the Bureau's budget by \$0.1 million, which is consistent with its FY 2025 expenditures. These include reductions in contracted services such as landscaping, plumbing, cleaning, and repairs, as well as electricity expenses. The restricted receipts increase includes \$0.1 million more from the Trout Stamp Fund, as well as minor decreases to Hunting License receipts and the De Coppet Estate Fund, which funds preservation efforts and upkeep of the Hillsdale Forest and Wildlife Reservation in Richmond, based on anticipated receipts. *The Governor recommended funding as requested.*

He subsequently requested an amendment to add \$25,925 from general revenues for emergency repairs resulting from the February 2026 blizzard. The Assembly concurred with the amended recommendation.

Bureau of Environmental Protection

Salaries and Benefits. The Department requested \$0.8 million more than enacted from all sources for salaries and benefits of the Bureau of Environmental Protection. The request includes \$1.0 million more from general revenues and \$0.1 million less from federal funds, as well as \$0.1 million less from restricted receipts and \$35,911 less from Department of Transportation funds. The request would fund 179 of 180 full-time equivalent positions. As of the time of the budget's submission, there was one vacancy.

The Department explained that the \$0.8 million increase is the result of changes in the pay of environmental scientists and environmental engineers. Pay scale updates were initially approved in April 2023. The new pay scales were included in the Department's FY 2024 and FY 2025 requests. However, as a result of a 2025 Personnel Appeal Board decision affecting Department of Administration policy changes based on complaints filed by the union representing classified employees, the steps for these positions increased. Impacted employees had pay scale adjustments completed on January 31, 2025, and received retroactive payments between then and June 30, 2025. This was reflected in the Department's FY 2025 overspend for salaries and benefits. Pay scale adjustments were not included in the Department's previous requests because a decision came after the Department's budget submission. Absent additional funds, the Department would need to maintain more vacancies.

The Governor recommended \$0.1 million less than requested, including \$0.7 million less from general revenues. This represents a \$0.6 million shift to Oil Spill Prevention, Administration and Response Fund and Water and Air Protection restricted receipts, and \$20,350 more from all sources to reflect statewide adjustments to health benefit rates. The Assembly concurred.

Federal Grants. The Department requested \$3.0 million more than enacted from federal funds to reflect current and new awards with the Bureau of Environmental Protection. The enacted budget includes \$6.1 million for these programs, including grants for the Diesel Emissions Reduction Act, brownfields response, and water quality management programs. Several grants have unspent funds from the FY 2025 final budget, including the Rhode Island Air Monitoring Grant. *The Governor recommended funding as requested.* **The Assembly concurred.**

Rose Hill Landfill. The Department requested \$150,000 from general revenues for maintenance and monitoring activities at the state's superfund site located at the former Rose Hill Landfill in South Kingstown. The request is \$50,000 less than enacted, but is more in line with FY 2025 expenditures. Requested funds often change due to the unpredictable nature of landfill gases, making it difficult to estimate annual maintenance costs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Operations. The Department requested \$0.5 million less than enacted for all other expenses. This includes \$0.1 million less from general revenues and \$0.3 million less from restricted receipts. General revenue reductions include a decrease for the Office of Water Resources reflecting the purchase of a car in FY 2025, which was also included in the FY 2026 enacted budget, and a \$30,000 decrease for printing services for the Office of Air Resources. The revised request also includes \$0.3 million less from Oil Spill Prevention, Administration and Response Fund restricted receipts to more closely align with FY 2025 expenditures. *The Governor recommended \$35,000 less than requested from general revenues for the Office of Compliance and Inspection to align expenditures more closely with the FY 2025 experience.* **The Assembly concurred.**

Coastal Resources Management Council

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Category				
Salaries and Benefits	\$ 4,933,894	\$ 5,098,362	\$ 5,107,407	\$ 5,107,407
Contracted Services	226,332	382,770	7,246,959	246,959
Subtotal	\$ 5,160,226	\$ 5,481,132	\$ 12,354,366	\$ 5,354,366
Other State Operations	500,285	583,884	521,510	521,510
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	76,076	1,727,730	1,674,605	1,674,605
Capital	(60,356)	7,068,000	118,000	7,118,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,676,231	\$ 14,860,746	\$ 14,668,481	\$ 14,668,481
Sources of Funds				
General Revenue	\$ 3,929,471	\$ 3,904,812	\$ 4,174,013	\$ 4,174,013
Federal Aid	1,671,857	3,331,166	3,108,657	3,108,657
Restricted Receipts	76,076	624,768	335,811	335,811
Other	(1,173)	7,000,000	7,050,000	7,050,000
Total	\$ 5,676,231	\$ 14,860,746	\$ 14,668,481	\$ 14,668,481
FTE Authorization	32.0	32.0	32.0	32.0
FTE Average	30.4			

FY 2026 Revised Request. The Coastal Resources Management Council requested \$1.9 million more than the enacted budget from all sources, including \$2.2 million more from general revenues. *The Governor recommended \$2.1 million less than requested from all sources, including \$1.9 million less from general revenues. The Assembly concurred.*

Salaries and Benefits. The Council requested \$53,237 more than enacted, including \$201,190 more from general revenues for salaries and benefits. This would fund 31.0 positions, restoring turnover equivalent to 0.5 positions. As of mid-November, the Council had 1.0 vacancy since the first pay period of FY 2026. The request also shifts funding for around one position from federal funds to general revenues. In FY 2025, a position budgeted from federal funds became vacant and has not been filled. Other positions were filled, resulting in unbudgeted general revenue expenses. *The Governor recommended \$9,045 more than enacted from all sources, including a lower turnover assumption and \$5,113 to reflect statewide adjustments to health benefit rates. He did not include the requested shift from federal funds to general revenues. The Assembly concurred.*

Centralized Services. The Council's request included \$0.2 million from general revenues for centralized services provided through the Department of Administration, consistent with the enacted budget. This includes \$177,469 of facility expenses for the Council office at the Stedman Government Center. Facility expenses are charged to agencies occupying spaces in state facilities. The request includes the enacted amount of \$38,692 for information technology support. *The Governor recommended \$21,329 less from all*

*sources than requested to align facilities management with FY 2025 expenditures and to reflect adjustments to information technology billings based on updated data. **The Assembly concurred.***

Permit and Enforcement Database. The Council requested \$2.0 million from general revenues to implement a new permit database. The enacted budget includes a \$50,000 placeholder pending further information on costs. The Council noted that the request is based on discussions with the Department of Administration and the Department of Environmental Management, whose own permitting database has been operational since October 2024 and has a module for the Council. The National Oceanic and Atmospheric Administration extended the deadline for a new permit database from March 31, 2024, to September 30, 2026. The Council's prior requests for database implementation support have not been approved. The annual licensing fee for the database is \$20,000, included in the Council's FY 2027 request. *The Governor's recommendation inadvertently removed the \$50,000 placeholder. He subsequently requested an amendment to restore funding in FY 2027. **The Assembly restored the funding in FY 2027.***

Storm Tools. The 2025 Assembly added \$200,000 from general revenues to support the multiple technology applications that are used to help Rhode Island prepare for, respond to, and recover from coastal hazards. This includes STORMTOOLS, an interactive mapping tool used to assess current and future flooding. It also includes MYCoast Rhode Island, a public-facing platform that collects and shares geo-tagged photos of coastal flooding, storm damage, and erosion, as well as RI-CHAMP, which enables real-time forecasting and was developed for emergency response. Since 2018, the Council has supported STORMTOOLS operations and maintenance costs through an annual cooperative agreement with the University of Rhode Island. *The Governor recommended funding as requested. **The Assembly concurred.***

Indirect Cost Recovery. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. Current law mandates that all state agencies apply for the rate when allowed under the particular federal grant. In fall 2024, the federal rate was increased from 10.0 percent to 15.0 percent. The enacted budget included general revenue savings of \$374,768 from applying a 15.0 percent indirect cost recovery to federal grants. The revised request retained the savings. *The Governor recommended \$0.3 million from general revenues to restore most of the savings. He included \$0.1 million from indirect cost recovery as approved in the Council's annual agreement with the National Oceanic and Atmospheric Administration. **The Assembly concurred.***

Shoreline Access Project. The FY 2026 enacted budget included a \$0.1 million federal grant from the National Oceanic and Atmospheric Administration to create a Public Shoreline Access Management Plan. The Council's plan was originally to create and hire a municipal liaison to foster coordination between the Council and the state's 21 coastal municipalities to facilitate improvements to the rights-of-way program and provide support to municipal-led shoreline public access improvements. On May 5, 2025, the National Oceanic and Atmospheric Administration informed the Council that the awarded project activities were no longer aligned with the Administration's objectives; the grant was thus terminated. The Council's request removes all funding. *The Governor excluded funding as requested. **The Assembly concurred.***

Pawcatuck Resiliency Elevation. The Council's capital submission includes \$16.5 million from Rhode Island Capital Plan funds to construct non-structural floodproofing projects on residential structures in Narragansett, South Kingstown, Charlestown, and Westerly. The project assumes a partnership with the Army Corps of Engineers with a 65.0 percent federal cost share. *The Governor recommended \$50,000 from Rhode Island Capital Plan funds. **The Assembly concurred. A detailed description of the project is included in the Capital Budget section of this publication.***

Other Operations. The Council requested the enacted \$0.6 million from all sources for all other expenses. This includes costs for legal counsel, office supplies, and other expenses for the Council office at the Stedman Government Center. *The Governor recommended \$85,811 less from federal funds, primarily to align expenditures with FY 2025 spending. **The Assembly concurred.***

Department of Transportation

	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
Expenditures by Program				
Central Management	\$ 14,764,411	\$ 22,782,190	\$ 21,594,062	\$ 21,594,062
Management and Budget	6,360,083	3,839,065	5,474,940	367,542,936
Infrastructure Program	839,362,695	856,174,336	1,175,217,907	810,841,104
Total	\$ 860,487,189	\$ 882,795,591	\$ 1,202,286,909	\$ 1,199,978,102
Expenditures by Category				
Salaries and Benefits	\$ 106,789,098	\$ 118,331,441	\$ 111,295,988	\$ 111,295,988
Contracted Services	80,270,417	71,547,071	74,841,680	69,534,435
Subtotal	\$ 187,059,515	\$ 189,878,512	\$ 186,137,668	\$ 180,830,423
Other State Operations	(118,170,620)	63,403,181	63,915,061	66,253,273
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	27,982,968	22,142,759	50,385,181	50,385,181
Capital	674,223,216	436,556,933	730,732,709	735,275,277
Capital Debt Service	-	330,050	330,050	330,050
Operating Transfers	89,392,110	170,484,156	170,786,240	166,903,898
Total	\$ 860,487,189	\$ 882,795,591	\$ 1,202,286,909	\$ 1,199,978,102
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	507,833,359	474,582,143	610,225,733	610,092,483
Restricted Receipts	2,306,202	6,066,037	1,899,965	1,899,965
Other	350,347,628	402,147,411	590,161,211	587,985,654
Total	\$ 860,487,189	\$ 882,795,591	\$ 1,202,286,909	\$ 1,199,978,102
FTE Authorization	755.0	755.0	755.0	755.0
FTE Average	713.8			

FY 2026 Revised Request. The revised request includes \$438.5 million more from all sources than enacted and the authorized staffing of 755.0 full-time equivalent positions. This includes increases of \$414.0 million from federal funds and \$28.8 million from other funds, including \$10.0 million less from toll revenues, and increases of \$7.0 million from Rhode Island Capital Plan funds, \$6.2 million from gasoline tax proceeds, and \$25.6 million from highway maintenance funds. Based on preliminary information, the Department assumed that the balance in the Highway Maintenance Account was \$202.5 million at the end of FY 2025; its requests assume use of \$24.3 million in FY 2026, \$118.4 million in FY 2027, and \$59.8 million in FY 2028. Expenses supported with restricted receipts are \$4.3 million less.

The Governor's recommendation is \$119.0 million less than requested, including \$278.3 million less from federal funds, \$0.1 million more from restricted receipts, and \$159.2 million more from other funds. This includes \$162.6 million from the Highway Maintenance Account. The recommendation inadvertently overfunds the state match for the Kingston Station Mobility Hub project by \$1.1 million. The Governor subsequently requested an amendment to correct the error and to include \$4.9 million less from gasoline

tax proceeds, to bring the actual remaining debt service to \$3.7 million for FY 2026. The Assembly concurred with the subsequent amendments and provided \$3.8 million more from all sources, primarily reflecting updated estimates for the Highway Maintenance Account and the gas tax yield.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2026 budget. Additional information regarding the sources of funds is included in the Special Reports section of this publication.

Non Federal Sources	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final
<i>Gas Tax Yield per Cent (in millions)</i>	\$ 4.354	\$ 4.359	\$ 4.337	\$ 4.390
<i>RIDOT Cents</i>	23.25	24.25	24.25	24.25
<i>RIPTA Cents</i>	9.75	11.75	11.75	11.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 182,774,092	\$ 20,912,294	\$ 206,488,268	\$ 206,488,268
Gas Tax	158,816,227	172,188,914	171,322,007	173,386,198
Motor Fuel Bond Excess Reserve	-	-	7,109,952	7,109,952
Motor Vehicles Fees, Surcharges & Transfer	113,788,038	117,700,929	119,151,952	121,886,703
Toll Revenue	-	10,000,000	-	-
Surplus Property & Outdoor Advertising	262,822	226,000	226,000	226,000
Restricted Receipts	981,345	2,555,734	2,773,381	2,773,381
Land Sales	3,581,145	3,400,000	3,400,000	3,400,000
Rhode Island Capital Plan Funds	140,717,443	128,973,497	130,010,032	127,978,099
Total Revenues	\$ 600,921,112	\$ 455,957,368	\$ 640,481,592	\$ 643,248,601
Transportation Expenses				
Winter Maintenance	\$ 26,257,145	\$ 16,534,528	\$ 21,921,525	\$ 21,921,525
Vehicles & Maintenance	18,502,465	15,591,150	19,517,768	19,517,768
General Maintenance	52,142,788	52,915,690	54,185,375	57,927,580
Pay-go/Capital & Other	172,544,633	205,734,717	380,101,218	380,101,218
GARVEE Bond Match Debt Service*	8,708,946	8,718,426	8,674,532	3,731,967
G.O. Debt Service**	31,799,805	31,908,962	31,587,082	31,587,082
State Match - Gas Tax	140,643	398,207	64,681	64,681
Internal Service Funds Transparency**	1,270,263	1,686,170	1,800,765	1,800,765
Restricted Receipts	2,306,202	6,066,037	1,899,965	1,899,965
Land Sales	3,325,379	6,239,422	6,793,338	6,793,338
Equipment Replacement	1,951,200	1,800,000	3,658,569	3,658,569
Facilities	9,467,435	11,555,683	12,781,463	10,749,530
RIPTA - Gas Tax	40,345,164	51,220,753	50,962,876	51,576,907
RIPTA - Highway Maintenance Account	10,430,121	16,181,589	16,319,435	16,579,237
Turnpike and Bridge Authority	15,240,655	15,257,246	15,180,431	15,363,334
Total Expenditures	\$ 394,432,844	\$ 441,808,580	\$ 625,449,023	\$ 623,273,466
Surplus/Deficit	\$ 206,488,268	\$ 14,148,788	\$ 15,032,569	\$ 19,975,135

*FY 2025 is an estimate as expenses were miscategorized in accounting documents

**Shown in the Department of Administration's budget

The revised request assumes the enacted per penny yield of \$4.359 million, which was projected in May 2025 by the Office of Revenue Analysis. This was updated to \$4.337 million in December and is \$21,947 less than enacted. *The Governor's recommendation uses the December estimate of \$4.337 million. The Assembly used the May 2026 per penny yield of \$4.390 million, which is \$52,258 more than the December estimate.*

Student Internship Program. The revised request inadvertently excludes the enacted amount of \$1.5 million for the student internship program. Traditionally, the Department welcomes approximately 100

students to its internship program each summer, and students generally work from May through the end of August. Interns must work between 35 and 40 hours per week, with salaries ranging from \$14.00 to \$25.00 per hour based upon experience and job classification in the areas of: policy, planning, project management, construction, maintenance, traffic, highway safety, transit, materials, financial management, information technology, legal, environmental, and public affairs. FY 2025 expenses were \$0.6 million. *The Governor's recommendation also excludes the expense.* **The Assembly concurred.**

Salaries and Benefits. The revised request includes \$5.7 million less than enacted from all sources for salaries and benefits and the authorized level of 755.0 full-time equivalent positions. This includes decreases of \$3.5 million from federal funds, \$9,730 from restricted receipts, and \$2.2 million from other funds. It adds \$1.5 million to the \$6.9 million enacted for overtime for a total of \$7.4 million; expenses were \$9.9 million for FY 2025 and \$7.3 million for FY 2024. The revised request appears to fund about 703 positions, 31 fewer than the enacted budget assumed. At the time of the budget submission, the Department had 49 vacancies and as of late October, it had 703.0 full-time equivalent positions filled, or 52 vacancies. This is 27 more vacancies than in October 2024. *The Governor concurred and added \$119,766 to reflect statewide adjustments to health benefit rates and \$36,706 to correct understated staffing expenses.* **The Assembly concurred.**

GARVEE Debt Service. The Department inadvertently included an additional \$0.1 million from federal funds for debt issued through the Grant Anticipation Revenue Vehicle (GARVEE) Program, which allows states to borrow funds that are repaid by the annual allocation of Federal Highway Administration construction funds. The FY 2026 enacted budget includes \$77.5 million for this expense, including \$68.6 million from federal funds. It also includes the enacted amount of \$8.7 million, equivalent to two cents of the gas tax to support debt issued through Motor Fuel Revenue bonds, which was used as state match for GARVEE projects the 2003 Assembly authorized. These bonds would have been paid off in FY 2021; however, the 2016 Assembly adopted legislation in 2016-H 7409, Substitute A, as amended, allowing the Department to refinance them. The bonds were anticipated to be defeased in November 2026; however, they were retired in December 2025. There is sufficient funding in reserve with the trustee for the FY 2027 payment of \$1.7 million. The Department received \$7.1 million in excess funds in FY 2026; it will also receive \$3.5 million in FY 2027.

The Governor's recommendation retains the error; it also includes \$43,894 less, reflecting a downward revision to the gas tax yield. He subsequently requested an amendment further reducing gas tax expenses by \$4.9 million, reflecting the remaining debt service of \$3.7 million for FY 2026. **The Assembly concurred with the subsequent amendment and reduced federal funds by \$0.1 million to correct overstated expenses.**

Toll Revenue. The revised request excludes the \$10.0 million assumed to be available from toll revenue for FY 2026. The approved capital plan assumed \$10.0 million for FY 2026 and \$40.0 million annually thereafter. In December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program with the exception of the daily caps, which are severable from the rest of the statute. The Department has been engaged in a process of obtaining a condition assessment of the gantry equipment, which will determine which equipment needs to be fixed and or replaced, before toll collections resume. A contract for the assessment was signed on April 30, and as of late October 2025, it is not yet complete. The Department noted that it is difficult to project toll revenues without the assessment, and the rate structure has not been determined. *The Governor concurred.* **The Assembly concurred.**

Capital - Highway Improvement Projects. The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. A new Transportation Improvement Program covering federal FY 2026 through FY 2035 was adopted by the State Planning Council on September 11, 2025. The revised request includes \$417.7 million more than enacted from all sources, including \$397.7 million from federal funds for highway

improvement projects included in the Department's ten-year plan for FY 2026. It appears to include approximately \$100 million to reflect base formula funds authorized in the Infrastructure Investment and Jobs Act; \$124.8 million for the Washington Bridge project, of which \$14.6 million is from FY 2025 unspent State Fiscal Recovery funds; and \$161.1 million from a federal discretionary grant for major rehabilitation and deck replacement of 15 bridges along Interstate 95 from Warwick to Providence. A contract for that project was awarded in October 2024, and construction is ongoing through 2031; the project cost is estimated at \$779 million. It also reflects updated expenses for several projects, including Route 146 Reconstruction, I-95 Missing Move and Quonset Connector Ramps, Route 37 Corridor, and the Henderson Bridge.

The revised request includes \$20.0 million more from other funds, including \$2.3 million from Rhode Island Capital Plan funds, assuming a balance of unspent FY 2025 funds. Based on the preliminary closing report, the Department incurred expenses consistent with the final appropriation. This is also \$4.3 million more than the capital budget request. The Department assumed the Highway Maintenance Account had a carry-forward balance of \$202.5 million at the end of FY 2025; its requests use \$24.3 million in FY 2026, \$118.4 million in FY 2027, and \$59.8 million in FY 2028. Based on more updated information, it appears that the account balance was \$172.5 million, \$30.1 million less than the requests assumed.

The Governor recommended \$113.7 million less than requested from all sources, including \$4.3 million less from Rhode Island Capital Plan funds, consistent with the capital budget, and \$272.1 million less from federal funds, primarily for the Interstate 95 15 Bridges project, based on the current cash flow of the project. This is consistent with the recommended capital budget for FY 2026, but it should be noted that there were no corresponding increases in the later years to reflect the delayed expense, potentially understating the total. It also includes an increase of \$162.7 million from highway maintenance funds, assuming use of all the funds in FY 2026.

*Based on preliminary closing information for FY 2025 and projected resources for the Highway Maintenance Account, the Governor's recommendation appears to exceed available resources by \$10.1 million. **The Assembly concurred and acknowledged that the FY 2025 closing is not yet finalized; available resources are not known.***

RI Public Transit Authority - Bus Match. The FY 2025 final budget included \$4.6 million from the Department's share of the Highway Maintenance Account for the Authority's match to purchase buses. Buses being replaced have or will have exceeded their useful lives, which is defined by Federal Transit Administration regulations and varies depending on the type of vehicle. The Authority had forgone the purchase, and its FY 2027 through FY 2031 capital budget request assumes use of \$47.8 million, or \$35.3 million more than approved from the Department sources. The Department's revised request does not reflect the allocation of the unspent funds to the Authority. As previously noted, its requests allocate all unspent highway maintenance funds to projects in the Transportation Improvement Program. *The Governor's capital recommendation assumes Authority sources for match, including \$4.8 million for FY 2026. **The Assembly concurred.***

RI Public Transit Authority. The 2025 Assembly increased the Authority's share of the Highway Maintenance Account and increased the gasoline tax by two cents and dedicated that to the Authority to help with its operating deficit. It provided a total of \$67.4 million for FY 2026, including \$51.2 million from gas tax proceeds and \$16.2 million from highway maintenance funds. The Department's revised request assumes an additional \$0.3 million will be provided to the Authority based on the Budget Office's estimate of highway maintenance funds; estimates provided by the Office of Revenue Analysis are for only \$0.1 million more than the enacted amount. *The Governor recommended \$67.3 million, which is \$120,031 less than enacted, reflecting updated estimates for the Authority's share of the funds. This includes \$159,168 less from highway maintenance funds and \$257,877 less from gas tax proceeds. **The Assembly***

included \$68.2 million, which is \$0.9 million more than recommended, reflecting updated estimates of gas tax yield and highway maintenance funds.

Transit Projects and Operating Expenses. Excluding salaries and benefits, the revised request is for \$35.1 million from all sources for transit-related projects and operating expenses. This is \$6.2 million more than enacted, including \$2.7 million from federal funds for fixed guideway infrastructure, including layover facilities, stations, and tracks. It includes \$3.0 million more from gas tax proceeds and \$0.4 million from FY 2025 unspent Rhode Island Capital Plan funds for the Welcome Center facility in Richmond. This reflects the Department's updated estimates to renovate several restrooms and to replace the well system, which it indicated is not in compliance with Department of Health standards. The revised request is essentially consistent with the capital budget request.

The request also includes the enacted amount of \$8.9 million from a \$12.5 million federal State of Good Repair Discretionary Grant the Department received to make improvements to the Providence Train Station. Through FY 2025, \$6.0 million had been spent, leaving a balance of \$6.5 million; this is \$2.4 million above the grant amount. The total project cost is \$30.0 million and is scheduled for completion in 2026. *The Governor recommended funding essentially as requested. The Assembly concurred.*

RI Turnpike and Bridge Authority. Consistent with the enacted budget, the revised request includes \$15.3 million from gasoline tax revenue to be transferred to the Rhode Island Turnpike and Bridge Authority for operations related to the four bridges under its purview: Newport Pell, Sakonnet River, Mount Hope, and Jamestown. Funding was provided by the 2014 Assembly in lieu of placing a toll on the newly constructed Sakonnet River Bridge. The funding is generated from 3.5 cents of the gasoline tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. The request uses estimates adopted in May 2025, which were revised downward in December 2025 to \$4.337 million per penny, or \$21,947 less than enacted. *The Governor recommended \$76,815 less than enacted, reflecting the downward revision to the yield. The Assembly provided \$0.2 million more than recommended, reflecting an upward revision to the gas tax yield.*

ARPA - Municipal Roads Grant Program/RhodeRestore. The revised request includes \$17.7 million from State Fiscal Recovery funds for the Municipal Roads Grant Program. Funds will be made available for the construction and maintenance of roads, sidewalks and bridges. Through FY 2025, \$14.8 million has been spent; the revised request is \$5.5 million more than the \$27.0 million approved allocation, which the Department indicated was in error.

The 2025 Assembly concurred with the Governor's recommendation to make this grant program permanent and provided \$6.5 million from gasoline tax proceeds for FY 2026. The Assembly also maintained the current match requirement and required that 25.0 percent of the funds be distributed equally, and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. The Department noted that the FY 2026 program has started, and final participation will be known by the fall. It further noted that all funding not claimed by a municipality will be recalculated through the funding formula and be provided to the remaining participating municipalities. *The Governor recommended the remaining \$11.4 million for total project costs of \$27.0 million. The Assembly concurred.*

Vehicles/Equipment and Maintenance. The revised request includes \$6.0 million more than enacted, primarily reflecting unspent FY 2025 funds to purchase heavy trucks, sweepers, loaders, backhoes, and tractors to replace the Maintenance Division's existing fleet, and maintenance expenses. This includes \$1.6 million from Rhode Island Capital Plan funds and \$4.4 million from gas tax proceeds. The request includes \$19.9 million or \$7.8 million more for equipment purchases, reflecting a delay in procurement. Prior to the pandemic, it took approximately 12 months to obtain the equipment, with the process of procurement, delivery and payment occurring within a fiscal year. As part of RhodeWorks, the Department proposed a

more aggressive replacement plan; however, since the pandemic, the lead time to obtain certain vehicles and equipment has increased to more than two years.

The request also includes \$3.4 million or \$1.8 million less than enacted for fleet expenses. The reduction is meant to align expenses more closely with FY 2025 spending; however, it appears that \$2.4 million of these expenses were erroneously charged to the winter operations account in FY 2025. Adjusting for this, FY 2025 expenses would be \$6.1 million or \$0.9 million more than enacted; they were \$3.9 million in FY 2024. *The Governor recommended \$0.2 million more than requested, reflecting unspent FY 2025 Rhode Island Capital Plan funds. The Assembly concurred.*

Winter Maintenance Operations. Excluding salaries and benefits, the Department requested \$17.8 million from gasoline tax proceeds for operating expenses related to the winter maintenance program for FY 2026. Funding is used to pay for vendor contracts, as well as to purchase salt, sand, and liquid de-icers. The request is \$4.0 million more than enacted, including \$1.8 million for materials and \$2.2 million for fleet expenses. Excluding \$2.4 million of expenses inadvertently charged to this account, the request is \$1.8 million less than FY 2025; however, it is \$5.0 million more than the average annual cost for winter maintenance operations from FY 2021 through FY 2025. *The Governor concurred, with the exception of recommending \$0.1 million less than requested for vendor contracts. The Assembly concurred.*

Capital - Facilities and Other Projects. The revised request includes \$7.4 million more than enacted from all sources, including \$1.8 million from FY 2025 unspent Rhode Island Capital Plan funds for seven projects and new expenditures of \$0.9 million for the Train Station Asset Protection project, consistent with the capital budget request. The request also includes \$0.3 million more from gasoline tax proceeds and \$4.5 million from highway maintenance funds for projects that do not qualify for federal match, such as emergency bridge repairs and highway drainage improvements. This is consistent with the newly adopted Transportation Improvement Plan. The Department is required to maintain storm drains and address pollutants that are going into Narragansett Bay and other waterways.

The Governor recommended \$2.8 million less from all sources, including \$1.8 million less from Rhode Island Capital Plan funds. This includes \$3.8 million for the Rhode Island Public Transit Authority's Land and Buildings Enhancements project, reflecting a revised plan. The recommendation inadvertently overfunds the state match for the Kingston Station Mobility Hub project by \$1.1 million; the Governor subsequently requested an amendment to correct the error. The Assembly, with the subsequent amendment, shifted \$0.9 million for the Train Station Asset Protection project to FY 2030, reflecting historical expenses and delays. A detailed description of the projects is included in the Capital Budget section of this publication.

Third Party Projects Reimbursement. The Department receives funds when it performs work for municipalities and other entities, which are used to fund personnel costs for employees who work on those projects and other expenses. The revised request includes \$1.3 million, or \$4.3 million less than enacted for these expenses, primarily reflecting recent experience. At the end of FY 2025, the account balance was \$1.3 million, and the Department projected receipts of \$2.2 million for FY 2026. *The Governor concurred. The Assembly concurred.*

Other Expenses. The revised request includes \$0.5 million more than enacted from gasoline tax proceeds for all remaining expenses. This includes \$0.3 million for contracted accounting services and \$0.1 million for legal services. This appears to be based on FY 2025 spending that occurred in these specific categories. *The Governor concurred and added \$0.1 million from restricted receipts from the Executive Climate Change Coordinating Council allocated for its project. He also added \$3.9 million from gasoline tax proceeds for maintenance and paving expenses, reflecting residual funds the Department received upon the retirement of the motor fuel bonds. The Assembly concurred and provided an additional \$3.7 million, reflecting updated estimates of the Highway Maintenance Account and gasoline tax yield.*

Section VI

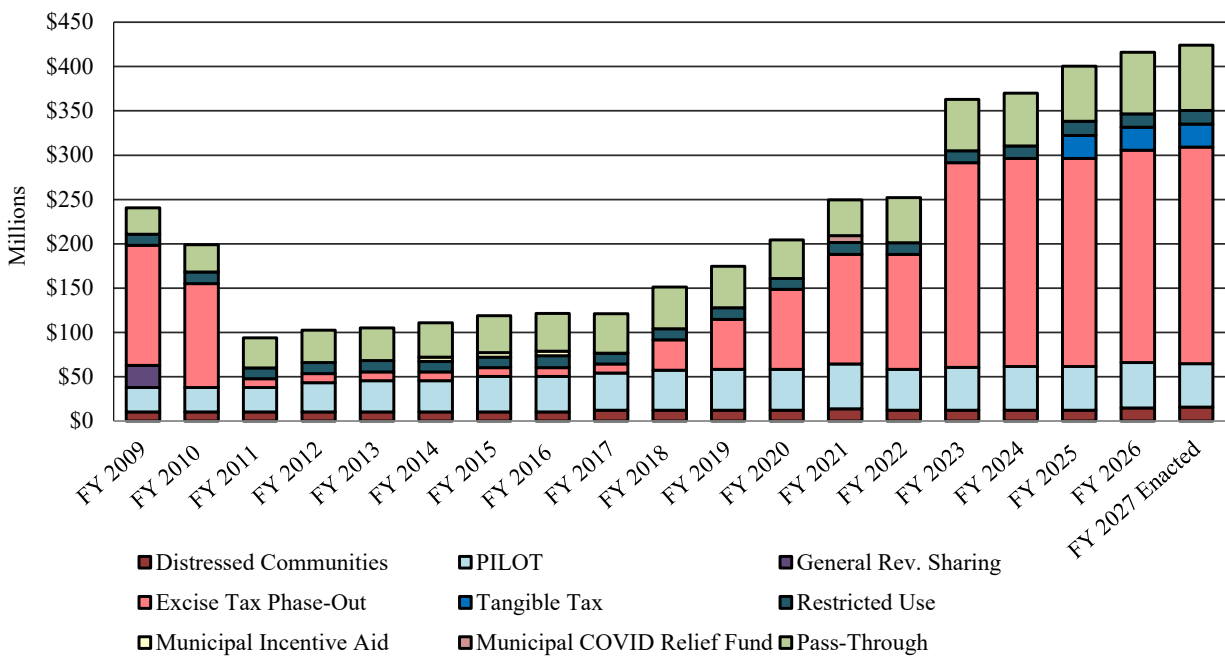
Special Reports

State Aid to Local Governments

Introduction

The Assembly provided state aid to cities and towns totaling \$346.6 million for FY 2026 and \$350.6 million for FY 2027. Funding for general aid programs is \$335.1 million for FY 2027, \$3.5 million more than the FY 2026 enacted budget and \$3.5 million more than the final FY 2026 budget. It is also \$5.7 million more than the Governor recommended. For FY 2026, it is \$331.7 million, which reflects \$2,815 more for the Motor Vehicle Excise Tax Phase-Out program and \$5,241 more for tangible tax exemption reimbursement payments. The Budget for restricted use programs includes \$15.5 million for FY 2027, which is \$0.5 million more than the Governor recommended and \$0.5 million more than enacted; FY 2026 is unchanged. Local governments also receive revenues from other local taxes, which the state collects and passes through to the communities. This is estimated to be \$69.4 million for FY 2026 and \$73.6 million for FY 2027. The FY 2026 enacted assumption was \$66.2 million.

The following graph shows historical funding data, in millions, and includes the allocation by program from FY 2009 through the FY 2027 enacted budget.



The major changes included in the aid proposal are discussed on the following pages, followed by tables that show the recommended distribution of general aid and restricted aid programs by community. Though not a state aid program, there are also tables for the public service corporation, and local 2.0 percent meals and beverage and hotel tax collections, which are collected at the state level for efficiency purposes and returned to local governments.

General. The Assembly provided \$335.1 million for FY 2027, and the Governor's revised level of \$331.7 million for FY 2026 for general state aid programs to local governments.

Fiscal Year	2010	2020	2025	FY 2026 Enacted	FY 2026 Final	FY 2027 Governor	FY 2027 Enacted	Chg. to Final
General Aid								
Distressed Communities	\$ 10.4	\$ 12.4	\$ 12.4	\$ 14.9	\$ 14.9	\$ 14.9	\$ 15.8	\$ 0.9
PILOT	27.6	46.1	49.2	51.3	51.3	49.0	49.0	(2.3)
Excise Tax Phase-Out	117.2	90.3	234.7	239.5	239.6	239.6	244.3	4.8
Tangible Tax Exemption	-	-	25.9	25.9	25.9	25.9	25.9	-
Subtotal	\$ 155.1	\$ 148.7	\$ 322.2	\$ 331.7	\$ 331.7	\$ 329.4	\$ 335.1	\$ 3.5
Restricted Use Aid								
Library Resource Aid	\$ 8.8	\$ 9.6	\$ 11.9	\$ 12.1	\$ 12.1	\$ 12.1	\$ 12.5	\$ 0.5
Library Const. Aid	2.6	1.9	2.2	2.1	2.1	2.1	2.1	(0.0)
Prop. Val. Reimb.	1.6	0.6	1.9	0.7	0.7	0.8	0.8	0.1
Subtotal	\$ 13.0	\$ 12.2	\$ 16.0	\$ 14.9	\$ 14.9	\$ 15.0	\$ 15.5	\$ 0.5
Total Appropriated Aid	\$ 168.2	\$ 160.9	\$ 338.2	\$ 346.6	\$ 346.6	\$ 344.4	\$ 350.6	\$ 4.0
Other Aid - Pass-Through								
Public Service Corp.	\$ 10.2	\$ 13.2	\$ 15.5	\$ 14.8	\$ 15.7	\$ 13.2	\$ 13.2	\$ (2.5)
Meals and Beverage Tax	19.0	26.2	39.6	41.4	43.2	45.1	45.1	1.9
Local Hotel Tax	1.7	4.3	7.0	9.9	10.5	15.3	15.3	4.8
Total Other Aid	\$ 30.9	\$ 43.6	\$ 62.1	\$ 66.2	\$ 69.4	\$ 73.6	\$ 73.6	\$ 4.2

\$ in millions

- Distressed Communities Relief Fund.** For FY 2027, the Assembly provided \$15.8 million for the Distressed Communities Relief Fund. This is \$0.9 million more than the enacted level and the Governor's recommendation. Communities' aid distribution is based on updated qualifying tax levies. For both the first year of a community's qualification as a distressed community and the year that a community no longer qualifies, it receives a transition payment of half its proportional share; there is a redistribution of funding among qualifying communities based on total funding. Updated Census data available after the Governor's budget was submitted showed East Providence as a newly qualified community for FY 2027, and it will receive a transition payment equal to 50.0 percent of the current law requirement. Without additional resources, this payment would have resulted in decreased payments to the other eligible communities.
- Payment in Lieu of Taxes Program.** The Assembly provided \$49.0 million for FY 2027 to fully fund the payment in lieu of taxes program that reimburses municipalities for property taxes that would have been due on certain real property exempted from taxation by state law. This includes property owned by private nonprofit higher educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. This is consistent with the Governor's recommended budget and \$2.3 million less than the enacted budget, which also fully funded the program, based on updated local data on forgone revenues. The City of Providence has the majority of eligible property and recently conducted a property revaluation, subsequently reducing property tax rates.
- Motor Vehicle Excise Tax Phase-Out.** The Governor recommended funding the Motor Vehicle Excise Tax Phase-out program at \$239.6 million for both FY 2026 and FY 2027. This is \$4.8 million less than the current law estimate and assumes the repeal of the provision that requires increased aid proportional to the change in sales tax revenue compared to the prior year, subject to a cap of 2.0 percent per year. The Assembly maintained the current law, adding \$4.8 million for FY 2027 for a total of \$244.3 million.
- Tangible Tax Exemption.** The Assembly provided \$25.9 million, or \$5,241 more than enacted, from general revenues for FY 2026 and FY 2027, to reimburse municipalities for the cost of the exemption. This is consistent with the Governor's recommendation and is based on corrected data from the Division of

Municipal Finance regarding fire districts. The 2023 Assembly enacted legislation to exempt \$50,000 from the tangible property tax beginning January 1, 2024.

Municipalities and fire districts are reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to send its certified tax rolls to the Division of Municipal Finance by August 15 annually. The initial reimbursement was September 30, 2024, with subsequent reimbursements annually thereafter.

- **Library Resource Sharing Aid.** The Assembly provided \$12.5 million to fully fund library aid for FY 2027. Current law allows for 25.0 percent reimbursement of expenditures from the second prior year, subject to appropriation. This is \$0.5 million more than the Governor’s recommendation, which provided a 24.1 percent reimbursement.
- **Library Construction Aid.** The Assembly provided \$2.1 million to fully fund library construction aid requirements. The state reimburses libraries up to half of the total costs for eligible projects on an installment basis, for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of the project.
- **Property Valuation Reimbursement.** The Assembly provided \$0.7 million for FY 2026 and \$0.8 million for FY 2027 to reimburse communities conducting property valuation updates. Current law requires that municipalities complete full revaluations every nine years, with statistical updates every third and sixth year following a full revaluation. This reflects anticipated expenses for maximum allowable reimbursements for communities scheduled to complete revaluations.
- **Public Service Corporation Tax.** The FY 2027 budget assumes the state will collect and distribute \$15.7 million and \$13.2 million in FY 2026 and FY 2027, respectively, from property tax revenues from public service corporations on behalf of municipalities and pass that back to them. Companies are required to declare the assessed property values to the Division of Taxation annually by March 1; payments are made in July. A final figure will be provided when the actual payments are made.
- **Meals and Beverage Tax.** The FY 2027 budget assumes the state will collect and distribute an estimated \$43.2 million and \$45.1 million from local meals and beverage taxes for FY 2026 and FY 2027, respectively. The distributions are estimated and subject to change.
- **Local Hotel Tax.** The FY 2027 budget assumes the state will collect and distribute an estimated \$10.5 million and \$15.3 million for FY 2026 and FY 2027, respectively.

State Aid

State sources of aid can be classified into *general* aid and *restricted use* aid. *General* aid payments made to municipalities can be used for general budget use or as reimbursement for costs incurred. Examples include: distressed communities relief, payments in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out payments. The general purpose of these programs is to relieve pressure on local property taxes by providing revenues from the state’s broad-based taxes to local governments.

Restricted use aid includes payments made to a municipality for a specific purpose or payments to non-governmental entities providing a public service, including library aid. The largest source of restricted aid is education aid, not included in this report. This information is shown separately in the Education Aid report in this publication.

Pass-through aid in the form of the public service corporation, 1.0 percent local meals and beverage tax, and local hotel tax are listed as state aid. These funds are not paid from state sources. For efficiency of collections, the Division of Taxation collects this local levy at the state level and returns the collections back to the local governments.

General State Aid

Distressed Communities Relief Program. The Distressed Communities Relief program was established in 1990 to provide assistance to the communities with the highest property tax burdens relative to the wealth of the taxpayers. The 2005 Assembly increased eligibility for FY 2006 to any community falling into the lowest 20.0 percent for at least three of four indices to be eligible for assistance.

Rankings	Central		East		North		West		
	Falls	Coventry	Cranston	Providence	Providence	Pawtucket	Providence	Warwick	Woonsocket
FY 2024									
Levy/Full Value	8	-	9	-	3	12	1	2	13
Per Capita Income 2021	1	-	10	-	5	3	4	6	2
Personal Income/Full Value	1	-	12	-	5	2	6	4	3
Full Value Per Capita	1	-	7	-	6	3	4	5	2
Qualifying Rankings	4	-	1	-	4	3	4	4	3
FY 2025									
Levy/Full Value	8	-	9	-	5	14	1	2	17
Per Capita Income 2022	1	-	8	-	6	3	4	7	2
Personal Income/Full Value	1	-	12	-	6	2	7	3	4
Full Value Per Capita	1	-	7	-	6	3	4	5	2
Qualifying Rankings	4	-	2	-	4	3	4	4	3
FY 2026									
Levy/Full Value	19	5	11	-	6	23	1	2	17
Per Capita Income 2023	1	16	9	-	6	3	4	7	2
Personal Income/Full Value	1	7	13	-	5	4	6	2	3
Full Value Per Capita	1	7	8	-	6	3	4	5	2
Qualifying Rankings	3	3	1	-	4	3	4	4	3
FY 2027									
Levy/Full Value	24	5	11	8	10	15	2	1	14
Per Capita Income 2024	1	16	6	13	8	3	4	5	2
Personal Income/Full Value	1	6	13	8	4	5	7	2	3
Full Value Per Capita	1	7	9	8	6	3	5	4	2
Qualifying Rankings	3	3	1	3	3	3	4	4	3

Dedicated funding for the program was from \$0.30 of the \$2.00 real estate transfer tax collected for each \$500 or fractional part of the purchase price of property sold, \$5.0 million from state appropriations, and 0.19 percent of all net terminal income from video lottery. The 2007 Assembly adopted the Governor's recommendation to convert the real estate conveyance portion to general revenues and make the program subject to appropriation. Distributions from only video lottery terminal revenues were shared equally among qualifying communities.

The 2012 Assembly adopted legislation allowing municipalities to receive the entirety of their distressed aid payments in August. Payments had been made twice a year in August and March.

Historically, a majority of the funds, \$9.6 million, was distributed on a weighted allocation and legislation included in past budgets allowed \$0.8 million previously linked to lottery revenues to be shared equally among the communities. Since FY 2014, all of the funds are distributed on a weighted basis. The program was level funded at \$10.4 million from FY 2008 until the 2016 Assembly increased funding to \$12.4 million. The state typically makes payments in August each year.

The 2016 Assembly enacted legislation requiring that all communities qualifying as distressed participate in the Division of Taxation's refund offset program to collect taxes owed. Current law provides that if the Assembly appropriates more than the enacted level for the program, distressed communities will receive shares, even if they are receiving a transition payment. The 2020 Assembly provided an enhanced level of \$13.8 million, reflecting \$1.4 million using one-time COVID relief federal funds.

The Assembly provided \$15.8 million for the Distressed Communities Relief program for FY 2027, which is \$0.9 million more than the enacted level and the Governor's recommendation. Communities' aid distribution is based on updated qualifying tax levies and population data from 2024, consistent with current law for the most recent data available. Most funds are distributed based on the ratio of an eligible municipality's tax levy to the total tax levy of all eligible municipalities. However, when a new community qualifies, that community receives 50.0 percent of current law requirements in the first year. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification. Updated Census data available after the Governor's budget was submitted showed East Providence as a newly qualified community for FY 2027, and it will receive a transition payment equal to 50.0 percent of the current law requirement.

Payment in Lieu of Taxes (PILOT). This program reimburses cities and towns for property taxes, which would have been due on real property owned by private nonprofit higher educational institutions or nonprofit hospitals, or any state-owned hospital, veterans' residential facility, or correctional facility, which is exempt from taxation by state law. Municipalities may be reimbursed up to 27.0 percent of the tax that would have been collected if the property had been taxable, subject to appropriation. The state typically makes one payment to communities in July of each year.

If the appropriation is less than the necessary amount, the reimbursements are ratably reduced. The Assembly provided \$49.0 million for FY 2027 to fully fund the program. This is consistent with the Governor's recommended budget and \$2.3 million less than the enacted budget, which also fully funded the program, based on updated local data on forgone revenues. The City of Providence has the majority of eligible property and recently conducted a property revaluation, subsequently reducing property tax rates.

Motor Vehicle Excise Tax Phase-Out. The 1998 General Assembly enacted legislation to eliminate the motor vehicle excise tax over a period of seven years. It established an exemption which reduced the assessed value subject to taxation. Cities and towns are paid by the state for the lost taxes due to the exemptions and local vehicle tax rates were frozen to the FY 1998 level. The state typically makes quarterly payments to the communities in the months of August, November, February and May.

The 2010 Assembly provided \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010. It also enacted legislation that mandates a \$500 exemption for which the state will reimburse municipalities an amount subject to appropriation for FY 2011 and thereafter. It had been funded at \$10.0 million until FY 2018. Municipalities could provide an additional exemption which was not subject to reimbursement. The Assembly removed the prohibition on taxing the difference when the value of a vehicle is higher than assessed in the prior fiscal year, and allowed motor vehicle rates and ratios of assessment to be less than earlier levels, which were frozen. The Assembly also restored fire districts' authority to levy a motor vehicle excise tax and excluded them from reimbursements.

The 2017 Assembly enacted legislation to restart the phase-out. As enacted, that law exempted cars older than 15 years from taxation, and incrementally reduced the maximum tax rate levied and percentage of value assessed, while annually increasing the minimum exemption. East Providence's fiscal year operates one year behind the state and the other communities; therefore, it entered the phase-out one year later than other communities. The second year after the phase-out is completed, reimbursement amounts are tied to the sales tax revenue change, and distributed proportionally to each municipality in the year after the phase

out, to the nearest 0.01 percent. The 2022 Assembly accelerated the phase-out by one year by advancing the reimbursement amounts, effectively ending the tax collection as of each local government's FY 2024. For FY 2026, the Governor recommended repealing the provision requiring that increased aid be proportional to the change in sales tax revenue relative to the prior year. Instead, the 2025 Assembly capped the increase to distributions at 2.0 percent.

The Governor's budget funds the Motor Vehicle Excise Tax Phase-Out program at \$239.6 million for both FY 2026 and FY 2027 based on his proposal to repeal future increases to the program. The Assembly provided \$244.3 million for FY 2027, \$4.8 million, or 2.0 percent more than in FY 2026, and maintained the current law growth.

Tangible Tax Exemption. The Assembly provided \$25.9 million, or \$5,241 more than enacted, from general revenues for the tangible tax reimbursement in FY 2026 and FY 2027. This is consistent with the Governor's recommendation and is based on corrected data from the Division of Municipal Finance regarding fire districts. The program established a statewide exemption of \$50,000 from the tangible taxes levied by municipalities and fire districts, except the public service corporation and renewable energy resources and equipment taxes. The exemption applies as of the December 31, 2023, assessment date, or effectively for all tax years beginning on or after January 1, 2024.

Municipalities and fire districts will be reimbursed for all foregone revenues and the value of all uniformly applied exemptions; however, individualized exemptions are not eligible for reimbursement. Each community is required to provide its certified tax rolls to the Division of Municipal Finance by August 15 annually. The initial reimbursements began on September 30, 2024. Required certifications and reimbursements occur annually thereafter.

Municipal Incentive Aid. The Municipal Incentive Aid program, which encouraged sustainable funding of retirement plans and reduction of unfunded liabilities was conceived as a three-year program. Aid was distributed on the basis of the most recent estimate of population of each municipality as a share of the total state population, as reported by the Bureau of the Census in the year the payment is made. Program payments were made in March of each year. If a municipality was not eligible to receive aid, its share may have been reappropriated to the following fiscal year. To receive the prior and current years' share of aid, the municipality had to meet the funding requirements for both years. FY 2016 was the third and final year. For FY 2016, Johnston did not meet the requirements for eligibility and its payment was reappropriated to FY 2017. Its share was ultimately redistributed amongst the other communities in May 2017.

Municipal COVID Relief Fund. The 2020 Assembly provided an enhanced level of local aid support for FY 2021 from the state's one-time allocation of \$1,250.0 million from the Coronavirus Relief Fund, provided under the CARES Act. The budget had proviso language for cities and towns to comply with all applicable federal laws and regulations under Section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136. The FY 2021 budget included \$136.5 million from Coronavirus Relief federal funds, using the enacted distribution methodology based on four formulas, including the distressed communities relief, payment in lieu of taxes, and Motor Vehicle Excise Tax Phase-Out programs, distributed based on those formulas, and a per capita funding formula.

General Revenue Sharing. Beginning in FY 1994, a portion of total state tax revenues from the second prior fiscal year had been earmarked as state aid to cities and towns and distributed based on per capita income and local tax burdens for public purposes. The FY 1999 budget began increasing the percentage of shared revenues as a mechanism for reimbursing municipalities for lost local revenues from the ten-year phase-out of the inventory tax. Legislation in 2005 and 2006 dedicated a portion of video lottery net terminal income, up to \$10.0 million, for the non-distressed communities program. The 2009 Assembly adopted the Governor's recommendation to subject the program to appropriation. It has not been funded since FY 2009.

Restricted Use State Aid

Library Resource Sharing Aid. Current law requires state support to local libraries via grants-in-aid at a level up 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, provided that if the total exceeds the appropriation, the aid amounts to each municipality be proportionately reduced.

Aid remained relatively stable from FY 1991 through FY 1997. For FY 1998, the General Assembly appropriated an additional \$1.0 million to begin increasing funding to meet the 25.0 percent program requirement by FY 2000. The state is also required to fund 100 percent of the administrative and operating costs of the Rhode Island Library Network. The 25.0 percent requirement also applies to institutional libraries.

The 2003 Assembly amended the statute to include Providence Public Library endowment funding as part of the local effort; the annual amount of endowment funds that may be included is capped at 6.0 percent of the three-year average market value of the endowment, calculated at the end of the calendar year. The 2004 Assembly further amended the laws to extend this allowance to all libraries.

For FY 2009, the Assembly enacted legislation to reduce the maintenance of effort requirement for municipalities to library services funding of at least 80.0 percent of the previous fiscal year. The 2009 Assembly enacted legislation to continue allowing communities to meet the 80.0 percent maintenance of effort for libraries to qualify for state library aid.

The chief library officer annually determines each municipality's compliance with the maintenance of effort requirement by comparing appropriation and expenditure amounts as reported by the libraries or the municipalities. In the event that a municipality has failed to meet the maintenance of effort requirement, the chief library officer will notify the municipality that it is not eligible for a state grant-in-aid. A municipality that is deemed ineligible may request a waiver from the requirement by submitting a letter to the chief library officer.

Included in this aid program is the library resources services grant, which is provided to the Providence Public Library to serve as the state's reference resource center. The program is intended to provide high-quality reference services to libraries and their patrons, including research area-specific databases, librarian-assisted research, and some tutoring services. It had historically been funded at \$1.0 million per year. The 2016 Assembly concurred with the Governor's recommendation to reduce the statewide library resource reference grant to \$0.7 million. However, since FY 2023, the library resources services grant has been funded at \$1.1 million.

The Assembly provided \$12.5 million to fully fund library aid at 25.0 percent reimbursement of second prior year expenditures. This is \$0.5 million more than the Governor's recommendation, which represents a 24.1 percent reimbursement.

Library Construction Aid. State law establishes a library construction aid program, administered by the Office of Library and Information Services, which provides the authority to make grants-in-aid to a municipality or a free public library for construction of, or capital improvements to, any free public library to provide better services to the public.

The state grants-in-aid are limited to a maximum of 50.0 percent of total eligible costs, as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period of up to 20 years. The payments do not begin until the state fiscal year following the completion, acceptance, and audit of a project. During the repayment period, the state share may include the costs of interest on the

state share of the project costs if the municipality or free public library was required to borrow the state's share of the project costs.

Reimbursable costs also include any cost of borrowing for the state share during the construction period. Examples of costs ineligible for state funds include fundraising or public relations costs incurred by the municipality or the free library.

Library construction aid is considered indirect aid. Payments are not necessarily made to a local government; some are made directly to free public libraries, and therefore cannot be considered traditional local aid. Additionally, funds are targeted for specific use and are not for general support of the local government or free library budget.

The 2011 Assembly adopted legislation to impose a three-year moratorium on the acceptance of applications for library construction aid projects through July 1, 2014. The Assembly provided \$2.1 million for FY 2027 to fully fund library construction aid requirements.

State and Municipal Police Incentive Pay. The Rhode Island General Laws establish the Municipal Police Incentive Pay program. The purpose is to provide financial compensation to members of the state, city, and town police departments, sheriffs and deputy sheriffs, members of the Rhode Island marshals' unit, Rhode Island Capitol Police, park police and conservation officers of the Division of Law Enforcement in the Department of Environmental Management, and the state fire marshal and deputy fire marshals who have earned college credits in the field of police work.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants. Governor Carcieri proposed to eliminate the program for FY 2009; the 2008 Assembly maintained it in the general laws, but no funding has been provided since. Municipalities are still required to reimburse police officers for eligible expenses incurred in earning credits associated with the program.

Municipal Firefighters Incentive Pay. Current law establishes a Municipal Firefighters Incentive Pay program. The purpose of this program is to provide financial compensation to members of the municipal fire departments and fire districts, the Cumberland Rescue Department and emergency service technicians of the Town of Lincoln who have furthered their education at the college level.

The amount of the incentive is based on a point system, which is related to the individual's level of educational attainment. The state payments go directly to the municipalities which, in turn, make payments to the participants. Governor Carcieri proposed to eliminate the program for FY 2009; the 2008 Assembly maintained it in the general laws, but no funding has been provided since. Current law does not require that municipalities reimburse firefighters for eligible expenses; however, some municipalities do so voluntarily.

Property Revaluation Reimbursement. Section 44-5-11.6 of the Rhode Island General Laws requires that municipalities update property valuations using statistical techniques every third and sixth year after a full revaluation. The statute also requires that the state reimburse municipalities for 100 percent of the cost of the first update, not to exceed \$20 per parcel. Reimbursements for subsequent updates are 80.0 percent for the second statistical update and 60.0 percent for the third and all subsequent updates. A distressed community will receive 80.0 percent reimbursement for the second and all subsequent updates. The reimbursement is made upon receipt of bills for completion of the revaluation.

Fiscal Year	Expenditures	Fiscal Year	Expenditures
2014	\$ 436,537	2021	\$ 853,931
2015	\$ 681,508	2022	\$ 665,795
2016	\$ 1,300,849	2023	\$ 466,059
2017	\$ 446,302	2024	\$ 691,884
2018	\$ 732,812	2025	\$ 1,887,448
2019	\$ 1,023,245	2026	\$ 712,390
2020	\$ 585,632	2027	\$ 826,038

The Budget includes \$0.7 million for FY 2026 and \$0.8 million for FY 2027. The state does not reimburse non-distressed municipalities for complete revaluations, only for updates. Expenditures fluctuate annually; the previous table includes actual expenditures since FY 2014, and the enacted amounts for FY 2026 and FY 2027.

Oversight Reimbursement. Current law requires that the state reimburse 50.0 percent of the cost of an official to act as a financial advisor to municipalities no longer subject to state Fiscal Stability Act oversight. No funding is provided; the final eligible community exited oversight on March 20, 2020.

Pass-Through Revenues

Public Service Corporation Tax. The FY 2027 budget assumes the state will collect \$13.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them in FY 2027, as well as \$15.7 million in FY 2026. This includes updated census data from December 2025 to calculate the estimated distribution. A final figure will be calculated when updated data is available later in 2026. The 2009 Assembly adopted the Governor’s recommendation to require the tax rate applied to the tangible personal property of public service corporations not be less than the prior year. Annual tax collections had dropped from \$16.6 million in FY 2004 to \$10.2 million in FY 2010. The statute allows for the use of up to 0.75 percent for administrative expenses; these funds are deposited as general revenues.

The tangible personal property of telegraph, cable, and telecommunications corporations and express corporations used exclusively in conducting business for the corporation is exempt from local taxation under current law; however, it is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment. It should be noted this tax is not affected by the tangible tax exemption program, discussed previously.

By March 1 of each year, companies are required to declare the value of their tangible personal property to the Department of Revenue, which uses this data to calculate the taxes due from each company. The calculation is based on the average assessment ratios in the state and the average property tax rate. Funds are collected by the Department and distributed as prescribed in statute. The statewide average assessment ratio is the total gross statewide assessment divided by the total statewide value. The average property tax rate is calculated as the total statewide levy divided by the statewide net assessment. Funds collected by the state from this tax are distributed to cities and towns on the basis of the ratio of city or town population to the population of the state as a whole. It should be noted that while this category of state aid is displayed in the tables later in this report, the funds are not appropriated by the General Assembly.

Meals and Beverage Tax. The 2003 Assembly enacted an additional one percent tax on gross receipts from the sale of food and beverages sold in or from eating and drinking establishments, effective August 1, 2003. Meals are defined as food sold ready for immediate consumption, regardless of when or where consumed. Eating establishments include all entities preparing these foods, including caterers. The Division of Taxation collects the tax and distributes it to the city or town where the meals and beverages were delivered. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2025	\$ 45,859,759
2024	\$ 38,407,469
2023	\$ 37,498,657
2022	\$ 32,516,283
2021	\$ 26,005,401

While not a direct appropriation, the Budget assumes these revenues will total \$43.2 million and \$45.1 million for FY 2026 and FY 2027, respectively, based on current estimates provided by the Office of Revenue Analysis updated in December 2025. Distributions are estimated and subject to change.

Local Hotel Tax. The 2004 Assembly enacted a one percent additional tax on occupancy charges, effective January 1, 2005. The tax is paid by anyone receiving monetary charge for occupancy of any space furnished in a structure with a minimum of one room that is kept, used, maintained, advertised as or held out to the public to be a space where living quarters are supplied for pay to transient use. The Division of Taxation collects the tax for all communities except the City of Newport and distributes it to the city or town where the occupancy occurred. An expansion of the types of lodging to which this tax applies has increased recent collections. The 2026 Assembly increased the 1.0 percent local hotel tax to 2.0 percent, effective January 1, 2026. Collections for the last five fiscal years are shown in the following table.

Fiscal Year	Total Collections
2025	\$ 7,040,040
2024	\$ 6,704,462
2023	\$ 6,509,093
2022	\$ 5,856,253
2021	\$ 3,749,642

The budget assumes these revenues will total \$10.5 million and \$15.3 million for FY 2026 and FY 2027, respectively. These amounts are based on on current estimates provided by the Office of Revenue Analysis updated in December 2025. Distributions are estimated and subject to change.

For additional information, the tables at the end of this section show recent distributions from these sources.

Distribution by Community

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 6,114,764	\$ 6,115,416	\$ 6,115,416	\$ 653
Bristol	4,504,556	4,506,337	4,506,337	1,782
Burrillville	5,291,575	5,287,551	5,287,551	(4,024)
Central Falls	2,788,238	2,789,517	2,789,517	1,279
Charlestown	1,059,388	1,048,495	1,048,495	(10,893)
Coventry	7,159,937	7,159,529	7,159,529	(409)
Cranston	28,033,908	28,047,574	28,047,574	13,666
Cumberland	6,706,428	6,710,150	6,710,150	3,722
East Greenwich	3,973,813	3,975,292	3,975,292	1,479
East Providence	13,858,339	13,863,490	13,863,490	5,151
Exeter	2,339,399	2,329,373	2,329,373	(10,026)
Foster	1,785,801	1,777,706	1,777,706	(8,095)
Glocester	2,632,923	2,623,265	2,623,265	(9,659)
Hopkinton	1,851,389	1,842,799	1,842,799	(8,591)
Jamestown	669,935	670,323	670,323	387
Johnston	11,981,411	11,980,298	11,980,298	(1,112)
Lincoln	6,279,663	6,280,731	6,280,731	1,068
Little Compton	419,086	419,316	419,316	230
Middletown	2,315,904	2,312,443	2,312,443	(3,461)
Narragansett	1,945,092	1,945,902	1,945,902	809
Newport	4,061,955	4,063,320	4,063,320	1,365
New Shoreham	181,783	181,883	181,883	101
North Kingstown	5,816,358	5,816,281	5,816,281	(78)
North Providence	11,999,709	12,005,600	12,005,600	5,892
North Smithfield	4,935,692	4,929,407	4,929,407	(6,285)
Pawtucket	20,233,592	20,243,693	20,243,693	10,101
Portsmouth	2,634,993	2,636,472	2,636,472	1,479
Providence	88,908,383	88,928,262	88,928,262	19,879
Richmond	1,589,417	1,590,308	1,590,308	891
Scituate	2,163,458	2,159,318	2,159,318	(4,140)
Smithfield	9,869,641	9,864,307	9,864,307	(5,333)
South Kingstown	4,408,995	4,401,027	4,401,027	(7,968)
Tiverton	1,935,917	1,925,850	1,925,850	(10,067)
Warren	2,312,654	2,312,170	2,312,170	(484)
Warwick	30,590,433	30,605,894	30,605,894	15,462
Westerly	6,531,167	6,534,702	6,534,702	3,535
West Greenwich	1,528,332	1,529,151	1,529,151	819
West Warwick	7,919,692	7,923,169	7,923,169	3,477
Woonsocket	11,706,694	11,706,632	11,706,632	(61)
Subtotal	\$ 331,040,414	\$ 331,042,958	\$ 331,042,958	\$ 2,544
MV Phase Out - Fire				
Districts	454,918	455,191	455,191	273
Tangible Tax Distribution				
to Fire Districts	157,419	162,660	162,660	5,241
Total	\$ 331,652,751	\$ 331,660,810	\$ 331,660,810	\$ 8,059

General Aid Total

Includes Distressed Communities, PILOT, Motor Vehicle Excise Tax, & Tangible Tax

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor</i>	<i>FY 2027 Enacted</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ 6,114,764	\$ 6,116,155	\$ 6,236,422	\$ 121,005
Bristol	4,504,556	4,390,094	4,449,508	(56,829)
Burrillville	5,291,575	5,268,950	5,371,967	84,416
Central Falls	2,788,238	2,768,023	2,810,667	21,150
Charlestown	1,059,388	1,048,495	1,069,098	20,603
Coventry	7,159,937	7,936,953	8,056,742	897,213
Cranston	28,033,908	28,116,633	28,572,303	524,729
Cumberland	6,706,428	6,710,150	6,834,250	124,099
East Greenwich	3,973,813	3,975,292	4,024,644	49,352
East Providence	13,858,339	13,859,402	15,033,300	1,169,810
Exeter	2,339,399	2,329,373	2,374,892	45,519
Foster	1,785,801	1,777,706	1,811,247	33,540
Glocester	2,632,923	2,623,265	2,671,659	48,394
Hopkinton	1,851,389	1,842,799	1,875,860	33,061
Jamestown	669,935	670,323	683,260	12,937
Johnston	11,981,411	11,980,298	12,192,082	211,784
Lincoln	6,279,663	6,280,731	6,396,685	115,954
Little Compton	419,086	419,316	426,983	7,666
Middletown	2,315,904	2,312,443	2,352,692	40,248
Narragansett	1,945,092	1,945,902	1,983,275	37,374
Newport	4,061,955	4,106,444	4,151,963	88,643
New Shoreham	181,783	181,883	185,237	3,354
North Kingstown	5,816,358	5,816,284	5,926,009	109,729
North Providence	11,999,709	11,895,077	12,091,530	85,930
North Smithfield	4,935,692	4,929,407	5,019,008	89,601
Pawtucket	20,233,592	20,152,504	20,489,348	245,654
Portsmouth	2,634,993	2,636,472	2,685,825	49,352
Providence	88,908,383	85,862,149	86,558,840	(2,369,422)
Richmond	1,589,417	1,590,308	1,620,015	29,707
Scituate	2,163,458	2,159,318	2,199,566	40,248
Smithfield	9,869,641	10,368,540	10,513,242	648,935
South Kingstown	4,408,995	4,381,632	4,461,650	60,623
Tiverton	1,935,917	1,925,850	1,961,307	35,457
Warren	2,312,654	2,312,170	2,354,815	42,644
Warwick	30,590,433	30,615,267	31,130,831	524,936
Westerly	6,531,167	6,504,621	6,622,491	87,789
West Greenwich	1,528,332	1,529,151	1,556,463	27,311
West Warwick	7,919,692	7,825,861	7,941,816	18,647
Woonsocket	11,706,694	11,609,211	11,799,434	92,801
Subtotal	\$ 331,040,414	\$ 328,774,454	\$ 334,496,924	\$ 3,453,966
MV Phase Out - Fire				
Districts	454,918	455,191	464,295	9,104
Tangible Tax Distribution				
to Fire Districts	157,419	162,660	162,660	-
Total	\$ 331,652,751	\$ 329,392,305	\$ 335,123,878	\$ 3,463,068

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	305,400	305,400	305,400	-
Charlestown	-	-	-	-
Coventry	804,459	804,459	804,459	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,275,820	1,275,820	1,275,820	-
North Smithfield	-	-	-	-
Pawtucket	2,021,793	2,021,793	2,021,793	-
Portsmouth	-	-	-	-
Providence	8,185,589	8,185,589	8,185,589	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,295,536	1,295,536	1,295,536	-
Woonsocket	995,860	995,860	995,860	-
Total	\$ 14,884,458	\$ 14,884,458	\$ 14,884,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor</i>	<i>FY 2027 Enacted</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	-	-	-	-
Central Falls	305,400	283,906	283,906	(21,494)
Charlestown	-	-	-	-
Coventry	804,459	1,581,883	1,581,885	777,426
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	940,553	940,553
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,275,820	1,165,297	1,165,299	(110,521)
North Smithfield	-	-	-	-
Pawtucket	2,021,793	1,930,433	1,930,435	(91,358)
Portsmouth	-	-	-	-
Providence	8,185,589	7,781,873	7,781,883	(403,706)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	1,295,536	1,198,228	1,198,229	(97,307)
Woonsocket	995,860	942,838	942,839	(53,021)
Total	\$ 14,884,458	\$ 14,884,458	\$ 15,825,029	\$ 940,571

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 18,467	\$ 18,467	\$ 18,467	\$ -
Bristol	1,388,333	1,388,333	1,388,333	-
Burrillville	64,050	64,050	64,050	-
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	3,525,471	3,525,471	3,525,471	-
Cumberland	-	-	-	-
East Greenwich	961,042	961,042	961,042	-
East Providence	312,445	312,445	312,445	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,483,161	1,483,161	1,483,161	-
New Shoreham	-	-	-	-
North Kingstown	51	51	51	-
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	2,622	2,622	2,622	-
Portsmouth	-	-	-	-
Providence	39,807,256	39,807,256	39,807,256	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	1,298,117	1,298,117	1,298,117	-
South Kingstown	188,759	188,759	188,759	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,746,778	1,746,778	1,746,778	-
Westerly	156,006	156,006	156,006	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	365,090	365,090	365,090	-
Total	\$ 51,317,647	\$ 51,317,647	\$ 51,317,647	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor</i>	<i>FY 2027 Enacted</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ 18,467	\$ 19,206	\$ 19,206	\$ 739
Bristol	1,388,333	1,272,090	1,272,090	(116,244)
Burrillville	64,050	45,450	45,450	(18,601)
Central Falls	-	-	-	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	3,525,471	3,594,530	3,594,530	69,059
Cumberland	-	-	-	-
East Greenwich	961,042	961,042	961,042	(0)
East Providence	312,445	308,356	308,356	(4,088)
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	1,483,161	1,526,284	1,526,284	43,124
New Shoreham	-	-	-	-
North Kingstown	51	55	55	4
North Providence	-	-	-	-
North Smithfield	-	-	-	-
Pawtucket	2,622	2,793	2,793	171
Portsmouth	-	-	-	-
Providence	39,807,256	37,144,858	37,144,858	(2,662,398)
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	1,298,117	1,802,349	1,802,349	504,232
South Kingstown	188,759	169,364	169,364	(19,395)
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,746,778	1,756,150	1,756,150	9,373
Westerly	156,006	125,925	125,925	(30,081)
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	365,090	320,690	320,690	(44,399)
Total	\$ 51,317,647	\$ 49,049,142	\$ 49,049,142	\$ (2,268,505)

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY2026 Enacted</i>	<i>FY2026 Gov. Rev.</i>	<i>FY2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 6,012,659	\$ 6,013,312	\$ 6,013,312	\$ 653
Bristol	2,968,938	2,970,720	2,970,720	1,782
Burrillville	5,154,869	5,150,845	5,150,845	(4,024)
Central Falls	2,130,931	2,132,210	2,132,210	1,279
Charlestown	1,041,064	1,030,171	1,030,171	(10,893)
Coventry	5,989,764	5,989,355	5,989,355	(409)
Cranston	22,769,840	22,783,506	22,783,506	13,666
Cumberland	6,201,250	6,204,972	6,204,972	3,722
East Greenwich	2,466,135	2,467,614	2,467,614	1,479
East Providence	11,662,112	11,667,263	11,667,263	5,151
Exeter	2,285,981	2,275,955	2,275,955	(10,026)
Foster	1,685,114	1,677,019	1,677,019	(8,095)
Glocester	2,429,358	2,419,699	2,419,699	(9,659)
Hopkinton	1,661,653	1,653,062	1,653,062	(8,591)
Jamestown	646,463	646,850	646,850	387
Johnston	10,590,291	10,589,179	10,589,179	(1,112)
Lincoln	5,796,627	5,797,695	5,797,695	1,068
Little Compton	383,089	383,319	383,319	230
Middletown	2,015,884	2,012,423	2,012,423	(3,461)
Narragansett	1,867,870	1,868,679	1,868,679	809
Newport	2,274,590	2,275,955	2,275,955	1,365
New Shoreham	167,601	167,702	167,702	101
North Kingstown	5,486,327	5,486,249	5,486,249	(78)
North Providence	9,816,650	9,822,542	9,822,542	5,892
North Smithfield	4,486,322	4,480,037	4,480,037	(6,285)
Pawtucket	16,831,965	16,842,066	16,842,066	10,101
Portsmouth	2,466,135	2,467,614	2,467,614	1,479
Providence	34,814,208	34,834,087	34,834,087	19,879
Richmond	1,484,469	1,485,360	1,485,360	891
Scituate	2,016,563	2,012,423	2,012,423	(4,140)
Smithfield	7,240,474	7,235,141	7,235,141	(5,333)
South Kingstown	4,008,857	4,000,889	4,000,889	(7,968)
Tiverton	1,782,916	1,772,849	1,772,849	(10,067)
Warren	2,132,694	2,132,210	2,132,210	(484)
Warwick	25,762,721	25,778,183	25,778,183	15,462
Westerly	5,889,990	5,893,525	5,893,525	3,535
West Greenwich	1,364,754	1,365,573	1,365,573	819
West Warwick	5,794,218	5,797,695	5,797,695	3,477
Woonsocket	9,511,156	9,511,095	9,511,095	(61)
Subtotal	\$ 239,092,501	\$ 239,095,043	\$ 239,095,043	\$ 2,542
<i>MV Phase Out - Fire Districts</i>	<i>454,918</i>	<i>455,191</i>	<i>455,191</i>	<i>273</i>
Total	\$ 239,547,419	\$ 239,550,234	\$ 239,550,234	\$ 2,815

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY2026 Enacted</i>	<i>FY2027 Governor</i>	<i>FY2027 Enacted</i>	<i>Change to FY2026 Final</i>
Barrington	\$ 6,012,659	\$ 6,013,312	\$ 6,133,578	\$ 120,266
Bristol	2,968,938	2,970,720	3,030,134	59,414
Burrillville	5,154,869	5,150,845	5,253,862	103,017
Central Falls	2,130,931	2,132,210	2,174,854	42,644
Charlestown	1,041,064	1,030,171	1,050,774	20,603
Coventry	5,989,764	5,989,355	6,109,142	119,787
Cranston	22,769,840	22,783,506	23,239,176	455,670
Cumberland	6,201,250	6,204,972	6,329,071	124,099
East Greenwich	2,466,135	2,467,614	2,516,966	49,352
East Providence	11,662,112	11,667,263	11,900,608	233,345
Exeter	2,285,981	2,275,955	2,321,474	45,519
Foster	1,685,114	1,677,019	1,710,559	33,540
Glocester	2,429,358	2,419,699	2,468,093	48,394
Hopkinton	1,661,653	1,653,062	1,686,123	33,061
Jamestown	646,463	646,850	659,787	12,937
Johnston	10,590,291	10,589,179	10,800,963	211,784
Lincoln	5,796,627	5,797,695	5,913,649	115,954
Little Compton	383,089	383,319	390,985	7,666
Middletown	2,015,884	2,012,423	2,052,671	40,248
Narragansett	1,867,870	1,868,679	1,906,053	37,374
Newport	2,274,590	2,275,955	2,321,474	45,519
New Shoreham	167,601	167,702	171,056	3,354
North Kingstown	5,486,327	5,486,249	5,595,974	109,725
North Providence	9,816,650	9,822,542	10,018,993	196,451
North Smithfield	4,486,322	4,480,037	4,569,638	89,601
Pawtucket	16,831,965	16,842,066	17,178,907	336,841
Portsmouth	2,466,135	2,467,614	2,516,966	49,352
Providence	34,814,208	34,834,087	35,530,769	696,682
Richmond	1,484,469	1,485,360	1,515,067	29,707
Scituate	2,016,563	2,012,423	2,052,671	40,248
Smithfield	7,240,474	7,235,141	7,379,844	144,703
South Kingstown	4,008,857	4,000,889	4,080,907	80,018
Tiverton	1,782,916	1,772,849	1,808,306	35,457
Warren	2,132,694	2,132,210	2,174,854	42,644
Warwick	25,762,721	25,778,183	26,293,747	515,564
Westerly	5,889,990	5,893,525	6,011,396	117,871
West Greenwich	1,364,754	1,365,573	1,392,884	27,311
West Warwick	5,794,218	5,797,695	5,913,649	115,954
Woonsocket	9,511,156	9,511,095	9,701,317	190,222
Subtotal	\$ 239,092,501	\$ 239,095,043	\$ 243,876,944	\$ 4,781,901
<i>MV Phase Out - Fire Districts</i>	<i>454,918</i>	<i>455,191</i>	<i>464,295</i>	<i>9,104</i>
Total	\$ 239,547,419	\$ 239,550,234	\$ 244,341,239	\$ 4,791,005

Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 83,638	\$ 83,638	\$ 83,638	\$ -
Bristol	147,284	147,284	147,284	-
Burrillville	72,656	72,656	72,656	-
Central Falls	351,907	351,907	351,907	-
Charlestown	18,324	18,324	18,324	-
Coventry	365,715	365,715	365,715	-
Cranston	1,738,596	1,738,596	1,738,596	-
Cumberland	505,178	505,178	505,178	-
East Greenwich	546,636	546,636	546,636	-
East Providence	1,883,783	1,883,783	1,883,783	-
Exeter	53,418	53,418	53,418	-
Foster	100,687	100,687	100,687	-
Glocester	203,566	203,566	203,566	-
Hopkinton	189,737	189,737	189,737	-
Jamestown	23,473	23,473	23,473	-
Johnston	1,391,119	1,391,119	1,391,119	-
Lincoln	483,036	483,036	483,036	-
Little Compton	35,997	35,997	35,997	-
Middletown	300,020	300,020	300,020	-
Narragansett	77,223	77,223	77,223	-
Newport	304,205	304,205	304,205	-
New Shoreham	14,181	14,181	14,181	-
North Kingstown	329,980	329,980	329,980	-
North Providence	907,238	907,238	907,238	-
North Smithfield	449,370	449,370	449,370	-
Pawtucket	1,377,212	1,377,212	1,377,212	-
Portsmouth	168,858	168,858	168,858	-
Providence	6,101,330	6,101,330	6,101,330	-
Richmond	104,948	104,948	104,948	-
Scituate	146,895	146,895	146,895	-
Smithfield	1,331,050	1,331,050	1,331,050	-
South Kingstown	211,379	211,379	211,379	-
Tiverton	153,001	153,001	153,001	-
Warren	179,960	179,960	179,960	-
Warwick	3,080,934	3,080,934	3,080,934	-
Westerly	485,171	485,171	485,171	-
West Greenwich	163,578	163,578	163,578	-
West Warwick	829,938	829,938	829,938	-
Woonsocket	834,588	834,588	834,588	-
Subtotal	\$ 25,745,809	\$ 25,745,809	\$ 25,745,809	\$ -
Districts	157,419	162,660	162,660	5,241
Total	\$ 25,903,228	\$ 25,908,469	\$ 25,908,469	\$ 5,241

Tangible Tax Exemption

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor</i>	<i>FY 2027 Enacted</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ 83,638	\$ 83,638	\$ 83,638	\$ -
Bristol	147,284	147,284	147,284	-
Burrillville	72,656	72,656	72,656	-
Central Falls	351,907	351,907	351,907	-
Charlestown	18,324	18,324	18,324	-
Coventry	365,715	365,715	365,715	-
Cranston	1,738,596	1,738,596	1,738,596	-
Cumberland	505,178	505,178	505,178	-
East Greenwich	546,636	546,636	546,636	-
East Providence	1,883,783	1,883,783	1,883,783	-
Exeter	53,418	53,418	53,418	-
Foster	100,687	100,687	100,687	-
Glocester	203,566	203,566	203,566	-
Hopkinton	189,737	189,737	189,737	-
Jamestown	23,473	23,473	23,473	-
Johnston	1,391,119	1,391,119	1,391,119	-
Lincoln	483,036	483,036	483,036	-
Little Compton	35,997	35,997	35,997	-
Middletown	300,020	300,020	300,020	-
Narragansett	77,223	77,223	77,223	-
Newport	304,205	304,205	304,205	-
New Shoreham	14,181	14,181	14,181	-
North Kingstown	329,980	329,980	329,980	-
North Providence	907,238	907,238	907,238	-
North Smithfield	449,370	449,370	449,370	-
Pawtucket	1,377,212	1,377,212	1,377,212	-
Portsmouth	168,858	168,858	168,858	-
Providence	6,101,330	6,101,330	6,101,330	-
Richmond	104,948	104,948	104,948	-
Scituate	146,895	146,895	146,895	-
Smithfield	1,331,050	1,331,050	1,331,050	-
South Kingstown	211,379	211,379	211,379	-
Tiverton	153,001	153,001	153,001	-
Warren	179,960	179,960	179,960	-
Warwick	3,080,934	3,080,934	3,080,934	-
Westerly	485,171	485,171	485,171	-
West Greenwich	163,578	163,578	163,578	-
West Warwick	829,938	829,938	829,938	-
Woonsocket	834,588	834,588	834,588	-
Subtotal	\$ 25,745,809	\$ 25,745,809	\$ 25,745,809	\$ -
Districts	157,419	162,660	162,660	-
Total	\$ 25,903,228	\$ 25,908,469	\$ 25,908,469	\$ -

Library Aid

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 363,559	\$ 363,559	\$ 363,559	\$ -
Bristol	228,644	228,644	228,644	-
Burrillville	226,290	226,290	226,290	-
Central Falls	37,420	37,420	37,420	-
Charlestown	70,183	70,183	70,183	-
Coventry	270,579	270,579	270,579	-
Cranston	845,964	845,964	845,964	-
Cumberland	379,507	379,507	379,507	-
East Greenwich	151,498	151,498	151,498	-
East Providence	514,759	514,759	514,759	-
Exeter	69,192	69,192	69,192	-
Foster	34,503	44,961	34,503	-
Glocester	99,782	99,782	99,782	-
Hopkinton	45,698	45,698	45,698	-
Jamestown	121,905	121,905	121,905	-
Johnston	137,708	137,708	137,708	-
Lincoln	272,688	272,688	272,688	-
Little Compton	48,338	48,338	48,338	-
Middletown	180,903	180,903	180,903	-
Narragansett	213,764	213,764	213,764	-
Newport	516,192	516,192	516,192	-
New Shoreham	112,867	112,867	112,867	-
North Kingstown	365,865	365,865	365,865	-
North Providence	246,816	246,816	246,816	-
North Smithfield	98,311	98,311	98,311	-
Pawtucket	526,294	526,294	526,294	-
Portsmouth	144,364	144,364	144,364	-
Providence*	2,681,739	2,671,280	2,681,739	-
Richmond	30,114	30,114	30,114	-
Scituate	145,945	145,945	145,945	-
Smithfield	382,758	382,758	382,758	-
South Kingstown	280,456	280,456	280,456	-
Tiverton	153,750	153,750	153,750	-
Warren	79,754	79,754	79,754	-
Warwick	927,993	927,993	927,993	-
Westerly	463,542	463,542	463,542	-
West Greenwich	74,315	74,315	74,315	-
West Warwick	231,839	231,839	231,839	-
Woonsocket	237,964	237,964	237,964	-
Subtotal	\$ 12,013,758	\$ 12,013,757	\$ 12,013,758	\$ -
Institutional Libraries	81,264	81,264	81,264	-
Total	\$ 12,095,022	\$ 12,095,021	\$ 12,095,022	\$ -

*Includes the Statewide Reference Library Resource Grant.

Library Aid

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor</i>	<i>FY 2027 Enacted</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ 363,559	\$ 376,927	\$ 391,531	\$ 27,972
Bristol	228,644	251,792	261,547	32,904
Burrillville	226,290	235,858	244,996	18,706
Central Falls	37,420	36,269	37,674	254
Charlestown	70,183	69,649	72,348	2,165
Coventry	270,579	276,371	287,078	16,499
Cranston	845,964	836,564	868,975	23,011
Cumberland	379,507	365,928	380,105	598
East Greenwich	151,498	153,754	159,711	8,213
East Providence	514,759	558,389	580,023	65,264
Exeter	69,192	69,070	71,746	2,554
Foster	34,503	44,766	46,500	11,998
Glocester	99,782	98,664	102,486	2,705
Hopkinton	45,698	46,228	48,019	2,321
Jamestown	121,905	121,561	126,271	4,366
Johnston	137,708	142,931	148,469	10,762
Lincoln	272,688	261,987	272,137	(551)
Little Compton	48,338	46,549	48,353	15
Middletown	180,903	178,976	185,911	5,007
Narragansett	213,764	232,183	241,179	27,415
Newport	516,192	497,037	516,294	102
New Shoreham	112,867	113,857	118,268	5,401
North Kingstown	365,865	365,353	379,508	13,643
North Providence	246,816	257,982	267,977	21,161
North Smithfield	98,311	99,527	103,383	5,072
Pawtucket	526,294	514,187	534,108	7,814
Portsmouth	144,364	140,557	146,003	1,639
Providence*	2,681,739	2,635,488	2,722,742	41,003
Richmond	30,114	30,870	32,067	1,953
Scituate	145,945	146,121	151,782	5,838
Smithfield	382,758	374,151	388,647	5,889
South Kingstown	280,456	275,273	285,938	5,483
Tiverton	153,750	155,476	161,500	7,750
Warren	79,754	76,419	79,380	(374)
Warwick	927,993	911,167	946,468	18,475
Westerly	463,542	456,644	474,336	10,794
West Greenwich	74,315	75,672	78,603	4,289
West Warwick	231,839	231,924	240,910	9,071
Woonsocket	237,964	251,637	261,386	23,422
Subtotal	\$ 12,013,758	\$ 12,013,758	\$ 12,464,354	\$ 450,596
Institutional Libraries	81,264	81,264	81,550	286
Total	\$ 12,095,022	\$ 12,095,022	\$ 12,545,904	\$ 450,883

*Includes the Statewide Reference Library Resource Grant.

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2026 Gov. Rev.</i>	<i>FY 2026 Final</i>	<i>Change to Enacted</i>
Barrington	\$ 231,761	\$ 244,996	\$ 244,996	\$ 13,235
Bristol	302,239	319,498	319,498	17,259
Burrillville	219,979	232,541	232,541	12,562
Central Falls	304,460	321,846	321,846	17,386
Charlestown	108,574	114,774	114,774	6,200
Coventry	484,257	511,910	511,910	27,653
Cranston	1,119,085	1,182,989	1,182,989	63,904
Cumberland	492,830	520,972	520,972	28,142
East Greenwich	195,114	206,256	206,256	11,142
East Providence	636,115	672,439	672,439	36,324
Exeter	96,155	101,646	101,646	5,491
Foster	60,686	64,152	64,152	3,466
Glocester	136,337	144,123	144,123	7,786
Hopkinton	114,046	120,558	120,558	6,512
Jamestown	75,096	79,384	79,384	4,288
Johnston	400,317	423,177	423,177	22,860
Lincoln	305,679	323,135	323,135	17,456
Little Compton	48,768	51,553	51,553	2,785
Middletown	229,147	242,233	242,233	13,086
Narragansett	196,915	208,160	208,160	11,245
Newport	338,968	358,324	358,324	19,356
New Shoreham	11,227	11,868	11,868	641
North Kingstown	375,629	397,079	397,079	21,450
North Providence	459,649	485,897	485,897	26,248
North Smithfield	170,412	180,143	180,143	9,731
Pawtucket	1,019,517	1,077,736	1,077,736	58,219
Portsmouth	240,253	253,972	253,972	13,719
Providence	2,576,067	2,723,172	2,723,172	147,105
Richmond	109,793	116,063	116,063	6,270
Scituate	141,077	149,134	149,134	8,057
Smithfield	298,962	316,034	316,034	17,072
South Kingstown	433,444	458,195	458,195	24,751
Tiverton	220,209	232,784	232,784	12,575
Warren	150,842	159,456	159,456	8,614
Warwick	1,122,322	1,186,411	1,186,411	64,089
Westerly	315,796	333,829	333,829	18,033
West Greenwich	89,357	94,459	94,459	5,102
West Warwick	420,171	444,165	444,165	23,994
Woonsocket	583,351	616,663	616,663	33,312
Total	\$ 14,834,605	\$ 15,681,725	\$ 15,681,725	\$ 847,120

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2026 Enacted</i>	<i>FY 2027 Governor¹</i>	<i>FY 2027 Enacted¹</i>	<i>Change to FY 2026 Final</i>
Barrington	\$ 231,761	\$ 206,352	\$ 206,352	\$ (38,644)
Bristol	302,239	269,103	269,103	(50,395)
Burrillville	219,979	195,861	195,861	(36,680)
Central Falls	304,460	271,080	271,080	(50,766)
Charlestown	108,574	96,671	96,671	(18,103)
Coventry	484,257	431,165	431,165	(80,745)
Cranston	1,119,085	996,394	996,394	(186,595)
Cumberland	492,830	438,798	438,798	(82,174)
East Greenwich	195,114	173,723	173,723	(32,533)
East Providence	636,115	566,374	566,374	(106,065)
Exeter	96,155	85,613	85,613	(16,033)
Foster	60,686	54,033	54,033	(10,119)
Glocester	136,337	121,390	121,390	(22,733)
Hopkinton	114,046	101,542	101,542	(19,016)
Jamestown	75,096	66,863	66,863	(12,521)
Johnston	400,317	356,428	356,428	(66,749)
Lincoln	305,679	272,166	272,166	(50,969)
Little Compton	48,768	43,422	43,422	(8,131)
Middletown	229,147	204,025	204,025	(38,208)
Narragansett	196,915	175,326	175,326	(32,834)
Newport	338,968	301,805	301,805	(56,519)
New Shoreham	11,227	9,996	9,996	(1,872)
North Kingstown	375,629	334,446	334,446	(62,633)
North Providence	459,649	409,255	409,255	(76,642)
North Smithfield	170,412	151,728	151,728	(28,415)
Pawtucket	1,019,517	907,742	907,742	(169,994)
Portsmouth	240,253	213,913	213,913	(40,059)
Providence	2,576,067	2,293,639	2,293,639	(429,533)
Richmond	109,793	97,756	97,756	(18,307)
Scituate	141,077	125,610	125,610	(23,524)
Smithfield	298,962	266,185	266,185	(49,849)
South Kingstown	433,444	385,923	385,923	(72,272)
Tiverton	220,209	196,066	196,066	(36,718)
Warren	150,842	134,304	134,304	(25,152)
Warwick	1,122,322	999,275	999,275	(187,136)
Westerly	315,796	281,173	281,173	(52,656)
West Greenwich	89,357	79,560	79,560	(14,899)
West Warwick	420,171	374,106	374,106	(70,059)
Woonsocket	583,351	519,395	519,395	(97,268)
Total	\$ 14,834,605	\$ 13,208,205	\$ 13,208,205	\$ (2,473,520)

¹ Estimate based on FY 2026 spending; actuals not yet available.

Meals and Beverage Tax

<i>City or Town</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026*</i>	<i>FY 2027*</i>
Barrington	\$ 208,231	\$ 239,998	\$ 305,452	\$ 269,263	\$ 281,110
Bristol	688,838	673,752	778,893	767,603	801,378
Burrillville	242,125	261,203	270,629	282,469	294,898
Central Falls	249,793	289,628	316,308	307,068	320,579
Charlestown	210,220	228,306	241,374	248,146	259,064
Coventry	534,109	570,995	687,806	637,479	665,528
Cranston	2,636,740	2,759,034	3,326,286	3,068,495	3,203,509
Cumberland	645,745	682,290	788,513	746,455	779,299
East Greenwich	1,080,419	1,066,340	1,190,911	1,197,687	1,250,385
East Providence	1,356,423	1,463,542	1,737,436	1,608,541	1,679,317
Exeter	162,610	147,249	156,705	170,147	177,634
Foster	26,336	15,076	8,186	18,550	19,366
Glocester	108,909	148,492	144,605	146,403	152,845
Hopkinton	58,057	48,699	57,432	59,983	62,622
Jamestown	152,444	164,800	135,356	166,236	173,551
Johnston	991,264	1,020,596	1,210,756	1,150,701	1,201,332
Lincoln	953,065	946,221	1,091,911	1,064,131	1,110,953
Little Compton	48,651	52,610	45,636	53,884	56,254
Middletown	1,100,676	1,087,531	1,356,324	1,244,525	1,299,284
Narragansett	901,253	938,564	1,090,301	1,057,845	1,104,390
Newport	3,414,298	3,357,915	3,799,377	3,827,178	3,995,573
New Shoreham	537,580	528,938	569,020	597,648	623,945
North Kingstown	835,069	876,996	995,689	972,163	1,014,938
North Providence	624,707	765,400	929,411	805,398	840,835
North Smithfield	403,227	461,940	546,680	499,740	521,728
Pawtucket	1,175,628	1,240,191	1,622,753	1,414,667	1,476,912
Portsmouth	431,430	435,110	484,292	488,454	509,946
Providence	7,839,228	7,796,713	9,587,852	8,883,221	9,274,083
Richmond	192,249	208,252	308,269	256,317	267,594
Scituate	97,275	109,275	104,868	113,758	118,763
Smithfield	1,093,115	1,185,321	1,450,149	1,319,495	1,377,553
South Kingstown	1,182,444	1,095,605	1,380,726	1,297,687	1,354,785
Tiverton	416,158	430,854	477,718	481,166	502,337
Warren	533,600	544,510	627,155	611,238	638,133
Warwick	3,759,384	3,776,594	4,688,208	4,305,759	4,495,213
Westerly	1,203,418	1,324,212	1,511,794	1,464,208	1,528,633
West Greenwich	160,659	166,999	162,786	179,213	187,099
West Warwick	510,671	533,989	671,793	601,144	627,595
Woonsocket	732,610	763,730	1,000,397	856,325	894,003
Total	\$ 37,498,657	\$ 38,407,469	\$ 45,859,759	\$ 43,240,389	\$ 45,142,968

**Projections from Office of Revenue Analysis updated December 2025.*

Local Hotel Tax

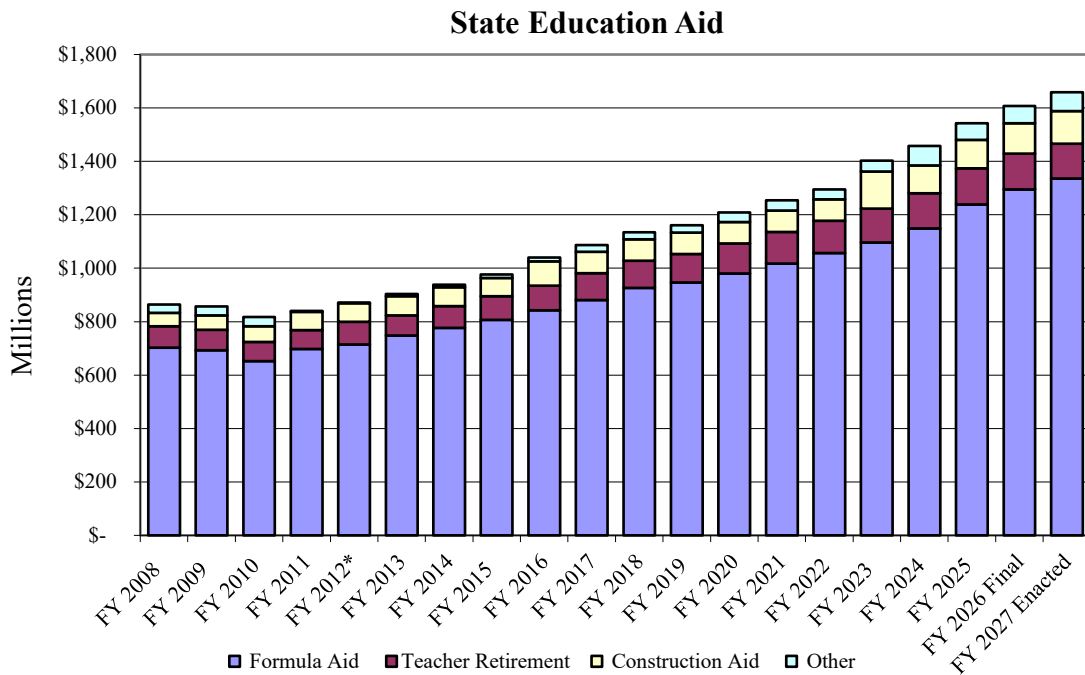
<i>City or Town</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>	<i>FY2026*</i>	<i>FY2027*</i>
Barrington	\$ 1,656	\$ 2,329	\$ 2,764	\$ 3,086	\$ 4,229
Bristol	42,417	42,349	43,460	66,974	97,507
Burrillville	115	182	353	233	318
Central Falls	529	512	460	526	720
Charlestown	79,663	83,577	78,685	116,113	165,083
Coventry	44,854	46,878	54,252	78,626	115,551
Cranston	15,753	14,573	16,355	25,214	36,556
Cumberland	721	669	281	739	1,018
East Greenwich	1,575	1,982	2,965	2,996	4,137
East Providence	24,557	30,185	29,544	52,536	76,908
Exeter	289	434	589	607	831
Foster	185	136	368	1,266	1,857
Glocester	955	966	1,083	2,108	3,083
Hopkinton	742	1,191	1,202	1,939	2,722
Jamestown	52,998	29,166	33,105	61,086	86,532
Johnston	8,051	5,658	4,916	11,226	16,459
Lincoln	106,945	119,168	143,381	160,649	236,375
Little Compton	26,304	27,407	25,052	40,710	58,143
Middletown	652,414	679,725	711,406	1,071,645	1,568,474
Narragansett	244,814	248,617	253,333	380,362	544,395
Newport	1,776,123	1,740,225	1,860,853	2,924,191	4,281,367
New Shoreham	444,767	529,263	446,457	750,212	1,086,805
North Kingstown	53,118	80,496	76,700	108,963	157,562
North Providence	1,529	1,557	1,878	2,534	3,448
North Smithfield	2,413	2,316	3,599	4,048	5,940
Pawtucket	41,378	44,537	48,203	72,670	106,595
Portsmouth	18,334	18,161	20,794	28,093	39,567
Providence	1,266,448	1,298,472	1,457,020	1,840,194	2,698,487
Richmond	36,277	25,805	28,281	42,784	61,862
Scituate	5,710	4,697	3,142	7,000	10,289
Smithfield	107,842	102,257	106,237	162,018	238,251
South Kingstown	177,887	184,579	190,880	271,160	394,347
Tiverton	4,392	3,327	3,961	6,892	9,455
Warren	1,983	2,359	2,240	2,742	3,740
Warwick	587,468	619,063	648,539	927,150	1,362,183
Westerly	530,461	559,532	575,511	969,181	1,418,920
West Greenwich	49,815	54,305	58,135	93,392	137,418
West Warwick	69,239	74,829	78,528	115,431	169,665
Woonsocket	28,370	22,978	25,524	43,514	63,923
Total	\$ 6,509,093	\$ 6,704,462	\$ 7,040,040	\$ 10,450,812	\$ 15,270,722

**Projections from Office of Revenue Analysis updated December 2025. FY 2026 figures include a partial year at 2%.*

Education Aid

Summary

The Budget includes \$1,658.8 million in total aid to local school districts for FY 2027. This is \$42.6 million more than enacted for FY 2026. Funding includes \$1,335.9 million in direct distributions to local school districts, \$69.3 million in categorical funding, \$1.1 million in other aid for distribution by the Department, \$130.2 million for the state's contribution to teacher retirement, and \$122.1 million for school construction costs.



**Davies begins appearing with education aid*

Beginning with FY 2012, the education funding formula adopted by the 2010 Assembly distributes aid to all districts, charter schools, and the state schools: Davies Career and Technical School and the Metropolitan Career and Technical School. It is based on the principle that the money follows the student and includes a core instruction amount per pupil, a single poverty weight as a proxy for student supports, and a state share ratio that considers the district's ability to generate revenues and its poverty concentration. There is no minimum share in the formula. The original funding plan also allowed for additional support from the state to districts for high-cost special education students, career and technical programs, early childhood education programs, transportation costs, and a limited two-year bonus for regionalized districts. Group home aid is in addition to aid paid through the funding formula.

The Assembly concurred with the Governor's recommendation to increase the student success factor from 40.0 percent to 43.0 percent of the core instruction amount for all local education agencies. The Budget includes \$15.6 million to account for the effects of this change.

The Assembly provided \$20.0 million in high-cost special education categorical funding, consistent with the Governor's recommendation and \$2.5 million more than the enacted budget. The 2025 Assembly added \$2.5 million for this category. This reflects 78.7 percent of eligible expenses, an increase from 56.0 percent represented in the FY 2026 enacted budget. The 2023 Assembly previously lowered the reimbursement

threshold and increased this aid category to \$15.0 million from the \$4.5 million allocated for FY 2017 through FY 2023.

The Assembly added \$1.0 million from general revenues for career and technical education programs. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased in; however, funding has increased only twice since it was first funded at \$3.0 million in FY 2013, excluding a \$2.0 million increase for FY 2025 to support new programs. This would provide \$5.5 million to provide ongoing support for these high-cost programs. It also provided an additional \$2.5 million to fully fund both transportation categorical funds.

The Budget includes a one-time reporting requirement for the Department of Elementary and Secondary Education to include with its FY 2028 budget request. It must provide a report comparing the funding system proposed in December 2025 by the Blue Ribbon Commission, convened by the Rhode Island Foundation, with the current system, using the most recent available data. The report shall also include, but not be limited to, recommendations for proposed weights for certain students and an analysis of the statutory recommendations. Separately, the Assembly passed 2026-H 8351, Substitute A, as amended, to create a Joint Legislative Commission to study the funding formula, which will consider this newly requested report as part of its analysis. The Department must also reevaluate Medicaid matching as an alternative measure of students in poverty as part of its FY 2028 request.

Recent Changes. Since its 2010 inception, there have been various proposals to change the education funding formula. Based on the recommendations of a 2015 working group, the Assembly provided a category of aid for English language learners and three years of support for districts with a high incidence of students enrolled in charter or state schools. The 2018 Assembly also established a voluntary three-year pilot program to support school resource officers that ended in FY 2021. The 2021 Assembly enacted legislation to permanently provide transition support for districts with a concentration of students enrolled in charter or state schools, which has since been replaced by the enrollment loss transition fund that is described later in this report. The 2021 Assembly enacted legislation to hold districts harmless from the impacts of the coronavirus emergency on student enrollments for FY 2022.

The 2022 Assembly also enacted similar hold-harmless legislation for FY 2023 only. It also addressed pandemic-related enrollment issues that depressed data used to calculate the share ratio that uses June student enrollment and the number of students in poverty. This caused the state share ratios for wealthier communities to grow while falling for other communities because it is a relative measure. This was contrary to the equity intent of the formula. To avoid the impact of the data issues in calculating funding formula aid, the 2022 legislation also maintained the FY 2022 state share ratio for FY 2023.

The 2023 Assembly adopted several changes to the funding formula for FY 2024 responsive to emerging issues. It concurred with the Department and the Governor's proposal to alter poverty status calculations, discussed in more detail below. It also added two kinds of new support to help districts manage changes in their demographics from one year to the next. The 2023 Assembly also allowed for an alternative to the share ratio quadratic mean calculation to assist poorer districts. The funding formula considers both the district's poverty concentration and its ability to generate revenues. The first component is the percentage of children in poverty status. The second component is a measure of a community's per pupil wealth as compared to the per pupil wealth of the rest of the state. It uses property values adjusted for the median family income. This component is the share ratio formula used prior to FY 2012. The 2023 Assembly change allows use of that value alone for districts with more than 50.0 percent poverty status, if it is greater.

The 2024 Assembly increased the weight to support multilingual learners from 15.0 percent of the core instruction amount to 20.0 percent and shifted this aid from a categorical fund to being included in the initial formula calculation. The FY 2025 enacted budget also changed the name from English learner and

clarified that the funding applies to students in the lowest three proficiency levels, based on the updated data provided by the Department in response to new requirements enacted by the 2023 Assembly.

The following table consolidates many of the legislative reporting requirements referenced in this report to provide a more comprehensive overview of recent developments. These reports address many items of interest and components of the funding formula, including recommended weights for high-need populations and evaluation of data reliability necessary to accurately determine the distribution of the state education aid. Most one-time reporting was submitted alongside Department operating budget requests for consideration by the Governor and General Assembly, and many of the annual reports are publicly available on the Department’s website.

Recent Legislative Reporting Requirements			
Assembly Year	Requirement	Frequency	Status
2025	High cost special education data reliability and recommendations to improve process	One-time	Submitted 12/31/2025; included steps to standardize reporting and validation; no estimate for implementation
2025	Poverty data matching improvements & Medicaid measure reexamination	One-time	Submitted with FY 2027 request; short-term: recommended using RILDS, enhancing verification to reduce undercounting, long-term: incorporate Medicaid in direct certification
2023	MLL data and funding recommendations	One-time	Submitted with FY 2025 request; recommended increased weights for all need groups
2023	Poverty identification and funding recommendations	One-time	Submitted with FY 2026 request; recommended use of Medicaid in direct certification and concentrated poverty factor
2023	Local contribution to education aid, compliance with Basic Education Plan (BEP)	Annual	Core expenditures as proxy for BEP compliance, BEP District profiles using UCOA data on Dept. website
2022	Student poverty data not reliant on nutrition data	One-time	Submitted with FY 2024 request; recommended direct certification
2021	Fiscal Accountability Report	Annual	Some delays, but published with UCOA analysis and available on Dept. website since FY 2022
2018	LEA Maintenance	Annual	SBA publishes LEA expenditure targets yearly
2015	School Facilities Assessment	Every 5 Years	Last completed 2017, SBA anticipates publishing next report in 2026

Poverty Data. The 2022 Assembly required the Department of Elementary and Secondary Education to develop measures for the collection of student poverty data that do not rely on school nutrition program participation. The new measurement was to be implemented beginning with the calculation of FY 2024 aid. Under current law, “poverty status” for the purpose of calculating funding formula aid is defined as students whose family income is at or below 185.0 percent of the federal poverty level.

The Department traditionally used information from lunch forms as one measure for data on student poverty, but in the past decade, there were increasing differences in how districts collected this data or if they collected the data at all. Those districts that participate in the community eligibility school meals program use a separate income verification form. The state also ensures it counts students receiving Supplemental Nutrition Assistance Program benefits and other public assistance, since they are automatically eligible to participate in the school meal program.

The Department recommended the use of direct certification as part of its FY 2024 request, which is students categorically eligible for free lunch, because they receive a means-tested benefit, multiplied by a factor of 1.6. The use of that factor is intended to address shortcomings of the direct certification data, including that it relies on voluntary household participation and excludes some non-citizens. These data would also be used in the annual calculation of state share ratios. The 2023 Assembly adopted this proposal,

but also required that, beginning with the FY 2026 budget submission, the Department must reexamine options for changing the measure for identifying students in poverty using more available data options.

In its FY 2026 request, the Department recommended using Medicaid matching coupled with a concentrated poverty factor for communities with a higher percentage of students in poverty. Medicaid matching, also called expanded direct certification, matches students whose families participate in Medicaid with incomes up to 185.0 percent of the federal poverty level. With Medicaid matching, there would be no multiplier. The FY 2026 enacted budget did not include either proposal but required that the Department submit a report with its FY 2027 budget submission, including an overview of, and recommendations to enhance, the matching process between enrollment records and Department of Human Services program participation data in order to address data inconsistencies. The Department also had to reevaluate Medicaid matching as an alternative measure of students in poverty as part of its request.

This report was provided with the FY 2027 request as required. While the Department did not recommend integrating Medicaid data in FY 2027, the report described short-term steps to improve the process, including leveraging the Rhode Island Longitudinal Data System and enhancing local education agency verification to reduce undercounting and ensure that families who are directly certified are fully captured. However, preliminary calculations for FY 2027 aid using Medicaid matching indicate that implementation would require an additional \$92.2 million. The report notes that long-term initiatives, such as integrating Medicaid data and building a statewide Integrated Data System, will further modernize the process, increase transparency, and improve reliability. The Assembly required this information again as part of the Department's FY 2028 request.

The following table shows how poverty measures are used in different calculations in education aid.

Education Aid Formula Use of Poverty Status		
	Share Ratio	Student Success Factor
Purpose	Determine each community's concentration of students in poverty for overall state funding share determination	Extra weight on core instruction for per student aid
Basic Inputs	Direct certification of those eligible for a means-tested benefit (SNAP/TANF) up to 185% of FPL	
Population Measure	K-6 Students	Pre K-12
Multiplier Used	1.6x the reported value	
Expression	Percent - as proxy for community poverty	Count
Reference year	2nd prior June; 2025 for FY 2027 Aid	Most recent enrollment

Trends. The Budget includes \$1,335.9 million for direct aid to local school districts, an average annual increase of 5.8 percent from the first year of the formula. The largest component of this number is driven by enrollment, poverty measures, and the core instruction amount. Per Rhode Island General Laws, the core instruction amount is calculated using average expenditure and enrollment data from Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. Specific expenditures used in the calculation are instruction and support services for students, general administration, school administration, and other support services. Expenditures outside the core include transportation, building maintenance, retiree benefits, and tuition for charter or private schools.

Since FY 2012, the per-pupil core instruction amount has increased by an annual rate of 4.4 percent. Aid per student during that same period has increased by 6.6 percent annually. The difference can be partially attributed to the permanent hold-harmless factors enacted by the 2023 Assembly, the 2024 Assembly's inclusion of the multilingual learner factor in the formula, and higher poverty rates.

The following table shows these changes, as well as changes to enrollment, students in poverty, and average state share ratio since the first year of the funding formula. As previously discussed, the Budget provides

a 43.0 percent weight for each student determined to be in poverty, up from 40.0 percent in previous years. Since FY 2025, a 20.0 percent weight for multilingual learners has been included in the initial formula calculation. The state share is a relative measure calculated using the full value of local property, the median family income from the last five years of census data, and enrollment data, including students in poverty.

Among all communities, the average state share ratio used for FY 2027 is 38.3 percent. When weighted by the number of students, the average state share ratio is 54.4 percent, somewhat higher than the 52.6 percent at the start of the formula.

Table 2 at the end of this report shows the funding formula calculation by community for FY 2027.

	FY 2012	FY 2017	FY 2022	FY 2026 Enacted	FY 2027 Enacted	Change to FY 2012	% Avg. Annual Change
Per Pupil Core Amount	\$ 8,333	\$ 9,100	\$ 10,635	\$ 13,322	\$ 13,859	\$ 5,526 66.3%	4.4%
Student Enrollment	140,913	141,278	142,426	134,569	132,300	(8,613) -6.1%	-0.4%
Students in Poverty	63,446	69,630	68,099	56,785	53,789	(9,657) -15.2%	-1.5%
Highest State Share Ratio	92.6%	94.4%	95.4%	96.7%	96.4%	3.8% 4.1%	0.3%
Avg. State Share Ratio	38.7%	39.4%	38.1%	38.4%	38.3%	-0.4% -1.0%	-0.1%
Avg. Weighted State Share Ratio	52.6%	55.5%	55.3%	54.7%	54.4%	1.8% 3.4%	0.2%
Aid Per Student	\$ 5,074	\$ 6,202	\$ 6,737	\$ 9,614	\$ 10,098	\$ 5,024 99.0%	6.4%

Education Aid by Component

The Budget includes \$1,658.8 million for FY 2027 education aid for distribution to districts, including Central Falls, Davies Career and Technical School, charter schools, and the Metropolitan Career and Technical School. This also includes teacher retirement, school housing aid, and other formula aid for distribution by the Department.

This is \$42.6 million more than enacted for FY 2026, including \$42.1 million more in formula aid, \$6.0 million in categorical funding, \$7.8 million less for teacher retirement, and \$2.2 million more for construction aid. The FY 2026 final budget is \$9.3 million less than enacted, primarily reflecting lower costs for teacher retirement and the elimination of the School Building Authority Capital Fund transfer, partially offset by additional stabilization funding for Davies Career and Technical School.

The table below, along with the tables on the following pages, compares FY 2027 enacted funding for the major components of education aid to the FY 2026 enacted budget and the Governor's original budget. It is followed by tables that provide more detail and explanations for each item.

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Operating Aid	\$ 1,280,654,873	\$ 1,281,649,180	\$ 1,320,722,643	\$ 40,067,770	\$ 20,352,726
Formula Adjustments	13,144,118	13,144,118	15,211,025	2,066,907	556,118
Categorical Funding	63,355,370	63,355,370	69,339,474	5,984,104	3,484,104
Set-Aside Funds	1,142,952	1,142,952	1,142,952	-	-
Other Aid	257,878,761	247,619,252	252,364,757	(5,514,004)	19,259,265
Statewide Total	\$ 1,616,176,073	\$ 1,606,910,872	\$ 1,658,780,851	\$ 42,604,777	\$ 43,652,213

Operating Aid

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Operating Aid					
Local Districts	\$ 989,039,477	\$ 989,039,477	\$ 1,012,521,604	\$ 23,482,127	\$ 13,109,688
Central Falls	54,567,882	54,567,882	55,246,303	678,421	1,562,803
Met School	12,966,926	12,966,926	14,998,564	2,031,638	329,235
Davies Career & Tech.	18,532,152	19,483,917	21,093,905	2,561,753	11,148
Charter Schools*	195,233,633	195,242,175	208,499,708	13,266,075	6,858,699
Nowell Academy	2,664,112	2,664,112	2,528,057	(136,055)	128,537
UCAP	2,296,446	2,296,446	-	(2,296,446)	(1,949,354)
YouthBuild Academy	1,818,245	1,818,245	2,264,502	446,257	301,970
Group Home Funding	3,536,000	3,570,000	3,570,000	34,000	-
Subtotal	\$ 1,280,654,873	\$ 1,281,649,180	\$ 1,320,722,643	\$ 40,067,770	\$ 20,352,726

*Understated by \$8,542 in FY 2026 enacted budget

Local Districts. The Budget includes \$1,012.5 million for formula aid to locally operated school districts. This is \$23.5 million more than enacted, reflecting the core instruction amount increase of 4.0 percent from \$13,322 to \$13,859, updated March enrollment, and the student success factor increase from 40.0 to 43.0 percent of the core instruction amount.

Central Falls. The Budget includes \$55.2 million for general revenue aid for the Central Falls School District. This is \$0.7 million more than enacted, including an increase of \$0.9 million in stabilization funding, partially offset by \$0.2 million less in formula aid, reflecting enrollment declines compared to the March data used for the FY 2026 enacted budget. This total includes \$1.5 million from the enrollment transition fund, as shown in the table above, as part of the operating aid amount rather than the enrollment transition fund total. Beginning with FY 2012, Central Falls is funded pursuant to the funding formula.

The formula includes a discretionary stabilization fund to support the district until the city can begin paying its local share. This is the eleventh year of stabilization funding, and the Budget includes \$11.7 million. Article 7 of 2026-H 7127, Substitute A, as amended, returns the Central Falls School District to local governance with a defined local contribution. It incorporates some recommendations of the Joint Legislative Commission to Study the Return of Central Falls Schools to Local Governance and does not make any statutory changes to the stabilization fund.

Metropolitan Career and Technical School. The Budget includes \$15.0 million in formula aid for the Metropolitan Career and Technical School, \$2.0 million more than enacted. The 2016 Assembly enacted a stabilization fund for the state schools, which were previously fully state-supported, in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. This includes \$3.6 million in stabilization funding for the Met School, \$0.4 million more than the enacted amount, primarily for costs associated with a new labor contract. Table 5 at the end of this report includes estimated enrollment for FY 2027.

Davies Career and Technical School. The Budget includes \$21.1 million from general revenues for formula aid to support the Davies Career and Technical School. This is \$2.6 million more than the FY 2026 enacted level. The 2016 Assembly enacted a stabilization fund for the state schools in order to mitigate some of the losses in funding from the implementation of the funding formula and recognize the additional costs associated with running a stand-alone school that offers both academic and career and technical education. The Budget includes \$10.4 million in stabilization funding for Davies, \$2.4 million more than enacted, which reflects increases for statewide transportation and a requested placeholder for the upcoming teacher contract renewal.

The FY 2026 final budget also includes a \$1.0 million increase in stabilization funding, consistent with the school's request and the Governor's recommendation. This includes \$0.1 million to shift funding for the 2.0 positions added in the FY 2026 enacted budget from restricted receipts to general revenues and \$0.7 million for anticipated increases for student transportation.

Davies was fully state-supported until FY 2012, but is now funded like other districts, with the state share being the sending district's share for each student, and the local contribution being the sending district's per-pupil cost, which it must pay to the School. Davies' operating budget is submitted as part of the Department's budget, and Davies' employees are still state employees. Table 5 at the end of this report includes estimated enrollment by sending district for FY 2027.

Charter Schools. The Budget includes \$208.5 million for formula aid to charter schools. This is \$13.3 million more than the FY 2026 enacted level, reflecting the updated per-pupil core instruction amount, the change to the student success factor, and projected growth for existing schools. Charter schools are funded pursuant to the education funding formula, like other districts. The state share is the sending district's share for each student, and the local contribution is the sending district's per-pupil cost. Districts are billed quarterly for students attending charter and state schools.

Current law allows for a reduction of the greater of 7.0 percent of the per-pupil amount or the per-pupil value of "unique" costs defined in statute, reduced by the average of those costs for all charter schools. Mayoral academies have an additional reduction equal to the per-pupil value of teacher retirement costs attributable to unfunded liability if "unique" costs are greater than 7.0 percent. The FY 2026 enacted budget capped this holdback to a maximum of 14.0 percent, amid concerns about timing and variability. The FY 2027 enacted budget provided an exception to the 14.0 percent maximum for one year only for mayoral academies serving students from fewer than four districts.

Charter schools are public schools authorized by the state to operate independently from many state and local district rules and regulations. The 2010 Assembly increased the total to no more than 35 charters; it had previously been no more than 20 charters serving no more than 4.0 percent of the state's school-age population. The 2026 Assembly adopted legislation decreasing the total to no more than 28 charters. At least half of the total is reserved for charter school applications designed to increase educational opportunities for at-risk pupils. Mayoral academies are charter schools and are included in the total. In FY 2027, there are 23 charter schools in Rhode Island, representing an estimated 11.1 percent of public school students; including state and independent public schools increases this to 12.5 percent.

In January 2026, the Council on Elementary and Secondary Education preliminarily approved De La Comunidad Bilingual School for the FY 2028 school year. It will initially enroll 140 students from Cranston, Pawtucket, and Providence, and is expected to serve 628 students by FY 2035. On June 10, the Assembly passed a three-year moratorium on final approvals for new charter schools through FY 2029, barring any Council final approval and funding to any new charter school during this period. This would include De La Comunidad, because it has only received preliminary approval.

Table 5 at the end of this report includes enrollment used to calculate aid for FY 2027. Table 6 includes aid for each school by sending district.

Nowell Academy. The Budget includes \$2.5 million for the Sheila C. "Skip" Nowell Leadership Academy for FY 2027, which is \$0.1 million less than enacted. The 2024 Assembly passed legislation to establish the program as an independent public school beginning in FY 2025, with a focus on the needs of pregnant and parenting teenagers. The school had previously operated as an independent charter school for 12 years. The Department indicated that a referral-based model would better align with the school's mission and the needs of its students than the charter school lottery system. The Budget also includes \$150,000 from Rhode Island Capital Plan funds in FY 2027 for a facility master plan and feasibility study to identify a permanent

location for the school after its lease expires in FY 2031. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2027.

Urban Collaborative Accelerated Program. The Budget does not include funding for the Urban Collaborative Accelerated Program (UCAP) for FY 2027. The school was initially created to serve students from Central Falls, East Providence, Pawtucket, and Providence at risk of dropping out. Beginning in 2022, all districts except Providence withdrew from the program. In December 2025, pursuant to the current law requirement to give notice to the collaborative, Providence indicated that it would also terminate its participation in the program. The Budget assumes that those students at the school reflected in the March enrollment update will return to their local districts.

YouthBuild Preparatory Academy. The Budget includes \$2.3 million for the YouthBuild Preparatory Academy, which opened in the fall of 2022. This is \$0.4 million more than enacted. The program, which operates as an independent public school providing an alternative learning environment to students in Providence and Central Falls, has been funded through the formula since FY 2023. Table 5 at the end of this report includes enrollment by sending district used to calculate aid for FY 2027.

Group Homes. The Budget includes \$3.6 million for group home aid, based on 210 beds, 2 more than the enacted budget. The per-bed amount is \$17,000. Prior to FY 2026, the law required that the number of group home beds be deducted from enrollment data for the purpose of determining average daily membership. The 2025 Assembly removed this reduction.

Increases in beds prior to December 31 of each year are paid as part of the supplemental budget for that year. The FY 2026 final budget adds \$34,000 for two new beds, both in Providence. Table 3 at the end of the report shows the distribution by district.

Formula Adjustments

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Formula Adjustments					
Enrollment Transition*	\$ 8,360,107	\$ 8,360,107	\$ 11,558,267	\$ 3,198,160	\$ 547,584
Poverty Loss Stabilization	4,784,011	4,784,011	3,652,758	(1,131,253)	8,534
Subtotal	\$ 13,144,118	\$ 13,144,118	\$ 15,211,025	\$ 2,066,907	\$ 556,118

**Excluding Central Falls' allocation of \$0.4 million in FY 2026 and \$1.5 million in FY 2027*

Enrollment Transition Fund. The Budget includes \$13.0 million for the category of aid created by the 2023 Assembly that provides two years of funding to districts experiencing enrollment declines, including from students transferring to charter schools. This is \$4.3 million more than enacted and includes \$1.5 million for Central Falls.

The allocation for Central Falls is not included in the total in the table above but is included in the following table and Table 8 at the end of this report. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year in addition to any new enrollment losses that may trigger funding in the second year. New enrollment loss increments are calculated each year. The calculation and distribution of these funds are shown in Table 8 at the end of this report.

The following table shows the FY 2027 total, as well as the FY 2028 impact of this year's preliminary losses.

Enrollment Transition Fund					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Enacted	Enacted	Enacted	Enacted	Projected
FY 2024: Year 1 - 40%	\$ 19,950,838	\$ -	\$ -	\$ -	\$ -
FY 2024: Year 2 - 25%	-	12,469,274	-	-	-
FY 2025: Year 1 - 40%	-	6,992,157	-	-	-
FY 2025: Year 2 - 25%	-	-	4,370,098	-	-
FY 2026: Year 1 - 40%	-	-	4,380,467	-	-
FY 2026: Year 2 - 25%	-	-	-	2,737,792	-
FY 2027: Year 1 - 40%	-	-	-	10,299,354	-
FY 2027: Year 2 - 25%	-	-	-	-	6,437,097
Total	\$ 19,950,838	\$ 19,461,431	\$ 8,750,565	\$ 13,037,146	\$ 6,437,097

Poverty Loss Stabilization Fund. The 2023 Assembly created a poverty loss stabilization fund to help districts adjust to significant changes in state aid by giving them more time to align their budgets. This fund is triggered when the foundation formula aid produces less than the prior year, and the decrease in the state share ratio is more than 2.0 percent. The Budget includes \$3.7 million for FY 2027, \$1.1 million less than enacted. The fund provides 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio compared to the current year's share ratio. The calculation and distribution of these funds are shown in Table 9 at the end of this report.

Categorical Funding

Education Aid	FY 2026	FY 2026	FY 2027	Change to	Change to
	Enacted	Final	Enacted	Enacted	Governor
Categorical Funding					
High Cost Special Ed.	\$ 17,500,000	\$ 17,500,000	\$ 20,000,000	\$ 2,500,000	\$ -
Career and Technical	4,500,000	4,500,000	5,500,000	1,000,000	1,000,000
Early Childhood	28,884,568	28,884,568	28,884,568	-	-
Non-Public Transportation	4,662,543	4,662,543	6,653,351	1,990,808	1,990,808
Regional District					
Transportation	7,808,259	7,808,259	8,301,555	493,296	493,296
Subtotal	\$ 63,355,370	\$ 63,355,370	\$ 69,339,474	\$ 5,984,104	\$ 3,484,104

For most categories of aid, the law allows prorating the funds available for distribution among eligible school districts if the total approved costs for which districts seek reimbursement exceed the appropriation in any fiscal year. There was an expectation that funding for all these categories would grow annually as the formula was phased in; however, that did not occur. The out-year estimates submitted with the Governor's budget assume these costs will remain constant across all categories subject to appropriation, except for high-cost special education, which is expected to increase by \$2.5 million annually.

High Cost Special Education. The funding formula allows the state to assume the costs related to high-cost special education students when those costs exceed four times the combined per-pupil core instruction amount and student success factor amount. The 2023 Assembly lowered the threshold for reimbursement from five times. The Budget includes \$20.0 million for FY 2027, \$2.5 million more than the enacted budget. This reflects 78.7 percent of eligible expenses, an increase from 56.0 percent represented in the FY 2026 enacted budget. The calculation is impacted by the increase in the student success factor, which increases the reimbursement threshold.

The 2025 Assembly required the Department to submit a separate report by December 31, 2025, on the current and recommended processes to ensure that it receives consistent and accurate data from districts. The Department submitted the report by the deadline, which includes recommendations to standardize data-collection practices across local education agencies and to provide more training and guidance throughout

the process to improve reporting quality. The report did not include an estimate of the additional funding that may be needed to implement the recommendations.

Career and Technical 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, repair, and supplies necessary for maintaining the quality of highly specialized programs. The Department of Elementary and Secondary Education has established criteria for allocating funds provided by the Assembly each year.

The Budget includes \$5.5 million for FY 2027, which is \$1.0 million more than the enacted budget to support these high-cost programs. There was an expectation that funding for these expenditures would grow annually as the funding formula was phased in; however, funding has only increased twice since it was first funded at \$3.0 million in FY 2013, excluding a one-time \$2.0 million increase provided for FY 2025 to support new programs. These funds are not shown in the distribution tables at the end of this report.

Early Childhood Education. The funding formula allows for additional resources from the state to increase access to voluntary, free, high-quality pre-kindergarten programs. Funds are distributed through a request for proposals process and are paid directly to early education programs. The Budget includes \$28.9 million from general revenues for FY 2027, consistent with the enacted budget to maintain the seats currently supported. These funds are not shown in the distribution tables at the end of this report.

The 2022 Assembly required the Department to develop an expansion plan in order to achieve 5,000 seats over five years, including children ages three and four. The plan submitted on December 30, 2022, suggested building a pipeline of programs ready to become preschool providers so the state can open between 35 and 40 new classrooms a year from FY 2025 through FY 2028 to reach the 5,000-seat goal. The out-year estimates included with the Governor’s recommended budget assume no growth from the current levels.

The following table shows the number of classrooms and seats for the state pre-kindergarten program from FY 2020 through FY 2026.

Rhode Island State Pre-K					
FY 2022-					
	FY 2020	FY 2021	FY 2024	FY 2025	FY 2026
Classrooms	78	101	128	152	153
Seats	1,420	1,854	2,370	2,809	2,812

Non-Public School Transportation. The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students to out-of-district non-public schools through the statewide transportation system. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes \$6.7 million for FY 2027, \$2.0 million more than FY 2026 to fully fund this category of aid. The Governor’s proposal represented 70.1 percent of full funding, based on the Department’s updated projections of actual reimbursements. FY 2012 funding for this component of the original transportation fund was \$0.8 million.

Regional School District Transportation. The funding formula allows the state to provide resources to mitigate the excess costs associated with transporting students within regional school districts. The state and regional school districts equally share the student transportation cost, net any federal sources of revenue for these expenditures. Prior to FY 2018, funding for transportation costs was allocated through a single category of aid. The Budget includes \$8.3 million for FY 2027, \$0.5 million more than FY 2026. The Governor’s proposal represented 94.1 percent of full funding, based on the Department’s updated

projections of actual reimbursements. FY 2012 funding for this component of the original transportation fund was \$0.5 million.

Set-Aside Funds

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Set-Aside Funds					
Textbook Loans	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ -
School Breakfast	270,000	270,000	270,000	-	-
Reduced-Price Meal					
Subsidy	812,952	812,952	812,952	-	-
Subtotal	\$ 1,142,952	\$ 1,142,952	\$ 1,142,952	\$ -	\$ -

Textbook Loans. Consistent with the enacted budget, the Budget includes \$60,000 for the textbook loan program based on anticipated reimbursements. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. The FY 2025 reported spending was \$59,629; FY 2024 expenditures were \$57,766.

School Breakfast. The Budget includes \$270,000 for FY 2027 for the administrative cost reimbursement to districts for the school breakfast program, which is consistent with the FY 2026 enacted level. State law mandates that all public schools provide a breakfast program and costs, other than transportation, associated with this program in excess of federal money for the meals shall be borne exclusively by the state, subject to appropriation. As in the lunch program, children from families with incomes at or below 130.0 percent of federal poverty are eligible for free meals, while those from families up to 185.0 percent of poverty are eligible for reduced-price meals.

Reduced-Price Meal Subsidy. The Budget includes \$0.8 million for FY 2027 for the costs of a program that makes school breakfasts and lunches free for students whose families qualify for reduced-price meals. As recommended by the Governor, the FY 2025 enacted budget created this program, which requires the state to provide public schools with funds equal to the difference between the federal reimbursement rate for free breakfast and lunch meals and the reimbursement received for students eligible for reduced-price meals.

Funding included in the enacted budget was based on the FY 2025 estimate to cover 1.2 million breakfasts and lunches for eligible students. Reported spending in FY 2025 was \$0.3 million, and data suggest the program paid for approximately 200,000 breakfasts and 500,000 lunches. The original estimate also appears to have included all students who qualified for reduced-price meals, including those who already receive free meals in their districts through the community eligibility provision, which could account for most of the difference between assumption and actual program activity.

Other Aid

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Other Aid					
Teacher Retirement	\$ 137,991,006	\$ 133,600,078	\$ 130,236,201	\$ (7,754,805)	\$ -
Construction Aid	119,887,755	114,019,174	122,128,556	2,240,801	19,259,265
Subtotal	\$ 257,878,761	\$ 247,619,252	\$ 252,364,757	\$ (5,514,004)	\$ 19,259,265

Teacher Retirement. The Budget includes \$130.2 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement. This is \$7.8 million less than enacted for FY 2026, reflecting

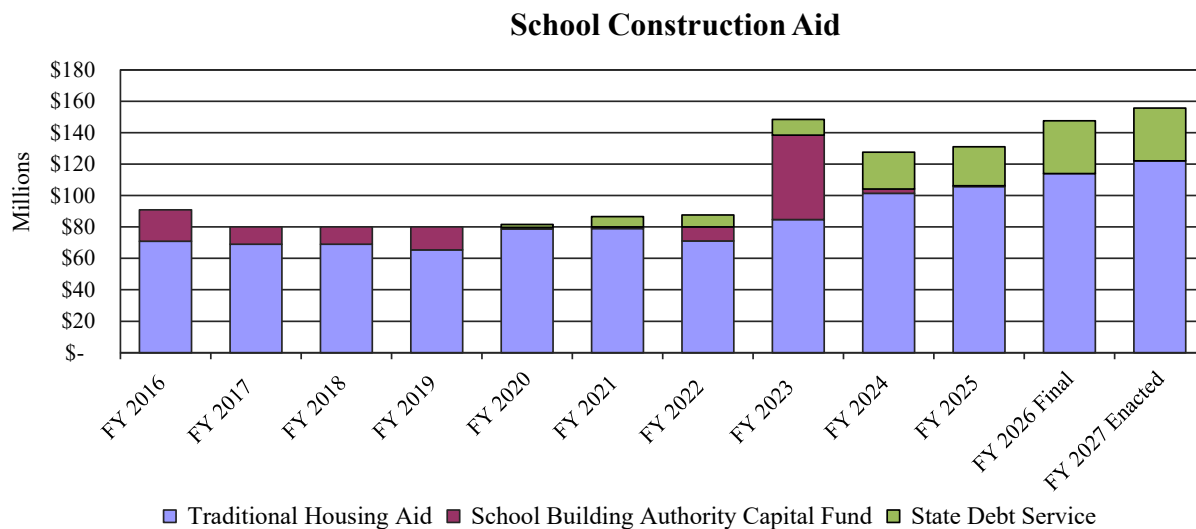
up-to-date payroll information and rates consistent with planning values. The FY 2026 revised recommendation also includes \$4.4 million less to reflect these assumptions. Prior to changes enacted in 2011, teachers contributed 9.5 percent of their salaries; as of July 1, 2012, teachers contribute 8.75 percent. That rate is set in the General Laws. Employers contribute the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. For districts that choose not to participate in Social Security, there is an additional 4.0 percent contribution; 2.0 percent is paid by both the employee and the district. The state does not pay a share of this 2.0 percent.

School Construction Aid. The Budget includes \$122.1 million for construction aid to local districts, which is \$2.2 million more than the FY 2026 enacted budget. This includes funding only for the traditional school housing aid program, which reimburses school districts for a share of completed projects. The Governor proposed several changes to the School Building Authority's reimbursement practices and assumed they would be achievable under existing law. The changes included spreading reimbursements funded from a district's capital reserve over multiple years by grouping the projects together and spreading the initial payment for bond-funded projects over three years. Together, these shifts essentially delayed aid that was projected to be paid in FY 2027 until later years.

The Assembly concurred with the proposed changes but provided funding sufficient to implement them in FY 2028, allowing municipalities and local education agencies time to prepare for changes in their cash flow.

This revision provides \$14.2 million more for FY 2027 and reduces out-year expenses by \$7.1 million each in FY 2028 and FY 2029. The Assembly also concurred with the Governor's proposal to eliminate the requirement that any current year difference between appropriations and entitlements under the traditional housing aid program be transferred to the School Building Authority Capital Fund, effective for FY 2026, by recognizing the \$5.9 million change in FY 2026 rather than FY 2027.

The following graph shows school construction aid appropriations from FY 2016 through FY 2025, along with the final FY 2026 budget and the enacted FY 2027 budget. It includes traditional housing aid and the School Building Authority Capital fund in the Department of Elementary and Secondary Education's budget and state debt service for the Central Falls School Project, and 2018 and 2022 school construction bonds, which are included in the Department of Administration's budget.



Temporary Incentives. The 2018 Assembly enacted legislation to temporarily expand incentives used to enhance the school housing aid ratio in order to encourage new school construction and renovation projects, contingent upon approval of a bond referendum put before the voters on the November 2018 ballot to help fund the work. Those incentives were extended twice to account for pandemic delays. Districts were eligible for share ratio increases of up to 20.0 percent for projects through the incentives in the following table.

Temporary Incentive	Original Expiration	Final Expiration	Share Ratio Increase
1 Health & Safety	December 30, 2022	June 30, 2024	5%
2 Educational enhancements (includes Early Education & CTE)	December 30, 2022	June 30, 2024	5%
3 Replace facility w/a facilities condition index of >65%	December 30, 2023	June 30, 2024	5%
4 Increase functional utilization of a facility from <60% to 80%	December 30, 2023	June 30, 2024	5%
5 Decrease facility functional utilization from >120% to between 85% & 105%	December 30, 2023	June 30, 2024	5%
6 Consolidate 2+ buildings	December 30, 2023	June 30, 2024	5%

While the maximum state share increase is 20.0 percent, a district's local share cannot decrease by more than half of its regular share, regardless of the incentives earned, nor can a district's state share increase by more than half of its regular share. Also, the third incentive noted in the table cannot be combined with the fourth or fifth incentive. The 2023 Assembly removed the second limitation for the remainder of the incentive period, allowing minimum-share communities the potential to earn an additional 2.5 percent.

Projects approved between May 1, 2015, and January 1, 2018, were eligible for state share increases of up to 20.0 percent, so long as commissioning agents and Owners Program Managers are utilized; those projects that do not were eligible for a 5.0 percent increase. Each incentive requires spending 25.0 percent of project costs or \$500,000 on related items. The original legislation required that projects begin by either December 30, 2022, or 2023, and be completed within five years to receive the temporary incentives. The 2022 Assembly extended two incentives by one year and aligned all temporary incentives with the December 30, 2023, start deadline; it maintained the five-year completion window. The 2023 Assembly extended all incentives by six months to June 30, 2024, and maintained the five-year completion window.

The 2018 legislation established a permanent incentive for projects that address school safety and established minimum maintenance spending requirements. Districts are required to meet one of three options. Maintenance spending may either equal \$3 per square foot of school building space, 3.0 percent of a building's replacement value, or 3.0 percent of the school's operating budget; the latter two options are phased in over four years. It also includes additional requirements and oversight throughout the projects intended to control costs, ensure building systems operate correctly, and ensure that projects are executed properly from design through construction. Owner's Program Managers and commissioning agents are required for projects exceeding \$1.5 million, and state prequalification of prime contractors is required for all projects exceeding \$10.0 million. Architects and engineers are also required to go through a prequalification process. A list of prequalified contractors, architects, and engineers is required to be publicly posted with all other program information. The information is available through the Department of Administration's Division of Purchases.

The Budget shifts the statutory responsibility for prime contractor prequalification from the School Building Authority to the Division of Purchases. The Budget also includes legislation increasing the threshold for which a school construction project requires an Owner's Program Manager and a commissioning agent from \$1.5 million to \$10.0 million, adjusted for inflation, for all projects completed after July 1, 2026. It

also limits the cost for the Owner's Program Manager and commissioning agent to 3.0 percent of total project costs.

Debt Financing. The capital plan includes \$250.0 million in general obligation bonds, approved by voters on the November 2022 ballot, to fund local education agencies on a pay-as-you-go basis for school construction projects. The recommended capital budget assumes issuances of \$100.8 million for FY 2026 and \$8.0 million for FY 2027. The \$250.0 million from the 2018 bond has been spent. The Budget includes \$26.4 million for the debt service on the \$391.2 million issued through FY 2025 and the \$100.8 million expected to be issued in FY 2026.

The Budget also includes \$10.8 million for the fourth year of debt service for a new high school for Central Falls, which was authorized in 2021 to be financed directly by the state. The project cost is \$144.0 million, with a state share of \$138.2 million.

Approvals. For the four years from FY 2015 through FY 2018, the Council on Elementary and Secondary Education approved \$538.5 million for projects. Over the next four years, approvals nearly quadrupled to \$2,020.1 million. They increased again to \$3,427.5 million from FY 2023 through FY 2026. The surge in applications was anticipated because the temporary incentives were expiring. Additionally, the Council has approved projects totaling \$150.1 million through the School Building Authority Capital Fund since FY 2016.

The following table includes projects approved from FY 2015 through FY 2026.

Approvals	Total Project Costs	Base State Share w/o Incentives	Upfront Bond Reimbursement
FY 2015 to FY 2018	\$ 538,462,880	\$ 357,460,960	\$ 39,901,249
FY 2019	\$ 382,996,196	\$ 381,869,952	\$ 55,487,311
FY 2020	\$ 629,519,258	\$ 519,859,392	\$ 77,938,911
FY 2021	\$ 143,541,516	\$ 70,505,684	\$ 16,688,006
FY 2022	\$ 864,010,060	\$ 516,594,386	\$ 77,489,158
FY 2023	\$ 586,425,546	\$ 443,192,789	\$ 49,875,508
FY 2024	\$ 2,344,196,513	\$ 1,353,524,788	\$ 122,915,933
FY 2025	\$ 35,185,541	\$ 16,256,539	\$ -
January 2026			
East Providence	\$ 6,020,304	\$ 2,871,685	\$ -
Lincoln	23,771,872	11,754,727	-
North Kingstown	136,271,138	47,694,898	-
Providence	87,414,816	69,669,608	-
RISE Prep	51,410,489	15,423,147	-
Smithfield	7,748,702	2,712,046	-
Warwick	64,192,250	43,843,307	-
May 2026			
Exeter-West Greenwich	\$ 20,913,583	\$ 12,757,286	\$ -
Portsmouth	40,407,043	14,142,465	-
Excel Academy	23,585,352	7,075,606	-
FY 2026	\$ 461,735,549	\$ 227,944,775	\$ -
Total FY 2019-FY 2026	\$ 5,447,610,179	\$ 3,529,748,304	\$ 400,394,827

\$ in millions; excludes value of potential incentive points

This reflects the state's share of the total project costs as approved by the Council. It should be noted that these amounts exclude the impact of the new incentives and, pending calculation and confirmation of those final values, the actual state share of projects will likely be higher. At the December 2023 Council of

Elementary and Secondary Education meeting, the School Building Authority reported that the total amount of pay-as-you-go funding from the \$500.0 million in general obligation bonds has been allocated to projects, which is why no upfront bond reimbursement is shown for FY 2025 and FY 2026 approvals.

The FY 2027 enacted budget out-year estimates use the School Building Authority's May 2026 projections as a baseline prior to the adjustments discussed previously. These estimates will change significantly based on actual project activity and do not include debt service for the state bonds or Central Falls direct debt, which is shown in the Department of Administration's budget.

The following table shows the traditional program estimates and combines the most recent estimate with debt service for the state bonds and the Central Falls debt to provide a more complete picture.

	Out-Year Estimates				
	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<i>Traditional School Construction</i>					
FY 2026 Enacted	\$ 131.7	\$ 158.4	\$ 172.5	\$ 176.6	\$ -
FY 2027 Enacted	122.1	141.1	164.0	203.6	235.4
<i>Debt Service</i>					
School Construction Bond	26.4	32.5	32.9	32.9	32.9
Central Falls Debt	10.8	10.8	10.8	10.8	10.8
Adjusted FY 2027 Total	\$ 159.3	\$ 184.4	\$ 207.7	\$ 247.3	\$ 279.1
<i>\$ in millions</i>					

The following table combines the previously discussed items to show the total education aid for FY 2026 and FY 2027.

Education Aid	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted	Change to Enacted	Change to Governor
Operating Aid					
Local Districts	\$ 989,039,477	\$ 989,039,477	\$ 1,012,521,604	\$ 23,482,127	\$ 13,109,688
Central Falls	54,567,882	54,567,882	55,246,303	678,421	1,562,803
Met School	12,966,926	12,966,926	14,998,564	2,031,638	329,235
Davies Career & Tech.	18,532,152	19,483,917	21,093,905	2,561,753	11,148
Charter Schools ¹	195,233,633	195,242,175	208,499,708	13,266,075	6,858,699
Nowell Academy	2,664,112	2,664,112	2,528,057	(136,055)	128,537
UCAP	2,296,446	2,296,446	-	(2,296,446)	(1,949,354)
YouthBuild Academy	1,818,245	1,818,245	2,264,502	446,257	301,970
Group Home Funding	3,536,000	3,570,000	3,570,000	34,000	-
Subtotal	\$ 1,280,654,873	\$ 1,281,649,180	\$ 1,320,722,643	\$ 40,067,770	\$ 20,352,726
Formula Adjustments					
Enrollment Transition ²	\$ 8,360,107	\$ 8,360,107	\$ 11,558,267	\$ 3,198,160	\$ 547,584
Poverty Loss	4,784,011	4,784,011	3,652,758	(1,131,253)	8,534
Adjusted Subtotal	\$ 1,293,798,991	\$ 1,294,793,298	\$ 1,335,933,668	\$ 42,134,677	\$ 20,908,844
Categorical Funding					
High Cost Special Ed.	\$ 17,500,000	\$ 17,500,000	\$ 20,000,000	\$ 2,500,000	\$ -
Career and Technical	4,500,000	4,500,000	5,500,000	1,000,000	1,000,000
Early Childhood	28,884,568	28,884,568	28,884,568	-	-
Non-Public Transp.	4,662,543	4,662,543	6,653,351	1,990,808	1,990,808
Regional District Transp.	7,808,259	7,808,259	8,301,555	493,296	493,296
Subtotal	\$ 63,355,370	\$ 63,355,370	\$ 69,339,474	\$ 5,984,104	\$ 3,484,104
Set-Aside Funds					
Textbook Loans	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	\$ -
School Breakfast	270,000	270,000	270,000	-	-
Reduced-Price Meal Subsidy	812,952	812,952	812,952	-	-
Subtotal	\$ 1,142,952	\$ 1,142,952	\$ 1,142,952	\$ -	\$ -
Total	\$ 1,358,297,313	\$ 1,359,291,620	\$ 1,406,416,094	\$ 48,118,781	\$ 24,392,948
Other Aid					
Teacher Retirement	\$ 137,991,006	\$ 133,600,078	\$ 130,236,201	\$ (7,754,805)	\$ -
Construction Aid	119,887,755	114,019,174	122,128,556	2,240,801	19,259,265
Statewide Total	\$ 1,616,176,073	\$ 1,606,910,872	\$ 1,658,780,851	\$ 42,604,777	\$ 43,652,213

¹ Understated by \$8,542 in FY 2026 enacted budget

² Excluding Central Falls' allocation of \$0.4 million in FY 2026 and \$1.5 million in FY 2027

Calculation and Distribution Tables

The 11 tables on the following pages include the calculation and distribution of the FY 2027 education aid to districts, charter, and state schools. Tables 1A and 1B show the total funding and Tables 2 through 9 illustrate different components of the funding formula. Table 10 has education aid to districts for FY 2021 through FY 2025 for comparison purposes.

Table 1A: Total Education Aid for Districts for FY 2027

Table 1B: Total Education Aid for Charter and State Schools for FY 2027

Table 2: Funding Formula Calculation for FY 2027

Table 3: Group Home Aid for FY 2027

Table 4: Calculation of State Share Ratio

Table 5: FY 2027 Estimated Charter and State School Enrollment by Sending District

Table 6: Formula Funding to Charter and State Schools by Sending District

Table 7: Categorical Aid for FY 2027

Table 8: Enrollment Transition Fund for FY 2027

Table 9: Poverty Stabilization Fund for FY 2027

Table 10: Education Aid for FY 2021 - FY 2025

Table 1A: Total Education Aid for Districts for FY 2027

A. Column **A** reflects the formula aid calculation. It is based on March 15, 2026, student enrollment data adjusted for charter school growth and uses the current law core instruction amount of \$13,859. It also uses the success factor of 43.0 percent, increased from 40.0 percent in previous years. This calculation is shown in table 2.

B. Column **B** shows the amount of group home aid for FY 2027. Group home aid is paid in addition to the funding formula pursuant to current law. The calculation is shown in Table 3.

C. The formula allows for additional resources for specific purposes. Some of these are distributed to districts. Table 7 includes the distribution by district, and those totals are shown in column **C**.

D. Column **D** shows the enrollment transition fund. This fund provides two years of support to districts experiencing enrollment losses. Districts receive 40.0 percent of the state per-pupil funding lost in the first year and 25.0 percent in the second year. The calculation is shown in Table 8.

E. Column **E** shows the poverty loss stabilization fund. The fund provides 50.0 percent of the difference that the formula aid calculation produces under the prior year's share ratio, compared to the current year's share ratio if the foundation formula aid calculation produces less than it would using the prior year's state share ratio and the decrease in the state share ratio is greater than 2.0 percent. The calculation is shown in Table 9.

F. Column **F** shows the total FY 2027 enacted general revenue aid.

G. Column **G** shows the difference between the FY 2027 enacted general revenue aid found in column **F** and the FY 2026 enacted general revenue aid.

H. Column **H** shows the FY 2027 recommended general revenue aid.

I. Column **I** shows the difference between the FY 2027 enacted general revenue aid found in column **F** and the FY 2027 recommended general revenue aid found in column **H**.

Table 1A: Total Education Aid for Districts for FY 2027

<i>District</i>	<i>A</i> <i>FY 2027</i> <i>Enacted</i> <i>Formula Aid</i> <i>(Table 2)</i>	<i>B</i> <i>Group</i> <i>Home Aid</i> <i>(Table 3)</i>	<i>C</i> <i>Categorical</i> <i>Funding</i> <i>(Table 7)</i>	<i>D</i> <i>Enrollment</i> <i>Transition</i> <i>Fund</i> <i>(Table 8)</i>	<i>E</i> <i>Poverty Loss</i> <i>Stabilization</i> <i>Fund</i> <i>(Table 9)</i>
Barrington	\$ 11,745,846	\$ -	\$ 1,166,272	\$ 107,644	\$ -
Burrillville	13,363,725	-	532,190	231,050	144,546
Charlestown	1,398,051	-	-	33,364	44,546
Coventry	29,337,925	136,000	1,101,182	579,147	-
Cranston	81,845,526	-	2,612,763	447,029	-
Cumberland	30,319,262	-	350,206	10,369	-
East Greenwich	5,117,236	-	866,810	77,878	-
East Providence	40,607,020	289,000	1,498,807	342,489	-
Foster	1,318,873	-	49,650	36,635	-
Glocester	2,996,594	-	168,414	37,526	-
Hopkinton	8,227,086	-	-	37,158	-
Jamestown	354,604	-	183,507	9,286	10,585
Johnston	25,577,597	-	1,509,511	75,159	-
Lincoln	19,613,340	136,000	514,289	222,319	884,436
Little Compton	416,691	-	-	9,706	-
Middletown	5,443,405	-	520,512	156,083	396,640
Narragansett	1,870,746	-	226,694	62,015	-
Newport	14,805,749	119,000	407,301	347,450	-
New Shoreham	197,563	-	-	2,804	-
North Kingstown	13,328,610	-	423,560	39,707	-
North Providence	31,751,160	136,000	1,105,296	252,941	-
North Smithfield	8,298,684	68,000	190,742	49,013	663,706
Pawtucket	113,689,892	340,000	2,009,991	2,087,351	-
Portsmouth	2,966,730	510,000	326,321	29,539	-
Providence	303,204,253	1,020,000	2,933,123	2,125,053	-
Richmond	5,693,350	-	-	61,201	354,386
Scituate	3,606,603	-	149,157	40,745	381,742
Smithfield	11,649,059	85,000	216,987	165,723	-
South Kingstown	4,979,129	-	402,178	94,461	97,410
Tiverton	5,068,911	-	740,142	89,535	133,237
Warwick	51,189,270	408,000	1,143,855	446,317	-
Westerly	7,973,330	-	435,241	265,197	-
West Warwick	43,459,960	-	601,069	770,464	-
Woonsocket	88,401,241	-	432,063	1,863,954	-
Bristol-Warren	10,470,480	170,000	4,022,255	216,939	103,608
Chariho	-	-	3,827,964	-	-
Exeter-West Greenwich	6,497,330	153,000	2,759,670	31,109	437,915
Foster-Glocester	5,736,773	-	1,207,128	103,906	-
Central Falls*	53,767,424	-	182,738	1,478,879	-
Total	\$ 1,066,289,028	\$ 3,570,000	\$ 34,817,588	\$ 13,037,146	\$ 3,652,758
<i>Adjusted Chariho</i>	<i>\$ 15,318,487</i>	<i>\$ -</i>	<i>\$ 3,827,964</i>	<i>\$ 131,723</i>	<i>\$ 398,932</i>

*Includes \$10.8 million stabilization fund payment to Central Falls in FY 2026 and \$11.7 million in FY 2027

Table 1A: Total Education Aid for Districts for FY 2027

<i>District</i>	<i>F</i>		<i>G</i>		<i>H</i>		<i>I</i>	
	<i>FY 2027</i>		<i>FY 2027</i>		<i>FY 2027</i>		<i>FY 2027</i>	
	<i>Enacted</i>	<i>Total Aid</i>	<i>Enacted Change to FY 2026</i>	<i>Enacted</i>	<i>Governor</i>	<i>Total Aid</i>	<i>Enacted Change to FY 2027</i>	<i>Governor</i>
Barrington	\$	13,019,762	\$	1,367,364	\$	12,869,939	\$	149,824
Burrillville		14,271,511		182,944		14,146,970		124,541
Charlestown		1,475,961		(40,778)		1,457,308		18,652
Coventry		31,154,253		1,661,150		30,785,308		368,946
Cranston		84,905,317		1,875,662		84,840,078		65,239
Cumberland		30,679,838		2,216,844		30,583,930		95,908
East Greenwich		6,061,924		(238,061)		6,027,413		34,511
East Providence		42,737,316		2,109,232		41,953,536		783,780
Foster		1,405,158		133,949		1,388,009		17,149
Glocester		3,202,534		21,344		3,135,404		67,130
Hopkinton		8,264,244		1,058,264		8,207,571		56,673
Jamestown		557,981		(23,076)		541,549		16,432
Johnston		27,162,268		1,714,303		26,624,877		537,391
Lincoln		21,370,384		(54,575)		21,134,896		235,488
Little Compton		426,398		104,809		416,697		9,701
Middletown		6,516,641		(245,562)		6,501,493		15,148
Narragansett		2,159,454		237,008		2,177,067		(17,612)
Newport		15,679,500		346,480		15,574,279		105,221
New Shoreham		200,367		101,861		199,991		376
North Kingstown		13,791,876		404,114		13,643,312		148,564
North Providence		33,245,398		1,629,144		32,588,272		657,126
North Smithfield		9,270,145		(292,058)		9,370,594		(100,449)
Pawtucket		118,127,233		4,804,715		115,941,144		2,186,090
Portsmouth		3,832,589		138,129		3,819,033		13,556
Providence		309,282,429		3,624,914		303,647,981		5,634,448
Richmond		6,108,937		(297,561)		6,075,433		33,504
Scituate		4,178,248		(272,768)		4,134,705		43,543
Smithfield		12,116,770		1,148,878		11,968,442		148,328
South Kingstown		5,573,179		(362,546)		5,477,798		95,380
Tiverton		6,031,825		54,154		5,975,412		56,414
Warwick		53,187,442		3,075,080		52,577,222		610,220
Westerly		8,673,768		(87,933)		8,589,256		84,512
West Warwick		44,831,493		2,007,977		44,035,750		795,743
Woonsocket		90,697,257		1,191,945		88,677,429		2,019,828
Bristol-Warren		14,983,281		98,254		14,618,271		365,011
Chariho		3,827,964		387,699		3,446,712		381,252
Exeter-West Greenwich		9,879,024		271,761		9,695,079		183,946
Foster-Glocester		7,047,806		433,042		6,958,123		89,683
Central Falls*		55,429,042		660,962		53,847,527		1,581,514
Total	\$	1,121,366,519	\$	31,147,062	\$	1,103,653,806	\$	17,712,713
<i>Adjusted Chariho</i>	<i>\$</i>	<i>19,677,106</i>	<i>\$</i>	<i>1,107,624</i>	<i>\$</i>	<i>19,187,024</i>	<i>\$</i>	<i>490,081</i>

*Includes \$10.8 million stabilization fund payment to Central Falls in FY 2026 and \$11.7 million in FY 2027

Table 1B: Total Education Aid for Charter and State Schools for FY 2027

A. Column **A** is the FY 2026 formula aid enacted by the 2025 Assembly. It is based on March 15, 2025, student enrollment data adjusted for charter school growth.

B. Column **B** is the final FY 2026 formula aid. There are increases of \$4,186 for the Nurses Institute and \$4,356 to Nowell Academy to correct errors in the enacted budget. There is also a \$1.0 million adjustment for Davies school stabilization funds, primarily reflecting anticipated increases for statewide transportation expenses.

C. Column **C** shows the enacted formula aid calculation for FY 2027. It is based on March 15, 2026, student enrollment data adjusted for charter school growth and uses the current law core instruction amount of \$13,859. It also uses the success factor of 43.0 percent, increased from 40.0 percent in previous years.

D. Column **D** shows the amount of high-cost special education funding. The funding formula allows for additional funding from the state for high-cost special education students when those costs exceed four times the combined per-pupil core instruction and student success factor amounts. Funds available for distribution are prorated if the total costs exceed the appropriation. Funds available for distribution are prorated if the total costs exceed the appropriation; this represents 78.7 percent of allowable expenses.

E. Column **E** shows the state school stabilization payments. The state schools are funded pursuant to the funding formula, with the state paying its share for each student and the sending districts contributing a local share. The 2016 Assembly enacted a stabilization fund for state schools to mitigate some of the losses from the implementation of the funding formula and provide additional support due to costs associated with running standalone high schools offering both academic and career and technical coursework.

F. Column **F** shows the total general revenue education aid for FY 2027.

G. Column **G** shows the total general revenue education aid enacted for FY 2026.

H. Column **H** is the difference between the FY 2027 total aid shown in column **F** and the FY 2026 total enacted aid shown in column **G**.

I. Column **I** is the total general revenue recommended aid for FY 2027.

J. Column **J** is the difference between the FY 2027 total aid shown in column **F** and the FY 2027 recommended aid shown in column **I**.

Table 1B: Total Education Aid for Charter and State Schools for FY 2027

<i>School</i>	<i>A</i> <i>FY 2026</i> <i>Enacted</i> <i>Formula Aid</i>	<i>B</i> <i>FY 2026</i> <i>Final</i> <i>Formula Aid</i>	<i>C</i> <i>FY 2027</i> <i>Enacted</i> <i>Formula Aid</i>	<i>D</i> <i>High Cost</i> <i>Special Ed.</i> <i>Categorical</i>	<i>E</i> <i>Stabilization</i>
Achievement First	\$ 47,135,853	\$ 47,135,853	\$ 51,708,843	\$ -	\$ -
Apprenticeship Exploration (New England Laborers) ¹	1,988,910	1,988,910	-	-	-
Beacon	4,925,759	4,925,759	5,150,017	-	-
Blackstone	5,189,245	5,189,245	5,342,442	-	-
Charette	2,581,926	2,581,926	2,576,403	-	-
Compass	950,421	950,421	987,178	-	-
Excel Academy	6,337,707	6,337,707	8,456,615	-	-
Greene School	1,654,216	1,654,216	1,628,975	-	-
Highlander	8,555,519	8,555,519	8,126,594	58,085	-
Hope Academy	4,687,174	4,687,174	4,918,101	4,831	-
International	4,733,806	4,733,806	4,874,242	-	-
Kingston Hill	1,173,919	1,173,919	1,228,284	-	-
Learning Community	9,305,598	9,305,598	9,718,795	9,439	-
Nuestro Mundo	5,357,457	5,357,457	5,850,401	-	-
Nurses Institute ²	6,678,286	6,682,472	7,073,565	-	-
Paul Cuffee	11,758,706	11,758,706	11,976,936	1,709	-
Providence Preparatory	3,606,772	3,606,772	3,779,749	-	-
RI Mayoral Academies					
Blackstone Prep.	29,952,871	29,952,871	32,464,206	23,830	-
RISE Mayoral Academy	10,224,092	10,224,092	12,523,158	-	-
Segue Institute	8,509,591	8,509,591	9,422,971	-	-
Southside Elementary	2,119,035	2,119,035	2,291,693	-	-
Times2 Academy	10,283,577	10,283,577	10,802,832	39,424	-
Trinity	4,563,624	4,563,624	4,795,897	-	-
Village Green	2,959,569	2,959,569	2,801,810	-	-
Charter Schools Subtotal	\$ 195,233,633	\$ 195,237,819	\$ 208,499,707	\$ 137,318	\$ -
Davies Career and Tech ²	18,532,152	19,483,917	10,736,285	-	10,357,620
Met School ²	12,966,926	12,966,926	11,419,323	-	3,579,241
Nowell Academy	2,664,112	2,668,468	2,528,057	-	-
Urban Collaborative ³	2,296,446	2,300,802	-	-	-
Youth Build Academy	1,818,245	1,818,245	2,264,502	-	-
Total	\$ 233,511,514	\$ 234,476,177	\$ 235,447,874	\$ 137,318	\$ 13,936,861

¹ Apprenticeship Exploration School is converting to a district school in Cranston

² Includes state school stabilization payments of \$7.9 million and \$8.8 million to Davies in FY 2026 Enacted and FY 2026 Final, and \$3.2 million to the Met in FY 2026

³ The last sending district for UCAP withdrew prior to FY 2027

Table 1B: Total Education Aid for Charter and State Schools for FY 2027

<i>School</i>	<i>F</i> <i>FY 2027</i> <i>Enacted</i> <i>Total Aid</i>	<i>G</i> <i>FY 2026</i> <i>Enacted</i> <i>Total Aid</i>	<i>H</i> <i>Change to</i> <i>Enacted</i>	<i>I</i> <i>FY 2027 Gov.</i> <i>Recommended</i> <i>Total Aid</i>	<i>J</i> <i>Change to</i> <i>Governor</i>
Achievement First	\$ 51,708,843	\$ 47,135,853	\$ 4,572,990	\$ 48,549,737	\$ 3,159,106
Apprenticeship Exploration (New England Laborers) ¹	-	1,988,910	(1,988,910)	2,013,064	(2,013,064)
Beacon	5,150,017	4,925,759	224,258	4,966,677	183,340
Blackstone	5,342,442	5,189,245	153,197	5,307,779	34,663
Charette	2,576,403	2,581,926	(5,523)	2,571,020	5,383
Compass	987,178	950,421	36,757	983,258	3,920
Excel Academy	8,456,615	6,337,707	2,118,908	6,593,665	1,862,950
Greene School	1,628,975	1,654,216	(25,241)	1,677,088	(48,113)
Highlander	8,184,679	8,555,519	(370,840)	7,991,790	192,889
Hope Academy	4,922,932	4,689,784	233,148	4,723,134	199,798
International	4,874,242	4,733,806	140,436	4,801,586	72,656
Kingston Hill	1,228,284	1,173,919	54,365	1,217,428	10,856
Learning Community	9,728,234	9,306,474	421,760	9,561,076	167,158
Nuestro Mundo	5,850,401	5,357,457	492,944	5,724,502	125,899
Nurses Institute ²	7,073,565	6,678,286	395,279	7,046,835	26,730
Paul Cuffee	11,978,645	11,758,706	219,939	11,538,495	440,150
Providence Preparatory	3,779,749	3,606,772	172,977	3,747,083	32,666
RI Mayoral Academies					
Blackstone Prep.	32,488,036	29,988,208	2,499,828	31,066,689	1,421,347
RISE Mayoral Academy	12,523,158	10,224,092	2,299,066	11,571,030	952,128
Segue Institute	9,422,971	8,509,591	913,380	9,935,996	(513,025)
Southside Elementary	2,291,693	2,119,035	172,658	2,150,080	141,613
Times2 Academy	10,842,256	10,283,577	558,679	10,553,741	288,515
Trinity	4,795,897	4,563,624	232,273	4,684,630	111,267
Village Green	2,801,810	2,959,569	(157,759)	2,801,942	(132)
Charter Schools Subtotal	\$ 208,637,025	\$ 195,272,456	\$ 13,364,569	\$ 201,778,325	\$ 6,858,700
Davies Career and Tech ²	21,093,905	18,532,152	2,561,753	21,082,757	11,148
Met School ²	14,998,564	12,966,926	2,031,638	14,669,329	329,235
Nowell Academy	2,528,057	2,664,112	(136,055)	2,399,520	128,537
Urban Collaborative ³	-	2,296,446	(2,296,446)	1,949,354	(1,949,354)
Youth Build Academy	2,264,502	1,818,245	446,257	1,962,532	301,970
Total	\$ 249,522,053	\$ 233,550,337	\$ 15,971,717	\$ 243,841,817	\$ 5,680,236

¹ Apprenticeship Exploration School is converting to a district school in Cranston

² Includes state school stabilization payments of \$7.9 million and \$8.8 million to Davies in FY 2026 Enacted and FY 2026 Final, and \$3.2 million to the Met in FY 2026

³ The last sending district for UCAP withdrew prior to FY 2027

Table 2: Funding Formula Calculation for FY 2027

A. The FY 2027 student counts are shown in column **A** based on the resident average daily membership as of March 15, 2026, adjusted for new and expanding charter schools. Average daily membership is the average number of days that all students are formally members of a district and/or a school per year.

B. Column **B** includes the number of students identified as multilingual learners in the three lowest proficiency categories.

C. Column **C** includes the number of students in pre-kindergarten through 12th grade who are in “poverty status,” which is defined as a child whose family income is at or below 185.0 percent of federal poverty guidelines. Consistent with current law, the enacted budget uses direct certifications, or students categorically eligible for free and reduced-price lunch because they receive a means tested benefit, multiplied by a factor of 1.6.

D. Column **D** includes the percent of students that are in poverty status. This is column **C** divided by column **A**. This is for comparison purposes only.

E. Column **E** is the core instruction funding, which is the student count in column **A** times the core instruction per pupil amount of \$13,859. Current law requires the core instruction per pupil amount to be updated annually. It is derived from the average of northeast regional expenditure data for the states of Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics. Maine and Vermont are excluded from the calculation because the data are not comparable to the other New England states. Expenditure data from the following categories are used: instruction and support services for students, instruction, general administration, school administration, and other support services.

F. Column **F** includes the student success factor funding, which is a single poverty weight as a proxy for student supports and is 43.0 percent times the number of students in prekindergarten through 12th grade that are in poverty status in column **C** times the core instruction per-pupil amount of \$13,859. The FY 2027 Budget increases this from 40.0 percent, which was used in previous years.

G. Column **G** includes the MLL factor. Before FY 2025, it was a categorical fund. It is 20.0 percent times the number of students identified as multilingual learners in the three lowest proficiency categories in column **B** times the core instruction amount.

H. The total foundation amount in column **H** is the sum of the core instruction amount in column **E** plus the student success factor funding in column **F** plus the MLL Factor in column **G**.

I. Column **I** is the state share ratio; the calculation is described in Table 4.

J. Column **J** includes the state formula aid under the funding formula. It is the total foundation amount in column **H** times the state share ratio in column **I**.

K. Column **K** is the difference between the FY 2027 state formula aid shown in column **J** and the FY 2026 enacted formula aid.

L. Column **L** is the difference between the FY 2027 enacted formula aid shown in column **J** and the FY 2027 recommended amount of formula aid, which used earlier data.

Table 2: Funding Formula Calculation for FY 2027

<i>District</i>	<i>A</i> <i>FY 2027 PK-12 RADM</i>	<i>B</i> <i>MLL Students</i>	<i>C</i> <i>FY 2027 Poverty Status</i>	<i>D</i> <i>% Poverty Status</i>	<i>E</i> <i>Core Instruction Funding</i>	<i>F</i> <i>Student Success Factor Funding</i>
Barrington	3,206	54	173	5.4%	\$ 44,431,954	\$ 1,029,779
Burrillville	1,930	18	448	23.2%	26,747,870	2,669,798
Charlestown	637	2	144	22.6%	8,828,183	858,149
Coventry	3,915	24	954	24.4%	54,257,985	5,682,855
Cranston	9,622	913	3,102	32.2%	133,351,298	18,488,349
Cumberland	4,801	214	728	15.2%	66,537,059	4,338,421
East Greenwich	2,398	35	190	7.9%	33,233,882	1,134,664
East Providence	4,895	221	1,805	36.9%	67,839,805	10,755,471
Foster	216	1	34	15.6%	2,993,544	200,235
Glocester	543	5	70	13.0%	7,525,437	419,540
Hopkinton	1,077	4	224	20.8%	14,926,143	1,334,899
Jamestown	527	-	30	5.8%	7,303,693	181,165
Johnston	3,267	293	1,018	31.1%	45,277,353	6,064,255
Lincoln	3,166	83	715	22.6%	43,877,594	4,262,141
Little Compton	251	3	37	14.7%	3,478,609	219,305
Middletown	1,802	154	421	23.4%	24,973,918	2,507,703
Narragansett	883	4	142	16.1%	12,237,497	848,614
Newport	1,668	295	1,083	64.9%	23,116,812	6,455,190
New Shoreham	118	13	14	12.2%	1,635,362	85,815
North Kingstown	3,491	59	782	22.4%	48,381,769	4,662,611
North Providence	3,395	339	1,216	35.8%	47,051,305	7,246,594
North Smithfield	1,607	47	214	13.3%	22,271,413	1,277,689
Pawtucket	7,397	1,686	4,725	63.9%	102,515,023	28,156,831
Portsmouth	1,973	21	224	11.4%	27,343,807	1,334,899
Providence	18,880	7,148	13,555	71.8%	261,657,920	80,780,452
Richmond	1,023	2	190	18.6%	14,177,757	1,134,664
Scituate	1,133	2	136	12.0%	15,702,247	810,474
Smithfield	2,302	21	350	15.2%	31,903,418	2,088,163
South Kingstown	2,281	31	445	19.5%	31,612,379	2,650,728
Tiverton	1,518	7	317	20.9%	21,037,962	1,887,928
Warwick	7,782	233	2,258	29.0%	107,850,738	13,453,874
Westerly	2,051	53	627	30.6%	28,424,809	3,737,717
West Warwick	3,370	157	1,635	48.5%	46,704,830	9,744,762
Woonsocket	5,179	1,031	3,995	77.1%	71,775,761	23,808,875
Bristol-Warren	2,648	48	566		36,698,632	3,375,387
Chariho	-	-	-	see table below	-	-
Exeter-West Greenwich	1,512	15	187		20,954,808	1,115,594
Foster-Glocester	1,015	5	122		14,066,885	724,659
Central Falls*	2,317	1,107	1,421	61.3%	32,111,303	8,467,073
Total	115,796	14,348	44,299		\$ 1,604,816,764	\$ 263,995,324
<i>Bristol</i>	<i>1,662</i>	<i>28</i>	<i>272</i>	<i>16.4%</i>	<i>23,033,658</i>	<i>1,620,949</i>
<i>Warren</i>	<i>986</i>	<i>20</i>	<i>294</i>	<i>29.9%</i>	<i>13,664,974</i>	<i>1,754,439</i>
<i>Exeter</i>	<i>732</i>	<i>3</i>	<i>101</i>	<i>13.8%</i>	<i>10,144,788</i>	<i>600,704</i>
<i>West Greenwich</i>	<i>780</i>	<i>12</i>	<i>86</i>	<i>11.1%</i>	<i>10,810,020</i>	<i>514,890</i>
<i>Foster</i>	<i>302</i>	<i>-</i>	<i>53</i>	<i>17.5%</i>	<i>4,185,418</i>	<i>314,655</i>
<i>Glocester</i>	<i>713</i>	<i>5</i>	<i>69</i>	<i>9.6%</i>	<i>9,881,467</i>	<i>410,005</i>
<i>Adjusted Chariho</i>	<i>2,737</i>	<i>8</i>	<i>558</i>	<i>-</i>	<i>37,932,083</i>	<i>3,327,712</i>

*This excludes \$10.8 million and \$11.7 million stabilization fund payments to Central Falls in FY 2026 and FY 2027, respectively

Table 2: Funding Formula Calculation for FY 2027

<i>District</i>	<i>G</i> <i>MLL</i> <i>Factor</i>	<i>H</i> <i>Total</i> <i>Foundation</i>	<i>I</i> <i>State</i> <i>Share</i> <i>Ratio</i>	<i>J</i> <i>FY 2027</i> <i>Enacted</i> <i>Formula Aid</i>	<i>K</i> <i>Difference</i> <i>from</i> <i>Enacted</i>	<i>L</i> <i>Difference</i> <i>from</i> <i>Governor</i>
Barrington	\$ 149,677	\$ 45,611,410	25.8%	\$ 11,745,846	\$ 1,839,818	\$ 92,422
Burrillville	49,892	29,467,560	45.4%	13,363,725	(143,011)	93,171
Charlestown	5,544	9,691,876	14.4%	1,398,051	(39,809)	17,880
Coventry	66,523	60,007,363	48.9%	29,337,925	1,020,977	251,461
Cranston	2,530,653	154,370,301	53.0%	81,845,526	1,898,374	(505,653)
Cumberland	593,165	71,468,646	42.4%	30,319,262	2,090,909	63,169
East Greenwich	97,013	34,465,559	14.8%	5,117,236	610,988	5,515
East Providence	612,568	79,207,844	51.3%	40,607,020	1,285,872	672,532
Foster	2,772	3,196,551	41.3%	1,318,873	103,055	11,802
Glocester	13,859	7,958,836	37.7%	2,996,594	35,149	67,209
Hopkinton	11,087	16,272,129	50.6%	8,227,086	1,050,120	44,284
Jamestown	-	7,484,858	4.7%	354,604	(17,745)	(205)
Johnston	812,137	52,153,745	49.0%	25,577,597	1,449,361	503,237
Lincoln	230,059	48,369,795	40.5%	19,613,340	(1,278,306)	158,564
Little Compton	8,315	3,706,229	11.2%	416,691	113,877	13,637
Middletown	426,857	27,908,478	19.5%	5,443,405	(708,981)	260
Narragansett	11,087	13,097,198	14.3%	1,870,746	142,113	(32,908)
Newport	817,681	30,389,683	48.7%	14,805,749	566,480	57,419
New Shoreham	36,033	1,757,210	11.2%	197,563	101,373	(1,633)
North Kingstown	163,536	53,207,916	25.1%	13,328,610	821,795	31,301
North Providence	939,640	55,237,539	57.5%	31,751,160	1,326,435	654,958
North Smithfield	130,275	23,679,377	35.0%	8,298,684	(938,872)	(103,513)
Pawtucket	4,673,255	135,345,109	84.0%	113,689,892	3,074,573	1,947,400
Portsmouth	58,208	28,736,914	10.3%	2,966,730	160,301	14,674
Providence	19,812,826	362,251,199	83.7%	303,204,253	5,682,967	5,114,015
Richmond	5,544	15,317,965	37.2%	5,693,350	(514,425)	33,503
Scituate	5,544	16,518,265	21.8%	3,606,603	(692,418)	16,849
Smithfield	58,208	34,049,789	34.2%	11,649,059	1,061,940	131,887
South Kingstown	85,926	34,349,033	14.5%	4,979,129	(83,392)	46,110
Tiverton	19,403	22,945,293	22.1%	5,068,911	(242,061)	48,839
Warwick	645,829	121,950,441	42.0%	51,189,270	2,602,994	678,353
Westerly	146,905	32,309,431	24.7%	7,973,330	(174,703)	74,668
West Warwick	435,173	56,884,764	76.4%	43,459,960	1,365,793	756,003
Woonsocket	2,857,726	98,442,362	89.8%	88,401,241	281,080	2,019,437
Bristol-Warren	133,046	40,207,066		10,470,480	(181,671)	36,536
Chariho	-	-	see table	-	-	-
Exeter-West Greenwich	41,577	22,111,979	below	6,497,330	(626,035)	67,004
Foster-Glocester	13,859	14,805,403		5,736,773	437,211	29,500
Central Falls*	3,068,383	43,646,758	96.4%	42,075,475	(1,275,774)	1,820,711
Total	\$ 39,769,786	\$ 1,908,581,874		\$ 1,054,597,079	\$ 22,206,352	\$ 14,930,398
<i>Bristol</i>	<i>77,610</i>	<i>24,732,217</i>	<i>18.3%</i>	<i>4,531,635</i>	<i>338,164</i>	<i>19,218</i>
<i>Warren</i>	<i>55,436</i>	<i>15,474,849</i>	<i>38.4%</i>	<i>5,938,845</i>	<i>(405,744)</i>	<i>17,318</i>
<i>Exeter</i>	<i>8,315</i>	<i>10,753,808</i>	<i>32.8%</i>	<i>3,523,083</i>	<i>251,760</i>	<i>69,268</i>
<i>West Greenwich</i>	<i>33,262</i>	<i>11,358,171</i>	<i>26.2%</i>	<i>2,974,247</i>	<i>850,420</i>	<i>(2,265)</i>
<i>Foster</i>	<i>-</i>	<i>4,500,073</i>	<i>41.3%</i>	<i>1,856,696</i>	<i>153,773</i>	<i>27,538</i>
<i>Glocester</i>	<i>13,859</i>	<i>10,305,331</i>	<i>37.7%</i>	<i>3,880,077</i>	<i>(7,751)</i>	<i>1,962</i>
<i>Adjusted Chariho</i>	<i>22,174</i>	<i>41,281,970</i>		<i>15,318,487</i>	<i>865,292</i>	<i>95,668</i>

*This excludes \$10.8 million and \$11.7 million stabilization fund payments to Central Falls in FY 2026 and FY 2027, respectively

Table 3: Group Home Aid for FY 2027

Prior to FY 2026, the law required that the number of group home beds be deducted from enrollment data to determine average daily membership. This was shown as a reduction in group home aid. The 2025 Assembly removed this reduction. The Assembly also removed beds for the CRAFT program at Bradley Hospital and clarified the educational and financial responsibilities for children in that program.

A. Column **A** is the number of beds eligible for group home aid. Excluding CRAFT program beds, the Department of Children, Youth and Families identified 210 beds eligible for aid as of December 31, 2025.

B. Column **B** is the FY 2027 enacted group home aid, reflecting the total cost of \$17,000 per bed identified in column **A**.

C. Column **C** shows the FY 2026 enacted group home aid.

D. Column **D** shows the difference between the FY 2027 enacted group home aid shown in column **B** and the FY 2026 enacted group home aid shown in column **C**.

Table 3: Group Home Aid for FY 2027

<i>District</i>	<i>A Beds as of Dec. 31, 2025</i>	<i>B FY 2027 Enacted</i>	<i>C FY 2026 Enacted</i>	<i>D Chg. to FY 2026 Enacted</i>
Barrington	-	\$ -	\$ -	\$ -
Burrillville	-	-	-	-
Charlestown	-	-	-	-
Coventry	8	136,000	136,000	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	17	289,000	289,000	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	8	136,000	136,000	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	7	119,000	119,000	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	8	136,000	136,000	-
North Smithfield	4	68,000	68,000	-
Pawtucket	20	340,000	340,000	-
Portsmouth	30	510,000	510,000	-
Providence	60	1,020,000	986,000	34,000
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	5	85,000	85,000	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warwick	24	408,000	408,000	-
Westerly	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	-	-	-	-
Bristol-Warren	10	170,000	170,000	-
Chariho	-	-	-	-
Exeter-West Greenwich	9	153,000	153,000	-
Foster-Glocester	-	-	-	-
Central Falls	-	-	-	-
Total	210	\$ 3,570,000	\$ 3,536,000	\$ 34,000

Table 4: Calculation of State Share Ratio

The table shows the calculation of each community's state share ratio. The share ratio formula considers the district's ability to generate revenues and its poverty concentration.

A. Column **A** shows the assessed value of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year in accordance with Section 16-7-21 of the General Laws. The December 31, 2022, value is used for FY 2027 calculations. This is certified annually by the Department of Revenue's Division of Municipal Finance, based on local sales data and appraisals.

B. The Division adjusts for differences in local assessment rates to allow the reporting of figures comparable on a statewide basis, resulting in the equalized weighted assessed valuation (EWAV). The valuations are then adjusted by the ratio that the community's median family income bears to the statewide median family income, as reported in the most recent federal census data. This is shown in column **B**. Use of both the property value and income is an attempt to compensate for districts that have significant disparity between income and the full value of property.

C. The FY 2027 student counts are shown in column **C** based on the resident average daily membership as of June 30, 2025. This represents the average number of days that all students are formally members of a district and/or a school each year.

D. The resulting relative per pupil community wealth, Column **B** divided by Column **C**, is then multiplied by 0.475 and subtracted from 1.0, yielding the district's share ratio. The result is multiplied by 100 to convert this share ratio to a percentage, which is shown in Column **D**.

E. Column **E** includes the percentage of students in poverty status in prekindergarten through sixth grade as of June 2025. Under current law, "poverty status" for the purpose of calculating funding formula aid is defined as students whose family income is at or below 185.0 percent of the federal poverty level. This is now measured by direct certifications, or students categorically eligible for free and reduced-price lunch because they receive a means tested benefit, multiplied by a factor of 1.6.

F. The calculation in column **F** is the square root of the sum of the state share ratio for the community calculation in column **D** squared plus the district's percentage of students in poverty status in grades prekindergarten through sixth in column **E** squared, divided by two.

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PKDirect Cert^2}{2}}$$

G. Column **G** shows the final state share ratio. The 2023 Assembly maximized the share ratio for districts with more than 50.0 percent poverty status by allowing use of the property share ratio alone if it is higher than the two-factor calculation.

H. Column **H** shows the state share ratio used in the FY 2026 enacted budget. It uses property valuations as of December 31, 2021, and student counts as of June 30, 2024.

I. Column **I** shows the difference between the share ratio calculated for FY 2027 and enacted for FY 2026.

J. Column **J** is the percent change between the share ratio calculated for FY 2027 and the FY 2026 enacted share ratio and is used to determine eligibility for the poverty loss stabilization fund. Bolded amounts show which districts are eligible. That calculation is shown in Table 9.

Table 4: Calculation of State Share Ratio

	<i>A</i>		<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>Assessed Value</i>		<i>Adjusted EWAV</i>	<i>June 2025</i>	<i>Property</i>	<i>June 2025 %</i>
<i>District</i>	<i>12/31/22</i>		<i>12/31/22</i>	<i>Student</i>	<i>Share Ratio</i>	<i>Students in</i>
				<i>Count</i>		<i>Poverty</i>
Barrington	\$ 3,490,025,065	\$	5,726,013,217	3,268	35.7%	7.2%
Bristol	3,695,544,703		4,107,888,187	1,687	10.7%	23.6%
Burrillville	2,248,820,555		2,428,516,470	2,070	57.0%	29.4%
Charlestown	4,226,770,529		3,995,906,111	681	0.0%	20.4%
Coventry	5,102,759,131		4,275,029,570	4,142	62.1%	30.4%
Cranston	9,233,554,529		10,031,708,303	10,255	64.1%	38.9%
Cumberland	5,934,630,753		6,029,442,259	5,165	57.2%	18.1%
East Greenwich	2,791,965,122		5,445,636,902	2,473	19.2%	8.5%
East Providence	6,650,110,455		5,649,413,900	5,180	60.0%	40.7%
Exeter	1,029,655,180		1,229,052,017	770	41.4%	20.8%
Foster	646,724,137		664,761,065	549	55.6%	17.7%
Glocester	1,871,582,801		1,649,345,251	1,259	51.9%	11.9%
Hopkinton	1,375,691,730		993,000,964	1,106	67.1%	24.7%
Jamestown	3,409,238,766		5,450,773,659	554	0.0%	6.7%
Johnston	4,738,323,661		3,834,692,400	3,396	58.6%	37.1%
Lincoln	4,001,274,489		4,468,359,268	3,404	51.8%	24.6%
Little Compton	2,738,250,743		3,566,188,605	257	0.0%	15.9%
Middletown	3,736,475,183		4,749,704,676	1,879	7.3%	26.6%
Narragansett	6,315,015,261		8,157,361,755	931	0.0%	20.2%
Newport	7,899,293,871		9,096,116,664	1,750	0.0%	68.9%
New Shoreham	2,606,534,069		1,863,648,678	121	0.0%	15.9%
North Kingstown	6,291,628,045		7,417,171,191	3,627	25.0%	25.1%
North Providence	4,095,334,744		3,053,128,443	3,680	69.6%	42.0%
North Smithfield	2,114,242,240		2,450,696,235	1,669	46.1%	18.2%
Pawtucket	5,419,911,430		4,529,010,356	10,358	84.0%	63.9%
Portsmouth	4,924,573,176		5,576,393,241	2,018	0.0%	14.6%
Providence	18,745,019,419		12,288,886,221	27,599	83.7%	81.5%
Richmond	1,436,376,959		1,481,233,453	1,070	49.2%	18.5%
Scituate	1,964,421,480		2,278,800,267	1,163	28.1%	12.8%
Smithfield	3,791,174,869		3,498,905,498	2,374	45.9%	15.3%
South Kingstown	7,084,264,636		7,734,936,028	2,456	0.0%	20.5%
Tiverton	2,925,841,990		3,424,775,543	1,585	20.7%	23.4%
Warren	1,955,491,300		1,690,693,780	1,031	39.8%	36.9%
Warwick	13,743,991,438		11,567,589,315	8,123	47.8%	35.2%
Westerly	8,076,820,880		8,297,393,294	2,186	0.0%	34.9%
West Greenwich	1,095,346,967		1,478,914,821	809	32.9%	17.0%
West Warwick	3,153,745,460		2,267,062,880	3,518	76.4%	56.1%
Woonsocket	3,161,359,900		1,771,715,977	6,380	89.8%	84.5%
Central Falls	921,945,643		423,864,847	4,355	96.4%	66.2%
Total	\$ 174,643,731,309	\$	174,643,731,309	134,898		

Table 4: Calculation of State Share Ratio

<i>District</i>	<i>F</i> <i>FY 2027 State</i> <i>Share Ratio -</i> <i>Two-Factor</i>	<i>G</i> <i>FY 2027 State</i> <i>Share Ratio -</i> <i>Maximized</i>	<i>H</i> <i>FY 2026 Enacted</i> <i>State Share</i> <i>Ratio</i>	<i>I</i> <i>Change to</i> <i>FY 2026</i>	<i>J</i> <i>% Change to</i> <i>FY 2026</i>
Barrington	25.8%	25.8%	22.1%	3.6%	16.3%
Bristol	18.3%	18.3%	19.2%	-0.9%	-4.5%
Burrillville	45.3%	45.3%	46.4%	-1.0%	-2.3%
Charlestown	14.4%	14.4%	15.4%	-1.0%	-6.2%
Coventry	48.9%	48.9%	47.7%	1.2%	2.4%
Cranston	53.0%	53.0%	53.5%	-0.5%	-1.0%
Cumberland	42.4%	42.4%	41.4%	1.0%	2.4%
East Greenwich	14.9%	14.9%	13.2%	1.6%	12.4%
East Providence	51.2%	51.2%	51.1%	0.1%	0.3%
Exeter	32.8%	32.8%	34.5%	-1.7%	-5.0%
Foster	41.2%	41.2%	36.7%	4.5%	12.3%
Glocester	37.7%	37.7%	37.8%	-0.1%	-0.3%
Hopkinton	50.5%	50.5%	45.8%	4.7%	10.3%
Jamestown	4.7%	4.7%	5.0%	-0.3%	-5.0%
Johnston	49.0%	49.0%	47.8%	1.3%	2.6%
Lincoln	40.6%	40.6%	44.2%	-3.7%	-8.3%
Little Compton	11.3%	11.3%	8.5%	2.8%	32.6%
Middletown	19.5%	19.5%	22.3%	-2.9%	-12.9%
Narragansett	14.3%	14.3%	13.1%	1.2%	9.0%
Newport	48.7%	48.7%	47.9%	0.8%	1.6%
New Shoreham	11.2%	11.2%	5.6%	5.6%	99.3%
North Kingstown	25.0%	25.0%	24.3%	0.7%	2.9%
North Providence	57.4%	57.4%	57.3%	0.2%	0.3%
North Smithfield	35.1%	35.1%	40.6%	-5.6%	-13.7%
Pawtucket	74.6%	84.0%	83.5%	0.5%	0.6%
Portsmouth	10.3%	10.3%	9.9%	0.4%	3.8%
Providence	82.6%	83.7%	84.5%	-0.8%	-1.0%
Richmond	37.2%	37.2%	41.8%	-4.6%	-11.0%
Scituate	21.8%	21.8%	26.5%	-4.6%	-17.4%
Smithfield	34.2%	34.2%	31.9%	2.3%	7.3%
South Kingstown	14.5%	14.5%	15.0%	-0.5%	-3.5%
Tiverton	22.1%	22.1%	23.3%	-1.2%	-5.1%
Warren	38.4%	38.4%	38.7%	-0.3%	-0.9%
Warwick	41.9%	41.9%	40.8%	1.1%	2.8%
Westerly	24.7%	24.7%	25.1%	-0.4%	-1.6%
West Greenwich	26.2%	26.2%	32.3%	-6.1%	-18.8%
West Warwick	67.0%	76.4%	75.7%	0.6%	0.8%
Woonsocket	87.2%	89.8%	89.4%	0.5%	0.5%
Central Falls	82.7%	96.4%	96.7%	-0.2%	-0.3%
Total					

Table 5: FY 2027 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Blackstone Beacon Academy</i>	<i>Charette</i>	<i>Compass</i>	<i>Excel</i>	<i>Greene School</i>
Barrington	-	-	-	-	-	1
Burrillville	-	12	-	-	-	-
Charlestown	-	-	-	6	-	3
Coventry	-	2	-	10	-	29
Cranston	324	1	-	7	-	7
Cumberland	-	18	-	-	-	5
East Greenwich	-	-	-	1	-	2
East Providence	1	-	-	1	-	1
Foster	-	-	-	-	-	-
Glocester	-	-	-	-	-	-
Hopkinton	-	-	-	7	-	6
Jamestown	-	-	-	3	-	-
Johnston	-	4	-	2	-	3
Lincoln	3	7	1	-	-	-
Little Compton	-	-	-	-	-	-
Middletown	-	-	-	-	-	1
Narragansett	-	-	-	6	-	1
Newport	-	-	-	2	-	-
New Shoreham	-	-	-	-	-	1
North Kingstown	-	-	-	26	-	8
North Providence	85	4	-	1	55	-
North Smithfield	-	11	-	-	-	-
Pawtucket	4	16	169	-	-	27
Portsmouth	-	-	-	1	-	-
Providence	3,005	11	37	160	1	481
Richmond	-	-	-	21	-	3
Scituate	-	-	-	-	-	1
Smithfield	-	3	1	-	-	1
South Kingstown	-	-	-	54	-	3
Tiverton	-	-	-	-	-	-
Warwick	74	3	-	18	-	16
Westerly	-	-	-	14	-	4
West Warwick	-	4	-	8	-	15
Woonsocket	-	257	-	-	-	1
Bristol-Warren	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	27	-	19
Foster-Glocester	-	1	-	-	-	-
Central Falls	-	2	135	-	40	4
Total	3,496	356	343	160	216	576
<i>Adjusted Chariho</i>	-	-	-	-	34	-

Table 5: FY 2027 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>
Barrington	-	-	2	-	-	-	-
Burrillville	-	-	-	-	-	-	-
Charlestown	-	-	-	11	-	-	-
Coventry	-	-	-	14	-	-	-
Cranston	37	-	13	9	-	1	21
Cumberland	-	-	3	-	-	1	3
East Greenwich	-	-	-	4	-	-	-
East Providence	12	-	21	-	2	-	5
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	9	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	9	-	7	4	-	-	5
Lincoln	-	-	5	-	-	-	2
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	2	1	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	-	48	-	-	-
North Providence	11	13	17	1	-	-	3
North Smithfield	-	-	-	-	-	-	-
Pawtucket	81	-	187	2	168	-	103
Portsmouth	-	-	-	1	-	-	-
Providence	373	305	97	7	107	368	306
Richmond	-	-	-	9	-	-	-
Scituate	-	-	1	-	-	-	-
Smithfield	-	-	1	-	-	-	2
South Kingstown	-	-	-	77	-	-	-
Tiverton	1	-	-	-	-	-	-
Warwick	10	2	1	31	-	-	12
Westerly	-	-	-	4	-	-	-
West Warwick	7	-	-	9	-	-	2
Woonsocket	6	-	3	2	-	-	3
Bristol-Warren	5	-	2	-	-	-	-
Exeter-West Greenwich	-	-	-	17	-	-	-
Foster-Glocester	-	-	-	-	-	-	-
Central Falls	4	-	15	-	305	-	20
Total	556	320	377	260	582	370	487
<i>Adjusted Chariho</i>	-	-	-	29	-	-	-

Table 5: FY 2027 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Paul Cuffee</i>	<i>Providence Preparatory</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>
Barrington	-	-	-	-	-	-	-
Burrillville	-	-	-	74	-	-	-
Charlestown	-	-	-	-	-	-	-
Coventry	-	-	-	-	-	-	-
Cranston	-	-	1	-	-	-	-
Cumberland	-	-	311	2	-	-	-
East Greenwich	-	-	-	-	-	-	-
East Providence	-	-	3	-	1	-	-
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	-	-	-	2	1	-	-
Lincoln	-	-	112	1	-	-	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	1	-	-	-	-
North Providence	-	-	4	-	-	-	-
North Smithfield	-	-	-	39	-	-	-
Pawtucket	-	-	1,241	1	56	-	-
Portsmouth	-	-	-	-	-	-	-
Providence	798	242	11	-	12	142	712
Richmond	-	-	-	-	-	-	-
Scituate	-	-	-	-	-	-	-
Smithfield	-	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-	-
Warwick	-	-	1	-	-	-	-
Westerly	-	-	-	-	-	-	-
West Warwick	-	-	2	-	-	-	-
Woonsocket	-	1	5	721	1	-	-
Bristol-Warren	-	-	-	-	-	-	-
Exeter-West Greenwich	-	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-	-
Central Falls	-	-	668	-	493	-	-
Total	798	243	2,360	840	564	142	712
<i>Adjusted Chariho</i>	-	-	-	-	-	-	-

Table 5: FY 2027 Estimated Charter and State School Enrollment by Sending District

<i>Sending District</i>	<i>Trinity</i>	<i>Village Green</i>	<i>Nowell Academy</i>	<i>YouthBuild Academy</i>	<i>Davies Career & Tech. School</i>	<i>Metropolitan Career & Tech. Center</i>	<i>Total</i>
Barrington	-	-	-	-	-	1	4
Burrillville	-	-	-	-	4	1	91
Charlestown	-	-	-	-	-	5	25
Coventry	-	1	-	-	2	1	59
Cranston	-	5	6	-	15	36	483
Cumberland	-	5	1	-	30	3	382
East Greenwich	-	-	-	-	-	4	11
East Providence	-	4	3	-	9	14	77
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	22
Jamestown	-	-	-	-	-	12	15
Johnston	-	4	6	-	24	10	81
Lincoln	-	-	1	-	54	3	189
Little Compton	-	-	-	-	-	1	1
Middletown	-	-	-	-	-	18	19
Narragansett	-	-	-	-	-	-	10
Newport	-	-	-	-	-	40	42
New Shoreham	-	-	-	-	-	-	1
North Kingstown	-	-	-	-	1	14	98
North Providence	-	5	2	-	41	17	259
North Smithfield	-	-	-	-	12	1	63
Pawtucket	-	25	38	-	457	96	2,671
Portsmouth	-	-	-	-	-	8	10
Providence	306	130	91	135	83	472	8,414
Richmond	-	-	-	-	-	4	37
Scituate	-	-	-	-	-	-	2
Smithfield	-	-	-	-	17	2	27
South Kingstown	-	-	-	-	-	13	147
Tiverton	-	-	-	-	-	18	19
Warwick	-	1	4	-	1	15	189
Westerly	-	-	-	-	-	-	22
West Warwick	-	1	-	-	1	8	57
Woonsocket	-	3	5	-	17	18	1,043
Bristol-Warren	-	-	-	-	1	16	24
Exeter-West Greenwich	-	-	-	-	-	2	65
Foster-Glocester	-	-	-	-	-	-	1
Central Falls	-	4	2	-	114	38	1,844
Total	306	188	159	135	883	891	16,504
<i>Adjusted Chariho</i>	-	-	-	-	-	9	84

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Achievement First</i>	<i>Beacon</i>	<i>Blackstone Academy</i>	<i>Charette</i>	<i>Compass</i>	<i>Excel</i>	<i>Greene School</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,569
Burrillville	-	88,394	-	-	-	-	-
Charlestown	-	-	-	-	11,995	-	5,997
Coventry	-	18,213	-	-	67,757	-	219,805
Cranston	3,009,993	7,348	-	-	56,491	-	56,491
Cumberland	-	117,965	-	-	-	-	33,442
East Greenwich	-	-	-	-	2,058	-	4,115
East Providence	7,105	-	-	-	11,993	-	7,105
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	49,049	-	42,042
Jamestown	-	-	-	-	1,970	-	-
Johnston	-	31,864	-	-	13,594	-	20,390
Lincoln	16,859	47,070	5,620	-	-	-	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	2,703
Narragansett	-	-	-	-	13,239	-	3,341
Newport	-	-	-	-	13,504	-	-
New Shoreham	-	-	-	-	-	-	1,558
North Kingstown	-	-	-	-	102,206	-	27,773
North Providence	804,279	38,939	-	-	7,966	528,326	-
North Smithfield	-	60,111	-	-	-	-	-
Pawtucket	54,576	228,640	2,478,814	-	-	-	394,695
Portsmouth	-	-	-	-	1,431	-	-
Providence	47,281,345	153,862	585,474	2,576,403	21,901	7,238,482	294,083
Richmond	-	-	-	-	108,173	-	15,453
Scituate	-	-	-	-	-	-	3,026
Smithfield	-	14,224	4,741	-	-	-	4,741
South Kingstown	-	-	-	-	116,777	-	6,027
Tiverton	-	-	-	-	-	-	-
Warwick	534,687	17,452	-	-	116,720	-	111,414
Westerly	-	-	-	-	47,882	-	13,681
West Warwick	-	42,353	-	-	94,109	-	195,248
Woonsocket	-	4,251,143	-	-	-	-	12,445
Bristol-Warren	-	-	-	-	-	-	-
Exeter-West Greenwic	-	-	-	-	128,364	-	75,332
Foster-Glocester	-	5,718	-	-	-	-	-
Central Falls	-	26,720	2,267,793	-	-	689,807	74,496
Total	\$ 51,708,843	\$ 5,150,017	\$ 5,342,442	\$ 2,576,403	\$ 987,178	\$ 8,456,615	\$ 1,628,975

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Highlander</i>	<i>Hope Academy</i>	<i>International</i>	<i>Kingston Hill</i>	<i>Learning Community</i>	<i>Nuestro Mundo</i>	<i>Nurses Institute</i>
Barrington	\$ -	\$ -	\$ 7,138	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	-	-	-	-
Charlestown	-	-	-	21,991	-	-	-
Coventry	-	-	-	94,860	-	-	-
Cranston	337,122	-	105,633	66,131	-	7,348	189,047
Cumberland	-	-	17,638	-	-	7,055	17,638
East Greenwich	-	-	-	8,231	-	-	-
East Providence	112,543	-	153,468	-	14,210	-	45,302
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	67,884	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	62,250	-	48,937	36,540	-	-	49,372
Lincoln	-	-	33,088	-	-	-	15,106
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	4,355	1,980	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	-	172,112	-	-	-
North Providence	122,108	108,342	156,650	7,966	-	-	23,899
North Smithfield	-	-	-	-	-	-	-
Pawtucket	1,225,158	-	2,682,495	23,283	2,605,195	-	1,536,313
Portsmouth	-	-	-	1,431	-	-	-
Providence	5,918,590	4,798,124	1,348,475	97,161	1,697,217	5,835,998	4,676,649
Richmond	-	-	-	46,360	-	-	-
Scituate	-	-	3,026	-	-	-	-
Smithfield	-	-	8,004	-	-	-	12,745
South Kingstown	-	-	-	158,836	-	-	-
Tiverton	3,062	-	-	-	-	-	-
Warwick	63,340	11,635	5,817	188,344	-	-	90,984
Westerly	-	-	-	18,387	-	-	-
West Warwick	78,353	-	-	119,266	-	-	21,177
Woonsocket	117,484	-	56,950	24,891	-	-	56,950
Bristol-Warren	27,473	-	5,079	-	-	-	-
Exeter-West Greenwic	-	-	-	72,631	-	-	-
Foster-Glocester	-	-	-	-	-	-	-
Central Falls	56,112	-	237,489	-	5,402,173	-	338,384
Total	\$ 8,123,594	\$ 4,918,101	\$ 4,874,242	\$ 1,228,284	\$ 9,718,795	\$ 5,850,401	\$ 7,073,565

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Paul Cuffee</i>	<i>Providence Prep</i>	<i>RI Mayoral Academies Blackstone Valley Prep</i>	<i>RISE Mayoral Academy</i>	<i>Segue Institute</i>	<i>Southside Elementary</i>	<i>Times2</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Burrillville	-	-	-	538,059	-	-	-
Charlestown	-	-	-	-	-	-	-
Coventry	-	-	-	-	-	-	-
Cranston	-	-	7,348	-	-	-	-
Cumberland	-	-	2,091,994	11,759	-	-	-
East Greenwich	-	-	-	-	-	-	-
East Providence	-	-	21,315	-	7,105	-	-
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	-	-	-	13,594	6,797	-	-
Lincoln	-	-	707,357	9,486	-	-	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-	-
Newport	-	-	-	-	-	-	-
New Shoreham	-	-	-	-	-	-	-
North Kingstown	-	-	3,472	-	-	-	-
North Providence	-	-	31,865	-	-	-	-
North Smithfield	-	-	-	221,442	-	-	-
Pawtucket	-	-	17,716,033	11,642	828,413	-	-
Portsmouth	-	-	-	-	-	-	-
Providence	11,976,636	3,767,303	145,881	-	178,083	2,291,693	10,802,832
Richmond	-	-	-	-	-	-	-
Scituate	-	-	-	-	-	-	-
Smithfield	-	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-	-
Warwick	-	-	5,817	-	-	-	-
Westerly	-	-	-	-	-	-	-
West Warwick	-	-	21,177	-	-	-	-
Woonsocket	-	12,445	81,841	11,717,178	12,445	-	-
Bristol-Warren	-	-	-	-	-	-	-
Exeter-West Greenwic	-	-	-	-	-	-	-
Foster-Glocester	-	-	-	-	-	-	-
Central Falls	-	-	11,630,106	-	8,390,128	-	-
Total	\$ 11,976,636	\$ 3,779,749	\$ 32,464,206	\$ 12,523,158	\$ 9,422,971	\$ 2,291,693	\$ 10,802,832

Table 6: Formula Funding to Charter and State Schools by Sending District

<i>Sending District</i>	<i>Trinity</i>	<i>Village Green</i>	<i>Nowell Academy</i>	<i>YouthBuild Academy</i>	<i>Davies Career and Technical School</i>	<i>Metropolitan Career and Technical Center</i>	<i>Total</i>
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,569	\$ 14,276
Burrillville	-	-	-	-	29,465	6,285	662,203
Charlestown	-	-	-	-	-	11,371	51,354
Coventry	-	11,437	-	-	18,213	6,776	437,061
Cranston	-	46,850	63,662	-	125,385	315,254	4,394,103
Cumberland	-	42,708	5,879	-	184,473	25,728	2,556,279
East Greenwich	-	-	-	-	-	8,231	22,635
East Providence	-	47,973	37,401	-	63,945	99,470	628,935
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	158,975
Jamestown	-	-	-	-	-	7,879	9,849
Johnston	-	45,892	52,852	-	181,829	78,680	642,591
Lincoln	-	-	9,486	-	330,525	16,859	1,191,456
Little Compton	-	-	-	-	-	2,630	2,630
Middletown	-	-	-	-	-	59,815	62,518
Narragansett	-	-	-	-	-	-	22,915
Newport	-	-	-	-	-	359,696	373,200
New Shoreham	-	-	-	-	-	-	1,558
North Kingstown	-	-	-	-	5,860	55,769	367,192
North Providence	-	50,793	26,894	-	355,616	149,575	2,413,218
North Smithfield	-	-	-	-	64,968	4,857	351,378
Pawtucket	-	383,799	598,469	-	6,073,635	1,379,851	38,221,011
Portsmouth	-	-	-	-	-	12,431	15,293
Providence	4,795,897	2,030,925	1,562,100	2,264,502	1,157,957	7,458,789	130,956,362
Richmond	-	-	-	-	-	20,604	190,590
Scituate	-	-	-	-	-	-	6,052
Smithfield	-	-	-	-	87,128	9,483	141,066
South Kingstown	-	-	-	-	-	33,027	314,667
Tiverton	-	-	-	-	-	63,535	66,597
Warwick	-	9,820	31,274	-	5,817	100,431	1,293,552
Westerly	-	-	-	-	-	-	79,950
West Warwick	-	10,588	-	-	10,588	125,365	718,224
Woonsocket	-	37,336	101,455	-	245,821	295,005	17,023,389
Bristol-Warren	-	-	-	-	8,978	71,063	112,593
Exeter-West Greenwic	-	-	-	-	-	11,293	287,620
Foster-Glocester	-	-	-	-	-	-	5,718
Central Falls	-	83,688	38,584	-	1,786,082	626,000	31,647,562
Total	\$ 4,795,897	\$ 2,801,810	\$ 2,528,057	\$ 2,264,502	\$ 10,736,285	\$ 11,419,323	\$ 235,444,574

Table 7: Categorical Aid for FY 2027

<i>Sending District</i>	<i>High Cost Special Education</i>	<i>Non-Public Transportation</i>	<i>Regional Transportation</i>	<i>Total</i>
Barrington	\$ 907,140	\$ 259,132	\$ -	\$ 1,166,272
Burrillville	444,201	87,989	-	532,190
Charlestown	-	-	-	-
Coventry	862,375	238,807	-	1,101,182
Cranston	1,523,537	1,089,226	-	2,612,763
Cumberland	240,792	109,414	-	350,206
East Greenwich	781,846	84,964	-	866,810
East Providence	1,151,116	347,691	-	1,498,807
Foster	32,876	16,774	-	49,650
Glocester	126,365	42,049	-	168,414
Hopkinton	-	-	-	-
Jamestown	128,805	54,702	-	183,507
Johnston	1,223,688	285,823	-	1,509,511
Lincoln	234,751	279,538	-	514,289
Little Compton	-	-	-	-
Middletown	520,512	-	-	520,512
Narragansett	226,694	-	-	226,694
Newport	407,301	-	-	407,301
New Shoreham	-	-	-	-
North Kingstown	98,413	325,147	-	423,560
North Providence	843,496	261,800	-	1,105,296
North Smithfield	152,832	37,910	-	190,742
Pawtucket	1,700,758	309,233	-	2,009,991
Portsmouth	326,321	-	-	326,321
Providence	1,998,965	934,158	-	2,933,123
Richmond	-	-	-	-
Scituate	75,234	73,923	-	149,157
Smithfield	124,941	92,046	-	216,987
South Kingstown	233,026	169,152	-	402,178
Tiverton	740,142	-	-	740,142
Warwick	1,077,628	66,227	-	1,143,855
Westerly	435,241	-	-	435,241
West Warwick	461,599	139,470	-	601,069
Woonsocket	432,063	-	-	432,063
Bristol-Warren	1,042,237	576,122	2,403,896	4,022,255
Chariho	275,231	709,522	2,843,211	3,827,964
Exeter-West Greenwich	709,429	-	2,050,241	2,759,670
Foster-Glocester	202,921	-	1,004,207	1,207,128
Central Falls	120,206	62,532	-	182,738
Subtotal	\$ 19,862,682	\$ 6,653,351	\$ 8,301,555	\$ 34,817,588
Charters & State Schools	137,318	-	-	137,318
Total	\$ 20,000,000	\$ 6,653,351	\$ 8,301,555	\$ 34,954,906

Table 8: Enrollment Transition Fund for FY 2027

- A.** Column **A** shows the FY 2026 enacted student counts based on the resident average daily membership as of March 2025.
- B.** The FY 2027 student counts are shown in column **B** based on the resident average daily membership as of March 2026.
- C.** Column **C** is the difference between the FY 2027 student counts shown in column **B** and the FY 2026 student counts shown in column **A**.
- D.** Column **D** is the effective state share per pupil. It is the amount of FY 2027 formula aid shown in column **J** in Table 2 divided by the FY 2027 student counts shown in column **B**.
- E.** Column **E** shows the year one aid for FY 2027. The calculation is 40.0 percent of the loss of students shown in column **C** times the effective state share per pupil shown in column **D**. The second year of this payment is 25.0 percent of the loss of students and will be \$6.4 million in FY 2028.
- F.** Column **F** shows the value of year two aid related to FY 2026 enrollment losses in the FY 2026 enacted budget.
- G.** Column **G** is the total enacted enrollment transition fund amount for FY 2027. It is the sum of the FY 2026 year two calculation in column **F** and the FY 2027 year one aid in column **E**.

Table 8: Enrollment Transition Fund for FY 2027

<i>District</i>	<i>A</i> <i>FY 2026</i> <i>PK-12</i> <i>RADM</i>	<i>B</i> <i>FY 2027</i> <i>PK-12</i> <i>RADM</i>	<i>C</i> <i>FY 2027</i> <i>Chg. To</i> <i>FY 2026</i>	<i>D</i> <i>Effective</i> <i>State Share</i> <i>Per Pupil</i>	<i>E</i> <i>FY 2027</i> <i>Year 1</i>	<i>F</i> <i>FY 2026</i> <i>Year 2</i>	<i>G</i> <i>Total</i> <i>Enrollment</i> <i>Transition</i>
Barrington	3,266	3,206	(60)	\$ 3,664	\$ 87,929	\$ 19,715	\$ 107,644
Burrillville	1,992	1,930	(62)	6,924	171,720	59,329	231,050
Charlestown	655	637	(18)	2,195	15,802	17,562	33,364
Coventry	4,041	3,915	(126)	7,494	377,684	201,463	579,147
Cranston	9,694	9,622	(72)	8,506	244,975	202,053	447,029
Cumberland	4,764	4,801	37	6,315	-	10,369	10,369
East Greenwich	2,470	2,398	(72)	2,134	61,458	16,420	77,878
East Providence	4,966	4,895	(71)	8,296	235,595	106,894	342,489
Foster	231	216	(15)	6,106	36,635	-	36,635
Glocester	560	543	(17)	5,519	37,526	-	37,526
Hopkinton	1,087	1,077	(10)	7,639	30,556	6,603	37,158
Jamestown	545	527	(18)	673	4,845	4,441	9,286
Johnston	3,291	3,267	(24)	7,829	75,159	-	75,159
Lincoln	3,225	3,166	(59)	6,195	146,202	76,117	222,319
Little Compton	253	251	(2)	1,660	1,328	8,378	9,706
Middletown	1,860	1,802	(58)	3,021	70,082	86,001	156,083
Narragansett	919	883	(36)	2,119	30,508	31,507	62,015
Newport	1,721	1,668	(53)	8,876	188,179	159,271	347,450
New Shoreham	121	118	(3)	1,674	2,009	795	2,804
North Kingstown	3,517	3,491	(26)	3,818	39,707	-	39,707
North Providence	3,418	3,395	(23)	9,352	86,041	166,900	252,941
North Smithfield	1,602	1,607	5	5,164	-	49,013	49,013
Pawtucket	7,659	7,397	(262)	15,370	1,610,748	476,603	2,087,351
Portsmouth	2,007	1,973	(34)	1,504	20,450	9,089	29,539
Providence	19,209	18,880	(329)	16,060	2,113,436	11,616	2,125,053
Richmond	1,035	1,023	(12)	5,565	26,714	34,488	61,201
Scituate	1,165	1,133	(32)	3,183	40,745	-	40,745
Smithfield	2,355	2,302	(53)	5,060	107,281	58,443	165,723
South Kingstown	2,332	2,281	(51)	2,183	44,531	49,931	94,461
Tiverton	1,580	1,518	(62)	3,339	82,812	6,723	89,535
Warwick	7,926	7,782	(144)	6,578	378,887	67,430	446,317
Westerly	2,169	2,051	(118)	3,888	183,492	81,706	265,197
West Warwick	3,464	3,370	(94)	12,896	484,895	285,570	770,464
Woonsocket	5,452	5,179	(273)	17,069	1,863,954	-	1,863,954
Bristol-Warren	2,710	2,648	(62)		119,046	97,893	216,939
Chariho	-	-	-	See Table	-	-	-
Exeter-West Greenwich	1,516	1,512	(4)	Below	9,152	21,958	31,109
Foster-Glocester	1,012	1,015	3		34,429	69,477	103,906
Central Falls	2,487	2,317	(170)	18,159	1,234,843	244,036	1,478,879
Total	118,276	115,796	(2,480)	\$ 9,107	\$ 10,299,354	\$ 2,737,792	\$ 13,037,146
<i>Bristol</i>	<i>1,685</i>	<i>1,662</i>	<i>(23)</i>	<i>2,727</i>	<i>25,085</i>	<i>39,257</i>	<i>64,342</i>
<i>Warren</i>	<i>1,025</i>	<i>986</i>	<i>(39)</i>	<i>6,023</i>	<i>93,961</i>	<i>58,635</i>	<i>152,597</i>
<i>Exeter</i>	<i>730</i>	<i>732</i>	<i>2</i>	<i>4,813</i>	<i>-</i>	<i>21,958</i>	<i>21,958</i>
<i>West Greenwich</i>	<i>786</i>	<i>780</i>	<i>(6)</i>	<i>3,813</i>	<i>9,152</i>	<i>-</i>	<i>9,152</i>
<i>Foster</i>	<i>316</i>	<i>302</i>	<i>(14)</i>	<i>6,148</i>	<i>34,429</i>	<i>16,792</i>	<i>51,221</i>
<i>Glocester</i>	<i>696</i>	<i>713</i>	<i>17</i>	<i>5,442</i>	<i>-</i>	<i>52,685</i>	<i>52,685</i>
<i>Adjusted Chariho</i>	<i>2,777</i>	<i>2,737</i>	<i>(40)</i>	<i>5,597</i>	<i>73,071</i>	<i>58,652</i>	<i>131,723</i>

Table 9: Poverty Stabilization Fund for FY 2027

- A.** Column **A** is the FY 2027 formula aid shown in column **J** in Table 2.
- B.** Column **B** is the calculation of formula aid using FY 2027 enrollment and student poverty, but using the FY 2026 share ratio instead of the FY 2027 share ratio.
- C.** Column **C** is the difference between the FY 2027 formula aid in column **A** and the FY 2027 calculation using the FY 2026 share ratio in column **B**.
- D.** Column **D** is the percent change between the share ratio for FY 2027 and FY 2026. It is column **J** on Table 4. The full calculation is shown in Table 4.
- E.** Column **E** is the distribution of the poverty loss stabilization fund. When the foundation formula aid produces less than the prior year, as shown in column **C**, and the decrease in the state share ratio is more than 2.0 percent, as shown in column **D**, the payment is 50.0 percent of the difference in formula aid shown in column **C**.

Table 9: Poverty Stabilization Fund for FY 2027

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	<i>FY2027 Enacted</i>	<i>FY2027 HFC</i>	<i>FY2027</i>	<i>Share Ratio %</i>	<i>Poverty Loss</i>
<i>District</i>	<i>Formula Aid</i>	<i>Enacted Aid w/FY</i>	<i>Calculation</i>	<i>Chg. to FY2026</i>	<i>Stabilization</i>
		<i>2026 Share Ratio</i>	<i>Chg. to FY2026</i>	<i>(Table 4)</i>	<i>Fund</i>
Barrington	\$ 11,745,846	\$ 10,099,915	\$ 1,645,931	16.3%	\$ -
Burrillville	13,363,725	13,652,817	(289,092)	-2.3%	144,546
Charlestown	1,398,051	1,487,142	(89,091)	-6.2%	44,546
Coventry	29,337,925	28,661,448	676,477	2.4%	-
Cranston	81,845,526	82,595,468	(749,942)	-1.0%	-
Cumberland	30,319,262	29,601,568	717,694	2.4%	-
East Greenwich	5,117,236	4,553,695	563,541	12.4%	-
East Providence	40,607,020	40,466,488	140,531	0.3%	-
Foster	1,318,873	1,174,057	144,816	12.3%	-
Glocester	2,996,594	3,008,482	(11,888)	-0.3%	-
Hopkinton	8,227,086	7,453,568	773,518	10.3%	-
Jamestown	354,604	375,774	(21,170)	-5.0%	10,585
Johnston	25,577,597	24,916,285	661,313	2.6%	-
Lincoln	19,613,340	21,382,212	(1,768,872)	-8.3%	884,436
Little Compton	416,691	314,484	102,207	32.6%	-
Middletown	5,443,405	6,236,686	(793,281)	-12.9%	396,640
Narragansett	1,870,746	1,713,307	157,439	9.0%	-
Newport	14,805,749	14,569,373	236,376	1.6%	-
New Shoreham	197,563	99,403	98,160	99.3%	-
North Kingstown	13,328,610	12,936,529	392,081	2.9%	-
North Providence	31,751,160	31,640,962	110,198	0.3%	-
North Smithfield	8,298,684	9,626,096	(1,327,412)	-13.7%	663,706
Pawtucket	113,689,892	113,013,166	676,726	0.6%	-
Portsmouth	2,966,730	2,844,809	121,920	3.8%	-
Providence	303,204,253	306,102,263	(2,898,010)	-1.0%	-
Richmond	5,693,350	6,402,121	(708,772)	-11.0%	354,386
Scituate	3,606,603	4,370,088	(763,485)	-17.4%	381,742
Smithfield	11,649,059	10,859,321	789,739	7.3%	-
South Kingstown	4,979,129	5,173,950	(194,821)	-3.5%	97,410
Tiverton	5,068,911	5,335,385	(266,474)	-5.1%	133,237
Warwick	51,189,270	49,705,839	1,483,431	2.8%	-
Westerly	7,973,330	8,110,407	(137,077)	-1.6%	-
West Warwick	43,459,960	43,061,767	398,193	0.8%	-
Woonsocket	88,401,241	88,007,471	393,769	0.5%	-
Bristol-Warren	10,470,480	10,730,005	(259,526)		103,608
Chariho	-	-	-	See Table Below	-
Exeter-West Greenwic	6,497,330	7,373,160	(875,830)		437,915
Foster-Glocester	5,736,773	5,548,295	188,477		-
Central Falls	42,075,475	42,206,415	(130,940)	-0.3%	-
Total	\$ 1,054,597,079	\$ 1,055,410,223	\$ (813,145)		\$ 3,652,758
<i>Bristol</i>	<i>4,531,635</i>	<i>4,738,850</i>	<i>(207,216)</i>	<i>-4.5%</i>	<i>103,608</i>
<i>Warren</i>	<i>5,938,845</i>	<i>5,991,155</i>	<i>(52,310)</i>	<i>-0.9%</i>	<i>-</i>
<i>Exeter</i>	<i>3,523,083</i>	<i>3,710,313</i>	<i>(187,230)</i>	<i>-5.0%</i>	<i>93,615</i>
<i>West Greenwich</i>	<i>2,974,247</i>	<i>3,662,847</i>	<i>(688,600)</i>	<i>-18.8%</i>	<i>344,300</i>
<i>Foster</i>	<i>1,856,696</i>	<i>1,652,826</i>	<i>203,870</i>	<i>12.3%</i>	<i>-</i>
<i>Glocester</i>	<i>3,880,077</i>	<i>3,895,470</i>	<i>(15,393)</i>	<i>-0.3%</i>	<i>-</i>
<i>Adjusted Chariho</i>	<i>15,318,487</i>	<i>15,342,831</i>	<i>(24,345)</i>	<i>-6.9%</i>	<i>398,932</i>

Table 10: Education Aid for FY 2021-FY 2025

<i>District</i>	<i>FY2021</i>	<i>FY2022</i>	<i>FY 2023</i>	<i>FY2024</i>	<i>FY2025</i>
Barrington	\$ 6,148,515	\$ 8,232,393	\$ 8,828,606	\$ 11,101,246	\$ 12,112,556
Burrillville	14,352,095	13,994,929	14,410,118	14,124,620	13,955,064
Charlestown	1,310,422	1,291,375	1,341,690	1,372,841	1,548,074
Coventry	23,564,535	24,191,219	25,098,898	26,376,051	27,876,640
Cranston	69,762,285	69,876,885	72,154,948	74,422,252	79,545,544
Cumberland	20,799,151	21,305,153	22,263,569	24,359,167	26,537,195
East Greenwich	3,490,910	4,542,049	4,841,875	6,085,014	7,073,215
East Providence	36,377,563	36,956,352	38,149,384	39,186,558	39,069,403
Foster	1,065,648	1,109,702	1,137,350	1,222,365	1,305,398
Glocester	2,218,174	2,481,208	2,551,793	2,890,505	3,111,364
Hopkinton	5,488,786	5,590,838	5,826,634	6,343,316	6,787,526
Jamestown	405,580	339,230	391,662	794,918	709,899
Johnston	19,127,284	19,970,936	20,720,126	22,428,734	24,750,928
Lincoln	15,198,685	16,231,922	17,055,189	17,721,522	18,775,820
Little Compton	397,665	432,020	448,877	362,326	343,653
Middletown	7,894,209	8,185,474	8,476,387	7,897,253	7,396,997
Narragansett	2,261,373	2,196,991	2,271,278	2,256,135	2,206,347
Newport	14,034,125	15,005,286	15,698,952	15,212,110	15,710,047
New Shoreham	178,491	237,000	240,792	151,991	90,884
North Kingstown	11,867,847	11,302,964	11,547,833	11,921,360	13,494,792
North Providence	25,275,682	27,298,296	28,223,847	29,046,056	30,393,766
North Smithfield	6,206,522	6,372,462	6,533,857	7,606,634	8,072,088
Pawtucket	92,823,636	96,013,908	99,145,207	107,174,138	111,553,051
Portsmouth	3,935,800	3,800,556	3,772,245	3,593,688	3,770,728
Providence	272,314,070	277,047,845	279,075,003	282,866,333	294,278,836
Richmond	4,694,206	5,150,039	5,415,636	5,774,871	6,370,367
Scituate	2,727,973	2,535,612	2,603,877	3,717,597	3,690,304
Smithfield	6,227,713	7,085,403	7,281,435	8,926,874	10,111,828
South Kingstown	4,853,437	4,969,168	5,140,323	5,923,005	6,008,520
Tiverton	7,475,571	6,896,308	7,236,769	6,961,353	5,850,781
Warwick	38,441,937	40,271,671	41,873,277	45,898,470	46,763,153
Westerly	8,255,191	8,083,721	8,379,537	8,781,097	8,785,308
West Warwick	29,535,239	30,945,717	32,123,085	37,983,651	40,104,938
Woonsocket	68,991,503	70,423,976	72,528,817	82,872,750	85,082,626
Bristol-Warren	14,514,094	13,130,077	14,008,318	14,619,452	14,834,560
Exeter-West Greenwich	2,135,033	1,847,044	2,405,627	3,178,096	3,455,443
Chariho	5,696,331	5,468,643	6,213,653	7,269,662	7,667,259
Foster-Glocester	5,207,657	5,768,566	5,961,183	6,659,257	6,710,115
Central Falls	45,680,069	48,422,396	49,633,417	51,643,349	54,365,495
<i>District Subtotal</i>	\$ 900,935,010	\$ 925,005,336	\$ 951,011,073	\$ 1,006,726,616	\$ 1,050,270,511
Charter Schools	109,288,557	137,747,583	139,702,946	157,846,451	185,026,697
State Schools	23,085,073	24,562,182	24,564,990	27,449,288	29,262,531
Total	\$ 1,033,308,641	\$ 1,087,315,101	\$ 1,115,279,009	\$ 1,192,022,355	\$ 1,264,559,739

Revenues Changes

The Governor recommended \$27.1 million and \$336.9 million more general revenues than estimated at the November 2025 Revenue Estimating Conference for FY 2026 and FY 2027, respectively. He also recommended internal fund transfers for FY 2026 that would increase resources available for expenditure from general revenues by \$6.3 million. The May 2026 Revenue Estimating Conference increased the FY 2026 estimates by \$154.6 million to \$5,950.4 million and included \$5,785.4 million for FY 2027. The Budget includes total FY 2026 revenues of \$6,084.5 million and \$6,080.4 million for FY 2027. The items are explained in the pages that follow.

Taxes

- **Research and Development Tax Provisions.** H.R. 1 reestablished the ability of businesses to fully expense domestic research and development costs beginning in tax year 2025. Since 2022, federal law has required amortizing those expenses over five years. Rhode Island's tax begins with federal taxable income, meaning it would be coupled with this new provision absent any changes. The FY 2026 enacted budget proactively decoupled the state from any tax year 2025 or earlier provisions that may be enacted after the budget was adopted, requiring their analysis for future action.

The Department of Revenue's October 2025 report on the impacts of H.R. 1's tax provisions identified a revenue loss of \$22.6 million for FY 2026 and FY 2027 from the research and development expensing provision as it applies to tax year 2026 and later. These losses were incorporated into the November 2025 consensus revenue estimates, which must be based on current law. The Budget includes the Governor's proposal to decouple the state from federal law beginning in tax year 2026, while maintaining the current five-year expensing practice. The Budget recognizes the \$22.6 million in revenues for both FY 2026 and FY 2027.

- **Corporate Tax Deduction Decoupling.** The Budget decouples from two federal corporate tax deductions identified in the H.R. 1 report, effective beginning with tax year 2027 and assumes this action will result in \$5.1 million in additional revenues. These include the Qualified Business Stock Gains (QSBS) and the business interest limitation.

The Qualified Small Business Stock Gains provide a tax incentive to founders and investors in qualifying small C corporations to exclude a substantial amount of the gain from stock sales from federal tax. The Budget assumes \$1.9 million in additional revenue for FY 2027 from decoupling from the federal treatment. The business interest limitation addresses business interest expenses arising from certain international tax inclusions and related deductions. The Budget assumes decoupling from this exemption will add \$3.2 million in revenues.

- **Income Tax Rates.** The Budget includes a three-year, phased-in increase in the tax rate on income over \$1.0 million beginning in tax year 2027. Rhode Island currently has three tax brackets, with rates adjusted annually for inflation; the highest rate is 5.99 percent and applies to incomes above \$186,450 for tax year 2026. For tax year 2027, the rate for incomes over \$1.0 million would increase to 6.99 percent. The top rate would be 7.99 percent for tax year 2028 and 8.99 percent for tax year 2029. The annualized impact would grow over time to \$142.3 million by FY 2030. For FY 2027, revenues would be \$22.7 million.

Additionally, the legislation structures the increased rate as a surtax to allow flexibility for pass-through entities that elect to use the existing state workaround to the federal cap on state and local tax deductions. This mechanism allows for a payment and a 90.0 percent offsetting credit at the entity level, and the rate is currently set at 5.99 percent regardless of income level. With this change, pass-through entities whose owners would not benefit from the higher entity-level rate may continue to elect the 5.99 percent pass-

through entity rate. Entities whose owners would benefit from the higher entity-level payment may elect the additional surcharge. Personal income taxpayers with taxable income above \$1.0 million remain subject to the additional tax.

- ***Social Security Tax.*** Under current law, taxpayers who have reached full Social Security retirement age (67 or older) and have incomes below \$107,000 for individuals and \$133,750 for joint filers are exempt from paying state income tax on their Social Security income. The Budget includes the Governor's proposal to eliminate the current age threshold in 2027 but does not include his proposal to phase out the tax completely by 2029. The Budget recognizes a revenue loss of \$3.0 million in FY 2027, which annualizes to \$6.0 million in FY 2028.
- ***Child Tax Credit.*** The Governor proposed replacing the current dependent exemption with a new refundable child tax credit for each dependent age 18 or younger, effective for tax year 2027. The maximum credit is estimated to be \$325 for FY 2027, and the Governor's budget assumes a revenue loss of \$14.7 million, which would annualize to \$29.7 million. The Budget maintains the current dependent exemption and adds a refundable child tax credit of \$330 that phases out at \$100,000 for single filers and \$125,000 for joint filers. The revenue loss is estimated to be \$23.1 million for FY 2027, annualizing to \$46.6 million in FY 2028.
- ***Cigarette Tax Increase.*** The Budget does not include the Governor's proposal to increase the cigarette tax by \$0.75 to \$5.25 per 20-pack, effective September 1, 2026. His FY 2027 budget assumes \$6.6 million in revenues, including \$7.0 million from the excise tax offset by a \$0.4 million reduction in sales tax, reflecting a decline in consumption linked to the higher cost.
- ***Distributor Cigarette Stamp Discount.*** The Budget does not include the Governor's proposal to eliminate the current 1.25 percent discount on cigarette tax stamps purchased by distributors. His FY 2027 budget assumes \$0.8 million in revenue based on an effective date of September 1, 2026.
- ***Cigar Tax.*** Cigars are currently taxed as other tobacco products, which is 80.0 percent of their wholesale cost up to a maximum of \$0.50 per cigar. The Budget does not include the Governor's proposal to increase the per-cigar cap to \$2.00, effective September 1, 2026 to generate \$0.6 million in revenue.
- ***Utility Ratepayer Savings Initiatives.*** The Governor recommended several initiatives to lower electricity charges for customers. These include lowering the percentage of electricity that must be generated from renewable sources, requiring amortization of recovered road-repair charges, and capping energy-efficiency surcharges. With an estimated \$115.0 million reduction in charges on customer bills for 2027, the initiatives are expected to reduce the gross earnings tax on electricity charges by \$2.3 million for FY 2027. The Assembly did not concur with the proposal to cap the energy efficiency program, modified the road repair proposal to achieve more savings, and made other adjustments that affect the revenue assumptions. The FY 2027 Budget includes a revenue loss of \$0.8 million.
- ***Pawtucket Tax Increment Financing Debt Service.*** The Budget includes \$0.5 million in revenue from the December 2025 refinancing of the Pawtucket Redevelopment Agency's bonds for the Tidewater Landing project. The impact was included in the May Revenue estimate. This refinancing generates \$15.1 million in total revenue over the life of the bonds through FY 2053.
- ***Tax Amnesty.*** The Budget includes the Governor's proposal to grant the Division of Taxation authority to implement a 75-day tax amnesty program ending on February 15, 2027. Filers will apply to the Division, and participants will not be subject to penalties or prosecution and will pay the statutory interest rate, reduced by 25.0 percent. The program applies to taxable periods through December 31, 2025, and will not be available to taxpayers under criminal investigation or parties to any court proceedings for fraud related to state taxes. The last amnesty, which concluded in February 2018, collected \$22.0 million.

Tax Amnesty Program		
Total Revenues	\$	26,347,993
<i>Personal Income</i>		8,797,480
<i>Sales and Use Tax</i>		4,362,121
<i>Business Corporations</i>		2,488,348
<i>Other Tax Types</i>		2,697,345
<i>Interest Payments</i>		8,002,699
Implementation Costs	\$	(750,000)
Net Impact	\$	25,597,993

The Budget assumes \$26.3 million in one-time revenues, including \$18.3 million in tax payments, and provides \$750,000 for the Division of Taxation's expenses, including programming and marketing.

- **Primary Care Assessment Sunset.** The FY 2026 enacted budget established an assessment, similar to the child and adult immunization program assessments, to generate \$30.0 million annually to support primary care and other critical healthcare programs. Federal legislation contained in H.R. 1, adopted after this assessment was enacted, restricts the imposition of new provider taxes. More recent guidance suggested that the assessment could potentially jeopardize aspects of the Medicaid budget beyond lack of federal match. The Budget sunsets the assessment on October 1, 2026, to align with federal guidance. This results in a \$22.5 million revenue reduction. This is partially offset by the exclusion of \$9.2 million in assessment-related expenses, which were assumed in the May caseload estimate to be funded from state-only sources because of the known match limitations.
- **Medicaid Spending Proposals.** The Budget contains proposals that produce a net increase to current law Medicaid expenses to account for home and community-based service rate increases, a revision to GLP-1 coverage, and a change to nursing home coverage for behavioral health beds. This increases revenue by \$0.7 million because managed care plans pay a 2.0 percent provider tax on gross premiums, and nursing facilities pay a 5.5 percent provider tax.

Departmental Revenues

- **Hospital Licensing Fee Renewal.** The Budget extends the three-tiered system for the community hospitals with FY 2027 payments totaling \$228.5 million based on 2023 revenue. This is unchanged from FY 2026. The license fee is generally set and renewed annually and, as such, was not included in the consensus revenue estimate for FY 2027. The license fee for Eleanor Slater Hospital is 5.25 percent based on 2023 revenues for payments totaling \$4.0 million; this is consistent with the enacted budget. The Budget assumes total revenues of \$232.5 million from both. Federal limits on provider taxes like this one were adopted in H.R. 1 and require a phase-down to 3.5 percent by FY 2032.
- **Tax Amnesty.** As noted above, the FY 2027 Budget grants the Division of Taxation the authority to implement a 75-day tax amnesty program ending on February 15, 2027. It assumes this will generate \$26.3 million, including \$8.1 million in departmental revenues, mostly interest on overdue payments.
- **Child Support Pass-Through to Federal Max.** The Budget increases the child support pass-through payment to \$100 for families with one child and \$200 for families with two or more children, which is the maximum allowed by the federal government. Child support payments collected by the state on behalf of participants in federally funded Temporary Assistance for Needy Families programs are retained by the state to offset the cost of government assistance. Previously, up to \$50 per month in child support was passed through to the recipient family. The Budget recognizes a revenue loss of \$0.2 million in FY 2027.

Other Revenues

- ***Rhode Island Health and Educational Building Corporation.*** The Budget does not include the Governor's proposal to transfer \$2.5 million from the Rhode Island Health and Educational Building Corporation to state general revenues by June 30, 2026.
- ***Rhode Island Infrastructure Bank.*** The Budget does not include the Governor's proposal to transfer \$2.0 million from the Rhode Island Infrastructure Bank to state general revenues by June 30, 2026.

Internal Fund Transfers. These are resources going to the general fund in FY 2026 that, under accounting rules, must be shown as fund transfers rather than revenues; they have the same general effect of increasing available general revenue resources.

- ***Pawtucket Downtown Redevelopment.*** The Budget recognizes the transfer of \$1.3 million from excess cash reserves from the Pawtucket Economic Activity Taxes restricted receipt account to general revenues by June 30, 2026. These funds were set aside in anticipation of a potential bond issuance that did not occur.
- ***Marijuana Trust Fund.*** The Budget includes the Governor's proposal to transfer \$5.0 million from Marijuana Trust Fund restricted receipts to general revenues by June 30, 2026, reallocating these funds to other eligible uses under the Rhode Island Cannabis Act.
- ***Hospital Financing Support SRDF.*** After the Governor submitted his budget, the Assembly adopted 2026-H 7408, Substitute A, as amended, authorizing the State Controller to transfer \$18.0 million from the Supplemental State Budget Reserve Account to general revenues for FY 2026. The funds were appropriated to the Rhode Island Health and Educational Building Corporation to establish a debt service reserve to support the sale of the Roger Williams Medical Center and Our Lady of Fatima Hospital.
- ***Restore SRDF to 1%.*** The 2023 Assembly created a Supplemental State Budget Reserve Account to provide additional reserves since the current Budget Reserve and Cash Stabilization Account, or "rainy day fund," is constitutionally capped at 5.0 percent of revenues. The FY 2024 budget included a \$55.0 million transfer from general revenues to the account, thereby increasing total reserves from 5.0 percent to 6.0 percent of revenues. The total remained at the initial deposit of \$55.0 million until \$18.0 million was transferred in February 2026 to support the hospital financing debt service reserve. The Budget replaces the transferred funds and additional resources for a total of \$24.0 million. This restores the fund to its original value of approximately one percent of usable revenues.

Other Sources

- ***Gas Tax.*** The disposition of gas tax proceeds is outlined in Section 31-36-20 of the General Laws. Upon receipt, all gas tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to the Department of Transportation, Rhode Island Public Transit Authority, Rhode Island Turnpike and Bridge Authority, and the Department of Human Services for the elderly/disabled transportation program. The 2025 Assembly increased that to 41 cents, including the one-cent environmental protection fee, dedicating the new two cents to the Transit Authority.

The Governor proposed reducing the gas tax by two cents, effective July 1, 2026, which is estimated to reduce the Department of Transportation's share by \$8.6 million. Supporting documents link this decrease to the two cents that have been supporting recently defeased bonds that served as the state match for projects financed through the Grant Anticipation Revenue Vehicle Program.

The Assembly maintained the gas tax at the current law amount, which increases recommended gas tax proceeds to the Department by \$8.8 million, and recognized \$1.5 million from updated estimates. This increase partially offsets the reduction to the highway maintenance account as described below.

- **Highway Maintenance Account.** Under current law, the Rhode Island Public Transit Authority receives 10.0 percent of the Highway Maintenance Account, in addition to a fixed \$5.0 million annually. The Governor proposed increasing the fixed annual allocation by \$9.3 million to \$14.3 million. Based on projected revenues, the total share would increase from \$17.2 million to \$26.5 million for FY 2027.

The Assembly revised the Highway Maintenance Account to allocate 25.0 percent of available funds annually to the Rhode Island Public Transit Authority, replacing the current combination of 10.0 percent and the fixed amount. Based on updated estimates, this would provide the Authority with an additional \$13.4 million in funds, \$4.2 million more than the Governor's recommendation using earlier yield estimates.

	May 2026 Current Law			FY 2027 Enacted			Chg. to Curr. Law	Chg. to Governor
	Gas Tax	HMA	Total	Gas Tax	HMA	Total		
DOT	\$ 106.2	\$ 105.4	\$ 211.6	\$ 106.2	\$ 92.0	\$ 198.2	\$ (13.4)	\$ 7.0
RIPTA	\$ 51.5	\$ 17.3	\$ 68.7	\$ 51.5	\$ 30.7	\$ 82.1	\$ 13.4	\$ 4.2

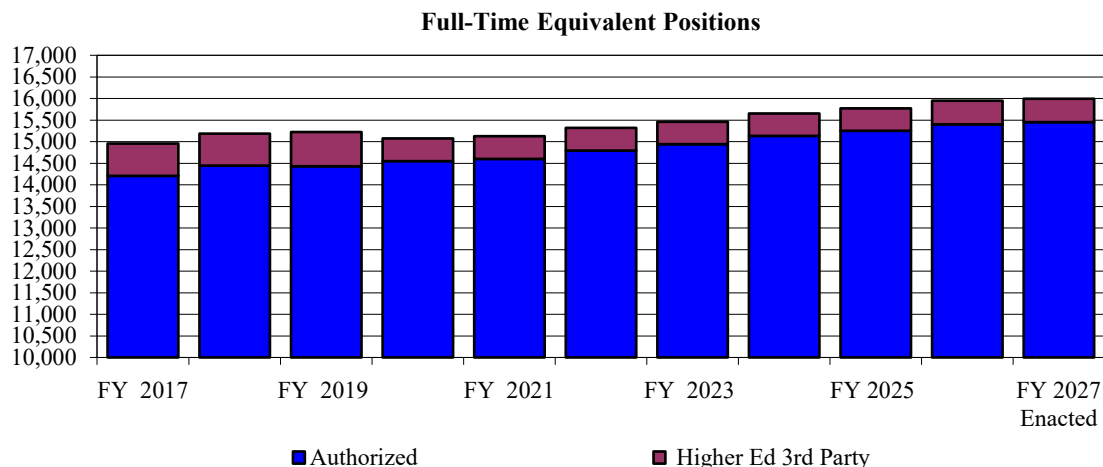
\$ in millions

State Government Personnel and Staffing

The Governor recommended authorization for 13,330.8 full-time equivalent positions for FY 2027. This includes 166.0 higher education positions dedicated to research or supported by other third-party funds. He proposed eliminating the position limit for the University of Rhode Island retroactive to FY 2026, for which the enacted budget included authorization for 2,671.0 full-time equivalent positions. Notably, the 2025 Assembly increased the University's staffing authorization by 100.0 positions, of which 25.0 are limited to third-party sources.

Adjusting for the exclusion of University of Rhode Island positions, the recommendation is 80.0 above the enacted level and 64.0 above the revised recommendation for FY 2026. The new positions support several budget initiatives, including responding to extensive federal law changes and reopening a neighborhood at the Veterans Home. The Governor subsequently requested an amendment to add 9.0 new positions in both years to support the Rural Health Transformation program funded in six state agencies.

The Assembly did not concur with the proposal to eliminate the full-time equivalent position cap for the University. It authorized 15,997.2 full-time equivalent positions for FY 2027, including the enacted amount of 544.8 higher education positions supported by third-party funds. This is 75.4 positions more than the FY 2026 enacted budget. It added 200.0 new full-time equivalent positions for the University, and included a separate cap of 450.0 positions that support auxiliary operations. It also removed 225.0 long-standing vacancies statewide.

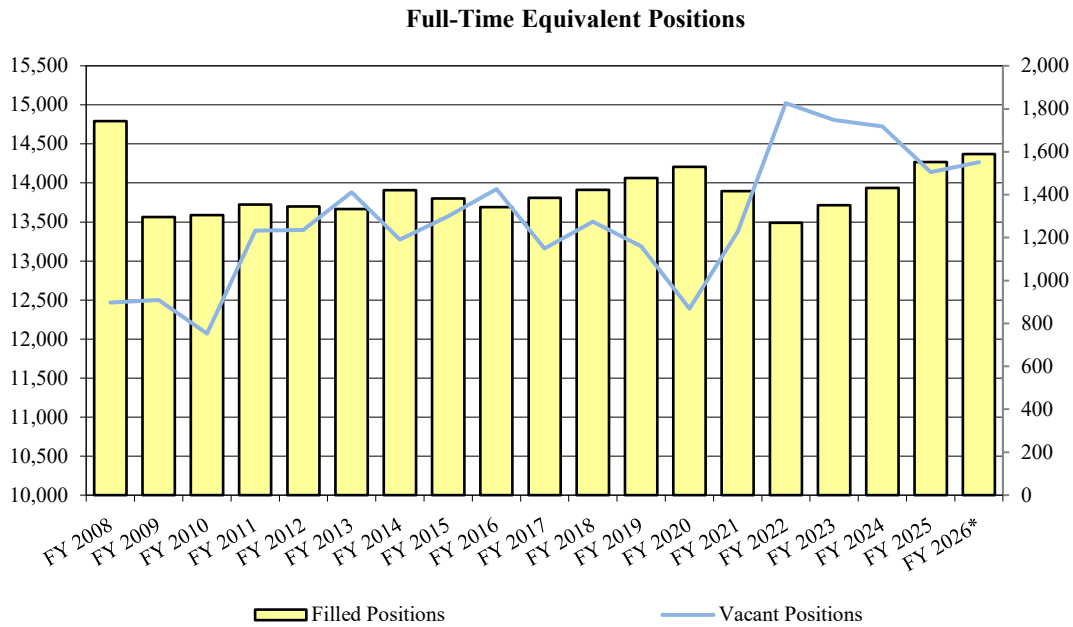


The General Assembly sets personnel limits for each agency and department, defined as the maximum allowable number of full-time equivalent positions filled during any pay period. These limits are referred to as authorized levels. The authorized levels do not include temporary or seasonal employees or individuals in training requisite to employment, such as state trooper classes. Generally, agencies do not fill all authorized positions because of various reasons, such as hiring freezes or budgeted turnover savings. Turnover is budgeting less money than needed for full staffing. Turnover savings result from the gap in time from when an employee leaves state service and a new employee is hired, often at a lower cost or from when a department leaves a position vacant to achieve a certain level of savings.

For many years, the budget has also limited a certain number of higher education positions to those solely funded by third-party sources in response to requests from the higher education institutions to reduce constraints on their pursuit of outside research funding. The FY 2020 final enacted budget shifted 265.0 third-party full-time equivalent positions at the University of Rhode Island to non-third-party

positions. This addressed a problem with certain auxiliary enterprise positions incorrectly reported as third-party before FY 2020.

The following graph shows average filled and authorized staffing levels from FY 2008 through FY 2025. For FY 2026, it is actual filled positions as of November 15, 2025. In December 2025, the administration implemented a new human resources system, which paused reporting. Regular reporting restarted at the end of January, and those reports had numerous discrepancies. As of June, the comparability of newly reported data to prior reports remains in question and under review.



*As of November 15, 2025

A significant reduction to both authorized and filled positions is apparent in FY 2009, FY 2010 and FY 2011, resulting from a major surge of retirements in 2008 and severe constraints on refilling the vacancies.

During FY 2007, Governor Carcieri proposed initiatives, including measures to encourage eligible individuals to retire, such as ending statutory status and payment for unused sick leave, and revisions to accrued vacation leave, freezing longevity payments, shutting down government operations for two days, and establishing limited service positions. The Assembly did not concur with the proposals; however, it reduced vacant general revenue funded positions, eliminating 419.4 vacant positions. Over the years, the Assembly eliminated several hundred vacancies to better align authorization and filled staffing levels.

In FY 2018, the state averaged 13,913.2 filled positions. During the second half of FY 2018, the administration implemented a voluntary retirement incentive under its own authority, applicable to eligible retirees on or before December 31, 2017. Beginning on January 12, 2018, the number of filled positions declined for ten consecutive pay periods as eligible participants retired.

The 2022 Assembly authorized 15,455.5 full-time equivalent positions for FY 2023, an increase of 142.3 positions compared to the FY 2022 enacted budget. Additional positions supported new housing functions, expanded staffing in several agencies based on new initiatives, as well as conversion of functions previously filled by contractors. The 2023 Assembly further increased the authorized positions by 181.4 to 15,636.9 full-time equivalent positions, expanding support for housing, health, and higher education initiatives, among others. Despite the growth in authorized positions, vacancy rates remained high.

For FY 2025, the Governor recommended authorization for 15,725.8 full-time equivalent positions, which was 88.9 more than enacted and 71.0 more than the revised recommendation. The new positions support revenue initiatives, statewide technology implementation, health and human services call center, and program staff, as well as permanent staff for state parks and beaches. He subsequently requested an amendment to add 18.0 new positions to comply with the Consent Decree Addendum. The Assembly authorized 15,772.8 full-time equivalent positions for FY 2025, which is 29.0 positions more than the amended recommendation. This includes 20.0 new positions for the University.

The 2025 Assembly authorized 15,921.8 full-time equivalent positions for FY 2026, including 544.8 higher education positions dedicated to research or supported by other third-party funds. This is 149.0 positions more than enacted, including 100.0 new positions for the University of Rhode Island, of which 25.0 are limited to third-party sources.

Through mid-November of FY 2026, an average of 14,379.3 full-time equivalent positions were filled, including 427.1 research ones, leaving 1,424.8 non-research vacancies. For FY 2025, the state averaged 14,268.0 filled full-time equivalent positions with 1,504.8 vacancies. In FY 2024, it averaged 3,934.7 filled full-time equivalent positions and 1,718.1 vacancies.

Personnel Costs

Personnel costs include both salaries and benefits, and contracted services. Benefits include direct benefits to employees as well as assessed statewide employee benefits. Contracted services are services state government purchases by contract. In July 2025, the administration implemented a new financial system as part of the Enterprise Resource Planning System project; this has caused some variation in how certain expenses were previously categorized. As noted in the table below, some expenses from Rhode Island Capital Plan funds, typically budgeted as capital expenses only, were recategorized as contracted services. The Budget Office confirmed that this was not intentional. The enacted budget properly reflects these expenses as capital.

The 2024 Assembly concurred with the Governor's FY 2025 recommended budget, which reclassified \$113.1 million of expenses, mostly staffing, to grants as part of a proposed change to the way Medicaid billings for the Eleanor Slater Hospital and the Rhode Island Community Living and Supports program are budgeted. The FY 2025 final and the FY 2026 enacted budgets included this reclassification.

The Governor's personnel recommendation for FY 2027 includes \$2,452.0 million for salaries and benefits and \$639.0 million for contracted services. This represents an increase of \$305.9 million or 11.0 percent from the FY 2026 enacted budget. Of that amount, \$111.9 million is to reverse the prior presentation on how Medicaid billings for Eleanor Slater Hospital and the Rhode Island Community Living and Supports program are budgeted.

FY 2027 Enacted Excluding ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 901,156,887	\$ 204,471,138	\$ 75,372,670	\$ 448,138,107	\$ 1,629,138,802
Benefits	498,025,206	122,602,724	43,047,251	174,038,483	837,713,664
Total Salaries and Benefits	\$ 1,399,182,093	\$ 327,073,862	\$ 118,419,921	\$ 622,176,590	\$ 2,466,852,466
Contracted Services	156,979,418	358,448,228	115,337,309	46,120,478	676,885,433
Total Personnel	\$ 1,556,161,511	\$ 685,522,090	\$ 233,757,230	\$ 668,297,068	\$ 3,143,737,899

The Assembly provided \$2,466.9 million for salary and benefit expenses, and authorized 15,997.2 full-time equivalent positions for FY 2027. This is \$14.8 million more than recommended, including \$6.8 million to restore budgeted savings; \$4.6 million for the Department of Children, Youth and Families, and \$2.2 million for the Division of Capital Asset Management and Maintenance project managers. The Assembly

also added \$2.6 million to fund the impact of two revisions to State Police pension calculations, and \$5.0 million for the initial phases of opening a medical school at the University of Rhode Island. Expenses for contracted services are \$37.9 million more from all sources, primarily reflecting federal funds for the first year of the state's award from the Rural Health Transformation program.

These expenditures exclude internal service funds; however, the staffing levels do include them, which skews the actual cost per position. Further information and descriptions of the internal service funds are included in the last section of this report.

There are three divisions of state service: classified, unclassified, and non-classified. Classified service includes competitive and non-competitive positions. Competitive positions require employees to take civil service examinations, as opposed to non-competitive positions, which include positions that require licenses, certificates, or registrations. Positions in the unclassified service are established by law and are subject to compliance with standards of the federal government and regulations set forth by the state's Personnel Administrator. Positions in this category generally include the employees of elected officials, courts, boards and commissions, both houses of the General Assembly, department directors, and various positions of a policy-making nature. All appointments are made by the appointing authorities or the Governor in accordance with the provisions of the laws governing such appointments and the personnel rules adopted for the unclassified service. Positions within the non-classified service are covered under contract terms for the Board of Education and include positions related to a health system transformation project, as well as faculty.

Employee status refers to an employee's protection during reorganizations or layoffs. When an employee is first hired, he or she may have temporary or probationary status, which provides the least protection. All employees who were hired prior to August 7, 1996, gained statutory status when reaching 20 years of state service. This means that the state is required to find a suitable position for that employee in the case of reorganizations or layoffs. For veterans, statutory status is acquired after 15 years of service. Since this protection was ended prospectively in 1996, it is applicable to a declining number of current employees. On February 4, 2026, the administration reported 966 employees with statutory status, including 35 employees eligible through the veterans' provision.

Governor Chafee commissioned an analysis of the state's personnel system to recommend alternatives to the current system. The study was completed in January 2013 and found that the current personnel structure, organization, and staffing of the Division of Human Resources was not sufficient to support the state's needs, as the recruiting process was highly paper-based, job classification structures did not reflect qualifications to deliver the services, and the compensation structures were non-competitive.

A total of 16 actions were recommended, including implementing an online application system, eliminating the public hearing process when making changes to the classification structure, and hiring a new chief of human resources dedicated to establishing strategic direction and developing policies. The 2013 Assembly provided funding for this position, which was filled in December 2013.

The FY 2016 and FY 2017 budgets included \$1.2 million for a classification and compensation study. The study was completed in the summer of 2017, and a total of \$0.8 million was spent. The following excerpts summarize the major findings from four comparisons.

1. Salary structure: Overall, the state's salary structure is different from the market in the following ways:
 - Range minimum: 7.6 percent higher than the market average minimum
 - Range midpoint: 2.5 percent lower than the market average midpoint
 - Maximum: 11.8 percent lower than the market average maximum

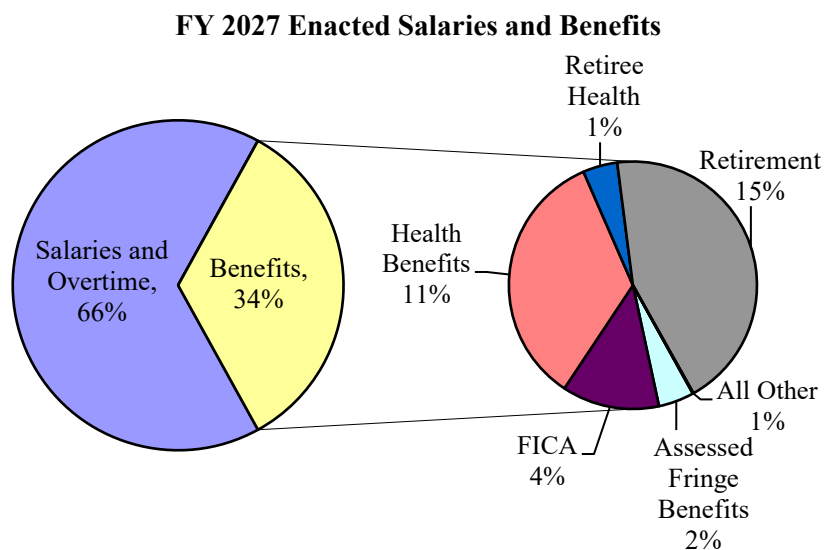
2. Health care insurance: On average, Rhode Island is 9.7 percent higher than the market median for employer contributions to health care plans
3. Retirement plan: On average, Rhode Island is 1.34 percentage points higher than the market for maximum employer contribution to the primary retirement plan
4. Paid leave for Rhode Island is:
 - Comparable with the market for paid holidays, personal days, and bereavement days
 - Comparable with the market for annual accrual vacation days and sick leave
 - Above the market for carry-over vacation days by 331 percent, and above market for carry-over sick leave by 711 percent

The 2021 Assembly transferred \$50.0 million to the Information Technology Investment Fund to support the Enterprise Resource Planning System, which includes human resources, information systems, payroll, and financial management. The systems were nearing the end of their useful lives and were susceptible to security risks. The Auditor General has historically reported inefficiencies in the various systems. The FY 2023 final budget included \$2.0 million from general revenues to conduct another statewide compensation and job classification study. The administration noted that job classifications were outdated.

The administration requested proposals on December 22, 2022; no bids were received. Subsequently, it indicated that the request for proposals was over-scoped and issued another request for proposals on May 24, 2023, noting that the 2013 study “is no longer current and therefore unusable for compensation decision-making purposes.” None of the funds included in the FY 2023 or FY 2024 budgets were spent. The 2024 Assembly required that unspent funds for the study be reappropriated. The contract with the vendor was finalized in July 2024 for a project cost not to exceed \$1.9 million. The final FY 2025 budget included \$0.8 million for the study, as the administration reduced the scope of the study and the number of deliverables in the contract; it appears \$0.5 million was spent.

Salaries and benefits make up 79.3 percent of total personnel costs. The chart below represents the total cost of salaries and benefits. The larger pie chart divides salaries and wages, including overtime and benefits. The smaller pie chart breaks out the percentage of each benefit type.

Each of the items included in the graphic is described in further detail in the paragraphs that follow.



Salaries. Direct salaries refer to the wages paid to state employees. This amount may increase due to many factors. For many state employees, pay scales are determined by position grade and classification. An

employee will have a base salary, and there will be increases along a five-step scale annually after the employee's first six months. Before July 1, 2011, employees in state service for a specified number of years became eligible for longevity increases applied to the base salary. This was authorized by collective bargaining agreements for union employees, with different increases for education agencies contained in statute; it was personnel policy for non-union employees.

For most positions, collective bargaining agreements determine if an employee will receive a cost-of-living adjustment. This adjustment applies to the pay grade. For example, a 3.0 percent cost-of-living increase for a pay grade ranging from \$50,000 to \$59,000 would change that range to \$51,500 to \$60,770.

In late 2021, Governor McKee reached agreements that included cost-of-living adjustments of 2.5 percent annually from FY 2021 through FY 2024, a total of 10.0 percent over the four years. It included two \$1,500 bonuses, one payable to current union employees as of the contract's ratification and the second for those employed on July 1, 2022. The agreement increased the number of sick leave days allowed to care for an immediate family member who is ill, provided that medical documentation is furnished. It broadened the eligibility for bereavement days and added a provision for teleworking.

In August 2024, Governor McKee reached new agreements with most state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, or 12.0 percent over the three years. Healthcare benefits remained essentially the same, except for changes to specialty drugs, beginning on January 1, 2025.

Agreements with the remaining unions were settled by May 2025. The contract for the professional employees' union at the Department of Elementary and Secondary Education includes the same cost-of-living adjustments given to other state employees.

For Correctional Officers, in addition to those received by other state employees, the contract contains provisions increasing night shift supplemental pay and the speed at which positions achieve their maximum pay grade. The State Police contract also includes adjustments given to other state employees, as well as a uniform stipend increase. It is also on a different schedule from other unions and retroactive to November 1, 2023.

The following table shows a recent history of negotiated increases.

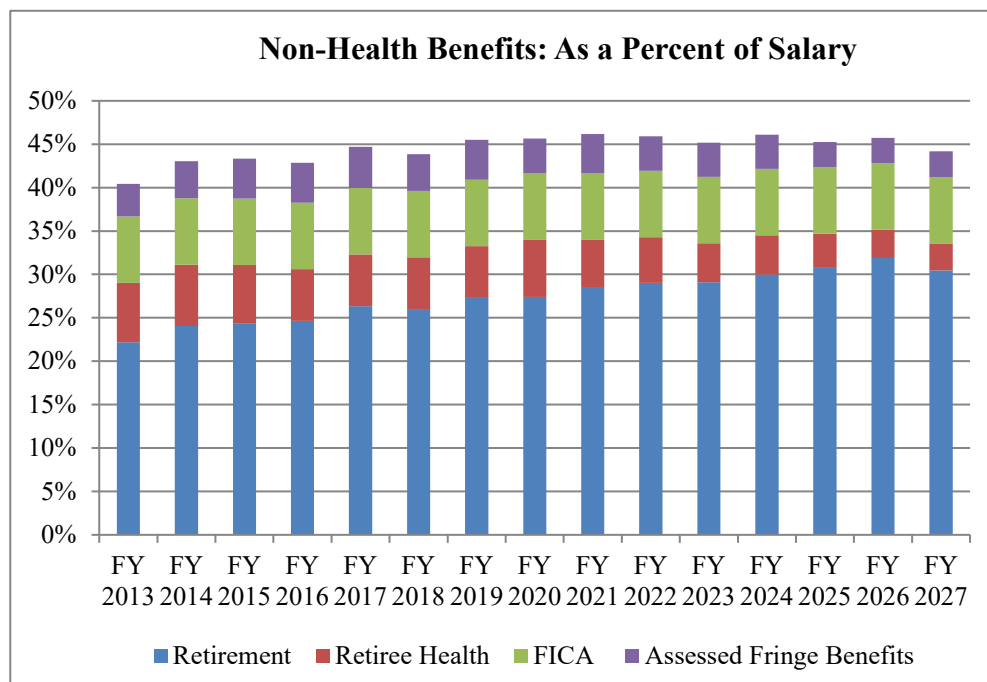
Cost-of-Living Adjustments		
Fiscal Year	Increase	Notes
2021	2.5%	Eff. July 1, 2020 - Retro paid in FY 2022
2022	2.5%	Plus \$1,500 for union members
2023	2.5%	Plus \$1,500 for union members
2024	2.5%	July 1, 2023
2025	5.0%	July 1, 2024
2026	4.0%	July 1, 2025
2027	3.0%	July 1, 2026

Excludes Troopers, RIBCO and some other smaller unions

Overtime. Overtime accounts for 4.4 percent of total salary and benefit expenses. The Department of Administration adopted a new overtime policy in 2019, requiring each agency to detail overtime authorization and approval procedures to the Division of Human Resources and the Office of Management and Budget. Beginning in FY 2020, agencies must also submit quarterly reports of overtime expenses with their quarterly financial reports to the Office of Management and Budget. As shown in the following table, most overtime expenses occur in places with 24-7 operations, including the prison and state hospitals.

Overtime - FY 2027 Enacted	
Corrections	38.3%
BHDDH	18.0%
Public Safety	14.2%
Transportation	6.8%
Children, Youth and Families	6.2%
Higher Education	6.2%
Human Services	5.2%
All Others	5.1%
Total	100%

Benefits. Benefits include direct benefits to employees such as health, workers' compensation, and unemployment, as well as unfunded liabilities for retirement and retiree health benefits. Except for health benefits, these are calculated as a percentage of salary. The following chart shows that the values have consistently been almost half of the salary. The FY 2027 value is 44.2 percent, up from 40.4 percent in FY 2013.



Each benefit is described in the paragraphs that follow.

Retirement. Participation in Rhode Island's hybrid defined benefit/defined contribution plan is mandatory for most state employees, except for certain higher education employees who participate in a defined contribution plan. Employees must work until a combination of their years of service and age equal 95. Employees who were not eligible to retire when the 2011 changes became effective have an individualized retirement age based on their years of service, but they must be at least 59 years old to retire.

The salary basis is the three highest consecutive years. Annual cost-of-living adjustments are granted for members who retired before July 1, 2012; for all others, the annual cost-of-living adjustment will return when the pension systems' aggregate funded ratio exceeds 75.0 percent. The adjustment considers both investment returns and inflation, but can be no more than 3.5 percent or less than zero. It is applied to the member's first \$25,000 of pension income, indexed to grow at the same rate as the cost-of-living adjustment. Prior to full funding, intermittent cost-of-living adjustments are granted every four years for

members who retired between July 1, 2012, and June 30, 2015. There have been many changes to the retirement system over the past several years. These changes are discussed later in the report.

The retirement rates are determined actuarially and under Rhode Island General Laws; they are certified annually by the State of Rhode Island Retirement Board. The Board's current policy is that the contribution rates determined by an actuarial valuation take effect two years after the valuation date. The Retirement System conducts an experience study every three years to evaluate the appropriateness of assumptions. The actuaries use the system's own experience where relevant and credible data is available. It uses population or general economic data, such as inflation, for other assumptions. The assumption changes are incorporated in future annual valuations that determine the rate required to support the defined benefit portion of the pension system. The System's actuaries conducted an experience study during the spring of 2017. As a result of that, as well as an asset liability review conducted by the State Investment Commission, the Board approved new assumptions, including decreasing the investment return assumption from 7.5 percent to 7.0 percent and some other assumptions around inflation, wage growth and mortality. These changes were included in the actuarial valuation, effective for FY 2021 and beyond.

The rate for FY 2019 was revised upward by 2.1 percent or 0.53 percentage points based on the retirement incentive program the administration undertook in the fall of 2017, which is described later in this report. In 2021, the administration offered the voluntary retirement incentive. The rates for FY 2027, as well as the previous eight years, are shown in the table below. There are also distinct rates for State Police and judges.

Employer Contribution Rates - Regular Employees									
FY	2019	2020	2021	2022	2023	2024	2025*	2026	2027
Rates	26.28%	26.39%	27.54%	28.01%	28.01%	28.97%	30.75%	30.91%	29.45%

**Rates restated based on changes made by the 2024 Assembly; funding was provided.*

Retiree Health. The state provides health coverage to individuals who are retired from state employment, have at least 20 years of state service, and are at least 59. Eligible retirees pay a 20.0 percent cost share on the plan's actual cost. These benefits are less generous than previously provided and are discussed later in the report. The Board of Education has a separate plan for certain higher education employees.

FICA. The Federal Insurance Contributions Act tax is a United States payroll tax imposed by the federal government on both employees and employers to fund Social Security and Medicare. This applies to all state employees except State Police. This rate is applied on salaries and overtime; however, the Social Security portion has a salary limit, currently \$184,500 for 2026. The total rate is 7.65 percent, including 6.2 percent for the Social Security portion and 1.45 percent for the Medicare portion, which has no salary limit.

Assessed Fringe. The assessed fringe benefit internal service fund was established in August 1999 to comply with federal regulations and to eliminate the fluctuations in agency budgets that result from workers' compensation claims, unemployment claims, and unused leave. A biweekly assessment is applied to the amount of salaries and wages paid from all accounts and funds. This fund allows the costs to be spread out over all fund sources, as opposed to only general revenues. The rate has varied over time based on policies that affect expenses it supports.

Assessed Fringe Benefit Rate History									
FY	2019	2020	2021	2022	2023	2024	2025	2026	2027
% of Salary	4.40	3.95	4.52	3.95	3.95	3.95	2.90	2.90	3.00

Recent fluctuations have been related to two separate voluntary retirement incentive programs and outsourcing the administration of the Workers' Compensation program. The FY 2025 enacted budget

assumed a rate of 3.95 percent. Subsequently, the rate was revised to 2.9 percent for both FY 2025 and FY 2026. The planning values assumed a 2.9 percent rate for FY 2027, consistent with FY 2026 budget. The Governor's recommended budget assumes a 3.0 percent rate, reflecting available resources and projected expenses. At the end of FY 2024, the balance was \$5.9 million, and it appears to be \$3.9 million for FY 2025; audited amounts are not available. There are lower rates for groups that do not have access to all items included. The FY 2026 final budget and the FY 2027 enacted budget use the rates consistent with the recommended budgets.

The current rate for certain public safety personnel is 1.65 percent because these employees receive injured on duty benefits instead of workers' compensation. The rate for higher education faculty is 2.20 percent because they do not receive severance payments.

Health Benefits. All full-time and certain part-time state employees are eligible for health benefits, including medical, dental, and vision, through Blue Cross Blue Shield and Delta Dental. The state is self-insured, but these entities administer the benefits.

For vision and dental plans, employees exclusively cover the excess cost of an enhanced plan. Employees began contributing to the cost of this health care in 2005. At that time, some employees paid a percentage of salary, depending on salary range, and some employees paid 5.0 percent of the cost of the health plans.

Currently, an employee's contribution is a percentage of plan cost, depending on his or her salary and the type of plan chosen. Before employees contributed, the state began to offer employees the option of choosing a medical benefit waiver instead of enrolling in a state health plan. The waiver had been \$2,002 through FY 2011, then reduced by half to \$1,001. More recent contracts eliminated the waiver option for two state employee spouses hired on or after June 29, 2014.

The state started offering three medical plans, called Anchor Choice, Anchor and Anchor Plus, three dental plans and two vision plans, effective on January 1, 2019. Immediately prior to that, only one plan was offered. The 2018 labor contracts increased co-pays for office visits and prescription drugs, and increased deductibles. The deductibles are based on plan selections and are now \$500 to \$1,500 for individuals and \$1,000 to \$3,000 for families. The most recent negotiated agreements maintain the same deductibles, which took effect on January 1, 2025.

CY2026 Per Employee	Below \$66,419		\$66,419 - \$127,679		Over \$127,679	
	Individual	Family	Individual	Family	Individual	Family
Total Cost of Benefits ¹	\$ 12,236	\$ 34,200	\$ 12,236	\$ 34,200	\$ 12,236	\$ 34,200
% of Premium: State	80.0%	85.0%	80.0%	80.0%	75.0%	75.0%
Annual Cost to State	\$ 9,789	\$ 29,070	\$ 9,789	\$ 27,360	\$ 9,177	\$ 25,650
% of Premium: Employee	20.0%	15.0%	20.0%	20.0%	25.0%	25.0%
Annual Cost to Employee	\$ 2,447	\$ 5,130	\$ 2,447	\$ 6,840	\$ 3,059	\$ 8,550

¹Based on Anchor Plus Plans

The previous table shows the cost of health benefits and the employee co-shares for the calendar year 2026 for both individual and family plans. For budget planning purposes, a weighted average is used to calculate the cost of medical benefits for vacant positions.

The Health Benefits Fund closed FY 2023 with a significant shortfall. Post-closing adjustments recommended by the Auditor General total \$15.2 million, including \$14.3 million from general revenues. The Controller made these adjustments to agency budgets in FY 2023 based on an agency's proportion of statewide employer contributions. However, because the financial statements for the Higher Education institutions were already final, their contribution toward the shortfall was not made.

The Governor's FY 2024 revised budget added \$9.0 million in general revenues to account for their share of the shortfall. The Governor's recommendations for both FY 2024 and FY 2025 increased planning values to bring the fund into balance. Values budgeted for FY 2025 were 7.5 percent higher than the previous projection. The Governor's FY 2024 revised budget included \$7.5 million from all sources, including \$4.7 million from general revenues from updating the medical benefit rates; the FY 2025 recommendation included \$9.7 million from general revenues for higher than anticipated health benefit rates. Final audit data for FY 2024 shows the fund essentially back in balance. According to information provided by the Budget Office, the FY 2025 fund balance was \$3.2 million. The following table shows the weighted average cost per benefit type.

Weighted Average	FY 2026 Enacted	FY 2026 Revised Planning	Chg. to Enacted	FY 2026 Revised/ Final	FY 2027 Planning	FY 2027 Planning to Enacted	FY 2027 Governor/ Enacted
Medical	\$ 19,161	\$ 19,298	\$ 137	\$ 19,459	\$ 20,555	\$ 1,394	\$ 20,799
Dental	672	667	(5)	668	675	8	678
Vision	112	110	(2)	110	111	1	109
Total	\$ 19,945	\$ 20,075	\$ 130	\$ 20,237	\$ 21,341	\$ 1,403	\$ 21,586

The State Budget Office instructions issued in August 2025 revised the FY 2026 planning values to \$20,075 or 0.7 percent more than enacted assumptions. The FY 2027 planning values were estimated at \$21,341, which is \$1,403 or 7.0 percent more than the enacted budget and 6.3 percent more than the FY 2026 revised planning values.

Consistent with the Governor's recommendations, the budgets assume a weighted average cost of \$20,237 for FY 2026, an increase of \$162; and \$21,586 for FY 2027, or \$245 more than projected. Statewide, this adjustment totals \$2.0 million from all sources, including \$1.4 million from general revenues. The increase for FY 2027 is \$3.3 million from all sources, of which \$2.1 million is from general revenues. These increases incorporate updated claims data and the recent implementation of a revision to coverage for anti-obesity medications. It requires individuals to enroll in a weight management program in order to maintain drug co-pay coverage; otherwise, they would be responsible for 100 percent of the drug cost. This requirement does not apply to those who take anti-obesity medications for diabetes. It will also offer a prevention weight management program as an alternative to avoid medications or explore lower-cost alternatives to anti-obesity medications.

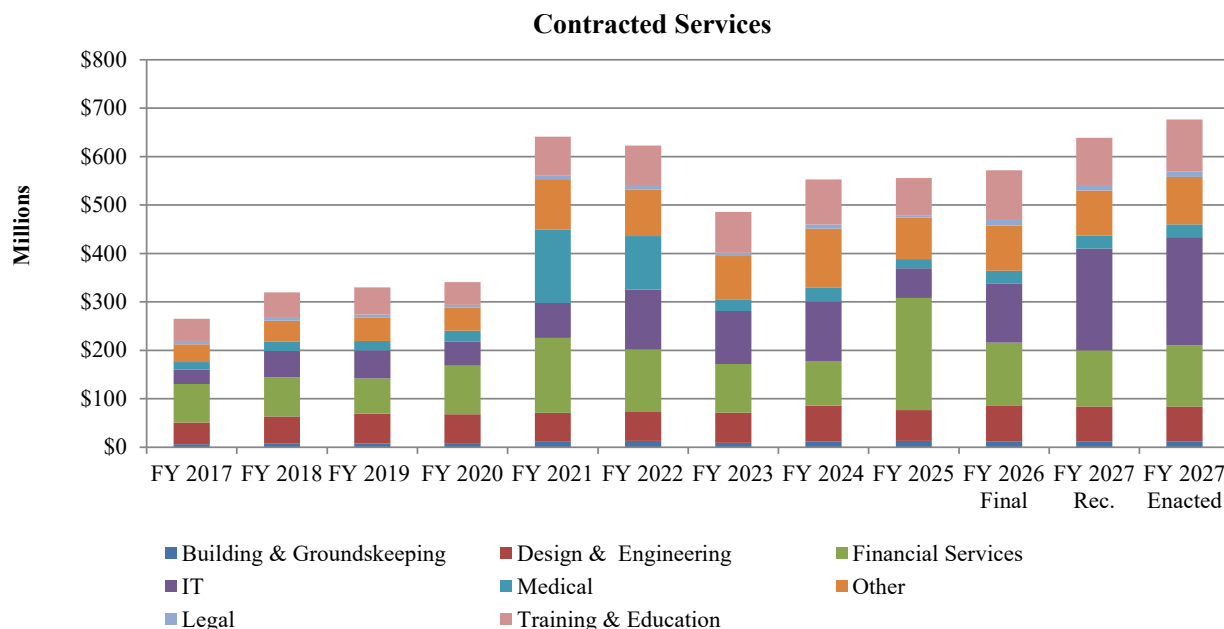
Total Costs. The following table displays the total cost examples for two employees with salaries of \$65,000 and \$115,000, respectively, and a family health plan in FY 2027.

Cost of a Position - FY 2027 Enacted					
	% of Salary/ Expense		% of Salary/ Expense		
Salary	\$ 65,000		\$ 115,000		
FICA	\$ 4,973	7.65%	\$ 8,798	7.65%	
Assessed Fringe	1,950	3.00%	3,450	3.00%	
Retiree Health	2,002	3.08%	3,542	3.08%	
Retirement	19,793	30.45%	35,018	30.45%	
Subtotal	\$ 28,717	44.18%	\$ 50,807	44.18%	
Health Benefits*	\$ 34,200	Family Plan	\$ 34,200	Family Plan	
Total Co-Share*	(6,840)	20.00%	(8,550)	25.00%	
Subtotal Benefits	\$ 56,077	86.3%	\$ 76,457	66.5%	
Total Cost	\$ 121,077		\$ 191,457		

**Based on Anchor Plus Plans; calendar year 2026*

Contracted Services. Contracted services make up the remaining 20.7 percent of personnel costs. The recommended budget includes \$639.0 million for expenditures the state classifies as contracted services, often called consultants. These expenditures reflect the compensation paid for the services of non-employee individuals or firms and include payments to professional practitioners and other independent contractors who sell their services. These exclude expenses paid through internal service funds of \$21.2 million and \$21.4 million in FY 2026 and FY 2027, respectively.

The following graph shows the types of services provided by outside contractors from FY 2017 to the FY 2027 enacted budget. Most of the reported expenditures were previously for information technology and financial services, as the Unified Health Infrastructure Project was being implemented. More recently, they have been providing medical and other services, such as contact tracing, during the pandemic. The smallest areas of spending are legal services and building and groundskeeping services.



The 2024 Assembly provided \$591.1 million for FY 2024, and expenses of \$552.6 million were \$38.6 million less than budgeted. However, general revenue expenses were \$0.4 million more than the final budget, including \$5.9 million more in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, primarily for security services.

The Governor's FY 2025 revised budget was \$39.1 million more than enacted for FY 2025, mainly reflecting a reclassification of one-time expenses for instructional coaches in local education. For FY 2026, he recommended \$569.3 million, or \$50.8 million less than enacted, primarily reflecting the removal of time-limited funds for home- and community-based services.

The 2025 Assembly provided \$60.7 million less than the Governor's revised budget, primarily reflecting an updated project timeline for the Medicaid Enterprise System. Reported expenses total \$555.6 million for FY 2025, or \$42.8 million less than budgeted. The Assembly also enacted \$525.8 million for FY 2026.

The Governor's revised budget includes \$570.4 million for FY 2026 and \$639.0 million for FY 2027, which is \$68.6 million more than the revised budget, of which \$22.3 million is from general revenues. This primarily reflects expenses for RIBridges to comply with federal changes, and expenses for the ongoing Medicaid Enterprise System to replace the current Medicaid Management Information System. He subsequently requested several amendments, adding \$4.1 million in FY 2026 and \$35.5 million in FY 2027

from federal funds for the Rural Health Transformation program. The program will support workforce development, technology innovation, improved health for rural residents, innovative access, and sustainable access to care. The Assembly concurred with the amended recommendations and provided \$571.5 million for FY 2026 and \$639.0 million for FY 2027.

For the past decade, the Assembly has required state agencies to be held more accountable for contracted services they purchase. These requirements have not been well executed. The Assembly concurred with most of Governor Chafee's FY 2015 budget proposal to repeal or consolidate them to improve compliance. The following paragraphs identify these reporting requirements, any significant revisions, and current compliance.

RIGL 42-90-1. This statute, first adopted in Chapter 161 of the Public Laws of 1985, requires all departments, commissions, boards, councils, and other agencies to submit to the Secretary of State the name of any person who performs legal, medical, accounting, engineering, or any other professional services, and the amount of the compensation received by the consultant during the previous quarter. It further requires the Secretary of State to compile, publish, and make a report available to the public.

The 2006 Assembly amended this legislation in H 6779, Substitute A, to establish a \$100,000 threshold for which services obtained are substantially similar to work performed by regular employees of the department, commission, board, council, or agency. The legislation further required state agencies to list all privatization contracts as part of the budget requests, which must contain the name of the contractor, duration of the contract, and costs of previous, current, and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate. It appeared that only a few agencies were complying with this requirement.

The 2007 Assembly adopted legislation in Public Law 2007, Chapter 73, requiring an extensive cost comparison analysis and an appeal process before privatizing any state facility, function, or property. It required that bids for such services substantially beat the current in-house costs and meet or exceed current service quality and performance. The comparisons must consider monitoring and conversion costs. The 2008 Assembly further amended the legislation by modifying the requirements.

Governor Chafee included legislation in Article 17 of his recommended FY 2015 budget that increased the threshold from \$100,000 to \$150,000 and required the reporting to be electronically submitted to the Budget Office. The legislation requires that the Budget Office electronically post all contracts and reports online using the state's transparency portal or an equivalent website no later than December 1 of each year. The Assembly concurred and included the legislation in Section 4 of Article 9 of 2014-H 7133, Substitute A, as amended. Despite the change, the administration was not in compliance with this requirement. At the Personnel Issues Hearing on April 4, 2018, the Director of Administration pledged to comply with this reporting requirement. Since then, FY 2015 through FY 2025 reports have been posted on the state's transparency portal.

RIGL 37-2.3-1. The 2006 Assembly adopted legislation requiring agencies to list all privatization contracts as part of the budget request when obtaining services that are substantially similar to work performed by regular employees of the department, commission, board, council, or agency starting in FY 2009. The list must contain the name of the contractor, duration of the contract, and costs of previous, current, and upcoming years. Agencies must also include a summary of contracted private employees for each contract, reflected as full-time equivalent positions and their hourly wage rate.

The 2014 Assembly concurred with Governor Chafee's legislation to alter the requirements so that agencies provide actual information for the prior fiscal year and projected costs for the current and subsequent fiscal years. The listings must be published annually online using the state's transparency portal or an equivalent website no later than December 1 of each year. This reporting requirement has not been met since it was

adopted. The staff from the Budget Office previously indicated that it had been in discussions with Council 94 to format the template for reporting. It does not appear that anything came of that.

RIGL 42-149-1. This statute, adopted in Public Law 2007, Chapter 525, requires all state departments to submit quarterly reports of all non-state employee expenditures for legal services, financial services, temporary work, and other non-state employee personnel costs. The report must contain efforts made to identify qualified individuals or services within state government, factors used in choosing a non-state employee or firm, results of requests for proposals for services or bids for services, and the actual cost and the budgeted cost for the expenditure. Governor Chafee included legislation in Article 17 of 2014-H 7133 to repeal this, in conjunction with modifying a similar requirement. The Assembly concurred.

RIGL 42-149-3.1. This legislation, adopted in Public Law 2011, Chapter 409, requires an assessment of 5.5 percent on contractual costs to be paid to the retirement system on a quarterly basis when a department, commission, board, council, agency, or public corporation agrees to obtain contractual services that are substantially similar to and in lieu of services provided by regular employees. Governor Chafee proposed legislation to repeal the 5.5 percent assessment. The 2014 Assembly did not concur.

During the FY 2013 budget process, the administration indicated that it had developed a mechanism within the state's accounting system to calculate this charge, and \$0.4 million was collected each year from FY 2013 through FY 2018, \$0.5 million in FY 2019, \$0.3 million in FY 2020, and \$196,270 in FY 2021. Collections from FY 2022 through FY 2024 averaged \$65,034.

In June 2025, House Fiscal Staff brought the sustained decline in receipts to the attention of the administration for an explanation. It appears the process established more than a decade ago may not have been updated to ensure compliance. The Department of Administration committed to reviewing current practices and identifying which accounting mechanisms may need updates, as well as including information about this assessment in the Budget Instructions to educate agencies and promote compliance. It appears that FY 2025 collections were \$76,756, slightly more than recent prior years' collections. The budgets include \$132,316 and \$136,139 for FY 2026 final and FY 2027, respectively.

P.L. 2007, Chapter 073. The 2007 Assembly adopted legislation to correct a situation concerning contract employees who were doing the same work as state employees under state employee supervisors. Departments and agencies could convert those positions to state employee positions within available funding. The law also required that an agency or department may not employ contracted employees or employee services where the contracted employees would work under state employee supervisors after October 1, 2007, without a determination of need by the Director of Administration, acting upon the positive recommendations of the Budget Officer and the Personnel Administrator, and 15 days after a public hearing. This language was included in budgets until FY 2016. The Assembly restored the provision in the FY 2020 budget and has maintained it since.

Recent Compensation and Benefit Revisions

Recent budgets have included initiatives affecting personnel costs, including savings from reducing retirement benefits and compensation, and implementing pay reductions for state employees. The paragraphs that follow describe these, along with the Assembly's action on those items.

- **Retirement Benefits.** The 2011 Assembly enacted legislation to address pension funding as part of a special session. The law moved most employees into a hybrid pension plan with a defined contribution component, raised the retirement age for those not already eligible, and adjusted benefit accruals to 1.0 percent per year of service starting July 1, 2012. The vesting period was reduced from ten to five years, but accrued benefits through June 30, 2012, were preserved. For teachers and state employees, the minimum retirement age was set to the Social Security Normal Retirement Age, up to 67, with adjustments

based on years of service, but no less than age 59. It suspended new cost-of-living adjustments for retirees until the system reached 80.0 percent funding, allowing intermittent cost-of-living adjustments every five years.

After the 2011 pension law was enacted, public labor unions challenged its constitutionality. To avoid a lengthy trial, the state and unions entered federal mediation. In February 2014, a settlement was proposed that kept most pension changes but reduced the retirement age from 67 to 65. It allowed employees with over 20 years of service to keep their defined benefit pensions. Retirees received a one-time 2.0 percent cost-of-living increase, and intermittent cost-of-living increases would occur every four years instead of five. The settlement required approval from retirees, state employees, and the General Assembly. Although most employees and retirees supported it, most police officers voted against it, rejecting the settlement. The trial, initially set for September 2014, was rescheduled for April 2015.

In March 2015, a proposed settlement was reached, and the Assembly passed legislation to formalize it in May 2015. The agreement preserved over 90 percent of the 2011 pension reform savings. Key changes included providing cost-of-living increases every four years instead of five, two one-time \$500 payments to retirees, and a new formula for cost-of-living adjustments based on both investment returns and the consumer price index, with a 3.5 percent cap. The calculation base for current retirees was raised from \$25,000 to \$30,000. State employees, teachers, and Municipal Employees Retirement System employees with at least 20 years of service as of June 2012 returned to a defined benefit plan with a 2.0 percent annual accrual rate and higher employee contributions. The state's contribution to the defined contribution plan was increased for those with between 10 and 20 years of service.

The 2023 Assembly enacted three measures related to the pension system. First, it altered the intermittent cost-of-living adjustments by replacing that provision with a requirement for 25.0 percent of what the cost-of-living calculation would produce if the system were 80.0 percent funded, effective beginning in calendar year 2024. This provision will be in effect until the reinstatement of the current cost-of-living adjustment, which was projected to reach 80.0 percent funded status in FY 2031.

Second, it required the controller to transfer 50.0 percent of all general revenues received in the completed fiscal year, net of transfer to the state budget reserve and stabilization account, above adopted estimates for that year, upon issuance of the audited financial statement to the Employees' Retirement System. The excess funds transferred at the close of FY 2023 were \$6.5 million. The Governor's FY 2025 budget proposal eliminated this law, but the 2024 Assembly did not concur. Again, the Governor's FY 2025 revised budget proposed to repeal the transfer provision for FY 2024 only, recapturing the \$21.6 million of excess revenues in FY 2024 for use in FY 2025. The 2025 Assembly maintained the current law transfer to the Employees' Retirement System.

The 2023 Assembly also required the General Treasurer to establish and convene a working group to review and analyze the impacts of the Rhode Island Retirement Security Act of 2011 on the retirement systems and their current and retired members. The analysis would assist in determining if the stated goals are being met, as well as inform any changes that may be needed to improve the pension programs and address any unintended consequences of the Act and any impacts on the ability of the state to attract and retain a stable workforce. A report of the findings, recommendations, and any proposed options for consideration was due to the Governor, Speaker of the House, and President of the Senate no later than March 1, 2024.

The required report was submitted on February 26; it did not include any recommendations but did provide cost estimates for options that witnesses proposed during the six meetings of the working group. Several of the options were incorporated into standalone legislation. Some were included in the FY 2025 Appropriations Act as described in the following table.

COLA

- Repeals 80% funding target for COLA return for members that retired before July 1, 2012
- Decreases threshold to 75% for all others

Active Members

- Changes benefits calculation from highest 5 consecutive years of compensation to highest 3
- Converts state public safety employees benefits to same retirement benefits as local public

Post Retirement Employment

- Increases maximum earnings for retired teachers from \$18,000 to \$25,000
 - One year extension for working more than 90 days at LEA; requires employer contribution for extra days
-

These changes were expected to increase the unfunded liability by approximately \$400 million, which required annual employer contributions to increase by \$42.6 million. Of that, \$27.5 million was included in the state budget for FY 2025, with \$20.6 million from general revenues. The remaining \$15.1 million would be borne by local governments, primarily for teachers. The rate for most state employees was updated from 28.54 percent to 30.75 percent for FY 2025.

The Assembly adopted legislation in Article 3 of 2025-H 5076, Substitute A, as amended, changing the calculation for State Police pension benefits to be based on the highest three consecutive years, rather than five, which would make it consistent with other state employees. This aligns with the change made by the 2024 Assembly that applied to state employees, teachers, and general municipal employees.

The Assembly adopted legislation in Article 3 of 2026-H 7127, Substitute A, as amended, making two changes to State Police pensions. The first is a technical change to correct a drafting error in the 2025 legislation noted above, changing compensation to the highest three consecutive years. The second change increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027. It allows for a phased implementation to maintain continuity and predictability within the command staff, avoiding too many retirements at once. The maximum benefit of 65.0 percent remains unchanged.

• **Retiree Health Benefits.** The 2008 Assembly enacted legislation to change its provision of retiree health benefits from a pay-as-you-go system, along with significant benefit reductions to future retirees, effective October 1, 2008. Based on a recommendation in the Governor's FY 2009 revised budget, the 2009 Assembly enacted legislation to delay the move to a trust fund for two years. The trust fund was set up in FY 2011, and the state is now funding it on an actuarial basis.

The 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees that offers a wider array of health benefit choices at a lower cost through competition. The state sets up a Health Reimbursement Arrangement for each retiree and deposits the state subsidy into the account each month. It is the same percent subsidy that the retiree previously received. The maximum state contribution is set equal to the lowest cost plan, adjusted for age, that is comparable to the highest former plan. A retiree can choose a lower cost plan and use the balance of funds for any approved expense, including purchasing a plan for a spouse, dental or vision plan, and payment of Medicare Part B premiums and Part D coverage.

As part of her FY 2016 recommended budget, Governor Raimondo proposed changing the requirements for what benefits must be included in early retiree health benefit plans. The Assembly did not concur.

It should be noted that the federal "Cadillac" tax was scheduled to take effect in 2018 for plans deemed high cost. The tax would be 40.0 percent of the cost above federally established thresholds. While final regulations had not been issued, it was widely assumed that the threshold would be \$10,200 for an individual plan and \$27,500 for a family plan. The pre-65 rate plan costs were \$11,300 for an individual

plan and \$31,500 for a family plan. In January 2018, Congress delayed the start of the tax to 2022. In December 2019, Congress repealed the tax.

- **Longevity.** The 2011 Assembly ended new longevity payments for all state employees effective July 1, 2011, or upon the expiration of any current collectively bargained contract. Employees continue to receive the same longevity percentage they have already earned; however, no new longevity will be granted. Provisions for these payments are generally a matter of collective bargaining agreements for union employees or personnel policy for non-union staff. Non-classified employees of the former Board of Governors, Board of Regents, and Public Telecommunications Authority received longevity payments of five percent after 10 years and ten percent after 20 years, pursuant to three different sections of the General Laws. Out-year estimates had projected \$4.0 million in annual costs from this provision.

In her FY 2016 budget, Governor Raimondo proposed to freeze longevity payments at a fixed dollar amount rather than a percentage. She later rescinded her proposal. The Assembly retained the current law.

- **Voluntary Retirement Incentive.** In 2017, the Raimondo Administration implemented a voluntary retirement incentive under its own authority as part of an effort to achieve the \$25.0 million of undistributed savings in the FY 2018 enacted budget. State employees eligible to retire on or before December 31, 2017, were eligible for the incentive, which was two times the employee's longevity, capped at \$40,000. The administration indicated that there were 941 eligible state employees, and it assumed savings of \$6.5 million based on the assumption that 45 percent of eligible employees would retire by January 31 for five months of savings. Payouts would be made from the Assessed Fringe Benefit Fund, which is generated from all fund sources. The savings also assumed that only 60 percent of those vacated positions are filled for one month in FY 2018 and at 70 percent of the incumbent's cost in the first year.

The incentive program was implemented in stages based on the amount of longevity to allow the Retirement System time to process the applications. The most senior employees had until February 15, and the least senior had until April 15. The Governor's revised budget included savings of \$4.6 million from vacancies, but no comprehensive information was provided on how much savings were assumed to offset added costs. Much of the vacancy savings assumed in FY 2018 did not appear to repeat in FY 2019. Based on updated program participation data, the Assembly assumed additional savings in both FY 2018 and FY 2019. It appears that 364 employees received the payment. The total impact was unclear as a high level of the vacated positions was refilled.

The administration again offered this incentive during FY 2021; it was implemented in stages. Employees with longevity of 20.0 percent must have retired by April 15, 2021; employees with longevity of 15.0 percent or 17.5 percent no later than May 15, 2021; and employees with longevity of 5.0 percent or 10.0 percent must have retired by no later than June 15, 2021. Eligible employees, with approval of the State Personnel Administrator, were able to extend up to September 30, 2021.

The administration indicated that there were 900 eligible state employees, and the recommended budget included \$8.2 million of undistributed savings. Based on the impact to the Assessed Fringe Benefit Fund, being used to pay the incentive, the Governor's FY 2021 revised budget added \$2.2 million from general revenues in associated benefit rate increases. The net general revenue savings were \$6.0 million. This assumed a delay in refilling the positions and that they are filled without paying the longevity bonus or otherwise upgraded from the current classification. A total of 372 individuals opted to receive the payment. The 2021 Assembly included the savings in agencies with participating employees.

- **WorkShare.** The Department of Administration instituted a program to allow non-essential state employees to participate in a program, whereby they work 60 percent of their regular weekly hours from June 14, 2020, through September 5, 2020, and claim federal WorkShare benefits for the remaining time. Benefits for such programs are fully paid with federal funds. Because of the extra \$600 weekly

payment that accompanied all unemployment claims through the end of July, participants earning less than \$69,500 were not adversely impacted and likely experienced increased compensation. Statewide, this program produced savings of \$7.7 million in FY 2020 and \$9.0 million in FY 2021, including \$4.6 million from general revenues; more than 1,300 employees opted to participate in the program.

- ***COVID Related Personnel Expenses.*** The federal CARES Act, adopted in response to the pandemic, provided Rhode Island \$1,250.0 million for related expenditures incurred between March 1, 2020, and December 30, 2020, including responding directly to the emergency. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses, as are those to facilitate compliance with COVID-19-related public health measures. Revised federal guidance issued in September 2020 further clarified and broadened eligible costs. The state realized savings of approximately \$120 million for FY 2020 and \$230 million for FY 2021.

- ***Deferred Pension Liability.*** In 1991 and 1992, the state deferred payments into the retirement system as one of the many measures taken to address the financial crisis. That deferral is part of the unfunded liability being paid down in annual pension contributions and is calculated separately in each actuarial valuation. As of the most recent valuation, setting the retirement rates for FY 2024, the value of this liability is \$61.8 million. This includes \$26.9 million related to state employees and \$34.9 million related to teachers. It represents approximately \$6 million of the state's combined annual payments of \$541.7 million into both systems. The 2022 Assembly concurred with the Governor's recommendation to make a \$61.8 million appropriation in FY 2022 to the retirement system to pay off this debt specifically. His out-year forecast assumed annual savings to the state would begin in FY 2025 when those rates are set with this liability removed. The Employees' Retirement System adopted the FY 2025 rates in December 2022 based on the June 30, 2022, valuations.

- ***Statewide Cost-of-Living Adjustments.*** After enactment of the FY 2025 budget, the McKee Administration reached agreements with a majority of state employee unions that included cost-of-living adjustments of 5.0 percent for FY 2025, 4.0 percent for FY 2026, and 3.0 percent for FY 2027, for a total of 12.0 percent. His budgets include \$70.1 million from all sources for FY 2025, including \$45.6 million from general revenues, and \$128.0 million from all sources, including \$82.8 million from general revenues for FY 2026, to account for these agreements and assuming the pay increases also apply to non-union state employees. These expenses include \$32.8 million from all sources for FY 2025 and FY 2026 for potential costs where settlements have not yet been reached. The general revenue share is \$11.2 million for FY 2025 and \$19.0 million for FY 2026.

The Assembly concurred with the Governor's requested amendments to distribute the funds to the Departments of Corrections, Elementary and Secondary Education, and Public Safety. Settlements were reached that exceeded the aggregate amount set aside by \$15.7 million from general revenues, including \$4.1 million for FY 2025 and \$11.6 million for FY 2026.

- ***Transfer of State Employees.*** The practice of cost allocation may skew the distribution of positions by function. In this case, cost allocation refers to the practice of charging an agency for a portion of the costs for a position that is working in a different agency. There are also cases in which the entire cost of a position is being charged to one agency while the authorization for that position is in another agency.

The 2017 Assembly adopted legislation in Section 6 of Article 5 of 2017-H 5175, Substitute A, as amended, requiring the Personnel Administrator or any director of a department to file a written report with the Speaker of the House, the President of the Senate, and the chairpersons of the House and Senate Finance Committees when transferring or extending the duration of a transferred employee. This report must be filed within seven days of making or extending the transfer. Since the adoption of this requirement, nine reports identifying a total of eight transfers have been received. The 2019 Assembly adopted legislation in

Section 11 of Article 4 of 2019-H 5151, Substitute A, as amended, to clarify that reports be made on the transfer of all state employees, including those who are members of labor unions.

Distribution of Positions

The number of full-time equivalent positions authorized for each agency and department is contained in Article 1 of the annual appropriations act. The departments and agencies may not exceed the number of full-time equivalent positions authorized in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions for which scheduled periods of employment do not exceed 26 consecutive weeks or for which scheduled hours do not exceed 925, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite for employment.

For many years, the budget has also limited state employees whose funding is from non-state funds, which are time-limited, to receive appointments limited to the availability of the non-state funding source.

The following table summarizes the distribution of positions by function. A description of changes from the FY 2026 enacted budget follows. Changes are concentrated in human services, including responding to extensive federal law changes and reopening a neighborhood at the Veterans Home, and adding 200.0 new full-time equivalent positions for the University of Rhode Island. These are partially offset by the reduction of approximately 229 positions.

Changes to Enacted	Gen. Gov't.	Human Services	Education	Public Safety	Natural Resources	Transp.	Total
<i>FY 2026 Enacted</i>	2,595.3	3,859.5	4,893.6	3,347.4	471.0	755.0	15,921.8
New Positions	20.0	75.0	200.0	7.0	-	2.0	304.0
Transfers	2.0	(4.0)	-	1.0	1.0	-	-
Program/Vacancy Reduction	(52.0)	-	(91.6)	(50.0)	-	(35.0)	(228.6)
<i>Total Change to Enacted</i>	<i>(30.0)</i>	<i>71.0</i>	<i>108.4</i>	<i>(42.0)</i>	<i>1.0</i>	<i>(33.0)</i>	<i>75.4</i>
FY 2027 Enacted	2,565.3	3,930.5	5,002.0	3,305.4	472.0	722.0	15,997.2
Percent by Function	16.0%	24.6%	31.3%	20.7%	3.0%	4.5%	100%

Program Changes to FY 2026 Enacted Staffing Levels

Administration. The Governor recommended FY 2026 revised staffing of 683.6 full-time equivalent positions, which is 1.0 fewer than enacted, reflecting the transfer of a position to the Department of Public Safety. His FY 2027 recommendation transfers an additional position from the Division of Statewide Planning to the Department of Environmental Management for maintenance and management of the Big River Management Area, for staffing of 682.6 full-time equivalent positions.

The 2025 Assembly included legislation in Article 1 requiring that 434.1 of the authorized amount would be for positions that support internal service fund programs; the Governor's recommendation increases this amount to 467.1 positions in FY 2027, an increase of 33.0 positions. This primarily reflects his recommendation to establish an internal service fund for accounts and control expenses.

The Assembly authorized staffing of 657.6 full-time equivalent positions for FY 2027, 25.0 fewer than recommended from the internal service fund programs allocation, reflecting the removal of long-standing vacancies, and concurred with the remainder of the recommendation.

Office of Energy Resources. The Governor recommended staffing of 21.0 full-time equivalent positions, 4.0 more than enacted for FY 2026, reflecting the transfer of positions and funding for the Weatherization Assistance Program from the Department of Human Services. The Assembly concurred.

Business Regulation. The Governor recommended FY 2026 staffing of 155.0 full-time equivalent positions, consistent with the enacted authorization, and 157.0 positions for FY 2027, 2.0 more than enacted to implement a contractor licensing program required by the 2025 Assembly. He subsequently requested an amendment to add 2.0 positions for the Rural Health Transformation program in each year. The Assembly provided 157.0 positions for FY 2026, consistent with the amended recommendation, and 161.0 positions for FY 2027, reflecting the amended recommendation and an additional 2.0 positions for pharmacy benefit manager oversight.

Cannabis Control Commission. The Governor recommended FY 2027 staffing of 28.0 full-time equivalent positions, 2.0 more than enacted, including 1.0 legal counsel and 1.0 data analyst. The Assembly did not concur with the additional positions.

Executive Office of Housing. The Governor recommended FY 2027 staffing of 38.0 full-time equivalent positions, consistent with the enacted authorization. The Assembly authorized 31.0 positions, 7.0 fewer than recommended, that are unfunded and have been vacant since FY 2024. The Secretary of Housing noted that these positions are not essential.

Labor and Training. The Governor recommended the authorized level of 461.7 full-time equivalent positions for FY 2027. The Assembly authorized 441.7 full-time equivalent positions, 20.0 fewer than recommended, reflecting the removal of unfunded long-standing vacancies, and concurred with the remainder of the recommendation.

Secretary of State. The Governor recommended staffing of 62.0 full-time equivalent positions for FY 2027, consistent with the authorized level. The Assembly authorized 63.0 full-time equivalent positions, 1.0 more than enacted, for a new Program Coordinator position within the Elections and Civics division to supervise the Rhode Island Address Confidentiality Program.

Office of the General Treasurer. The Governor recommended 93.0 full-time equivalent positions for FY 2027, 1.0 more than enacted, for a new retirement aide position for the Employees' Retirement System. The Assembly concurred.

Office of Inspector General. The Assembly provided 12.0 full-time equivalent positions to staff the new Office of Inspector General.

Executive Office of Health and Human Services. The Governor recommended 252.0 full-time equivalent positions for FY 2027, 9.0 more than enacted. This includes 8.0 positions to implement new federal requirements under H.R. 1, and a transfer from the Department of Health for Olmstead Planning. He requested an amendment to add 5.0 positions in FY 2026 and FY 2027 for the Rural Health Transformation program. The Assembly concurred with the amended recommendation and included 248.0 positions for FY 2026 and 257.0 positions for FY 2027.

Children, Youth and Families. The Governor recommended 719.5 full-time equivalent positions for FY 2026 and FY 2027, 6.0 more than enacted. This includes 5.0 social service analysts and 1.0 caseload worker supervisor for implementation of the Children's Behavioral Health Consent Decree remediation plan. The Assembly concurred.

Health. The Governor recommended the authorized level of 572.6 full-time equivalent positions for FY 2026 and FY 2027. However, his FY 2027 budget transfers 1.0 full-time equivalent position to the Executive Office of Health and Human Services, and adds 1.0 environmental health food specialist to enforce oversight of kratom sales and ensure compliance with state regulations as outlined in the 2025 Rhode Island Kratom Act. The Assembly concurred.

Human Services. The Governor recommended revised staffing of 1,089.0 positions for FY 2026, which is 10.0 more than enacted, including 4.0 positions for an Office of Program Integrity and 6.0 positions to address the state's Supplemental Nutrition Assistance Program payment error rate. For FY 2027, he recommended 1,128.0 positions, which is 39.0 more than the revised recommendation, including 17.0 more positions to improve customer service and accuracy in program administration and 2.0 positions for the Office of Program Integrity. He also added 24.0 positions to staff the Foxtrot neighborhood of the Veterans' Home, which is currently closed. The recommendation reflects the transfer of 4.0 positions for the Weatherization Assistance Program to the Office of Energy Resources. The Assembly concurred.

Behavioral Healthcare, Developmental Disabilities and Hospitals. The Governor recommended 1,223.4 full-time equivalent positions for FY 2026 and FY 2027; this is consistent with the enacted budget. He subsequently requested an amendment to add 2.0 full-time equivalent positions for the Rural Health Transformation program in FY 2026 and FY 2027. The Assembly concurred with the amended recommendation and included 1,225.4 positions for both FY 2026 and FY 2027.

Elementary and Secondary Education. The Governor recommended 343.1 full-time equivalent positions for FY 2027, 1.0 more than enacted, for a new investigator position to handle teacher misconduct cases. The Assembly did not concur and provided authorization consistent with the FY 2026 enacted level.

Public Higher Education. The Governor recommended retroactively exempting the University of Rhode Island from any limitations on full-time equivalent positions, effective July 1, 2025. The enacted budget includes 2,671.0 University positions, of which 378.8 are limited to third-party funds. The University exceeded its FY 2025 enacted cap for most of that year. The 2025 Assembly authorized 100.0 new positions to enable the University to stay within its cap while also allowing for growth.

The Assembly did not concur and authorized 200.0 new full-time equivalent positions for the University. It included a separate cap of 450.0 positions that support auxiliary operations, based on a formal request by the University. It also reduced staffing by 50.0 and 40.0 for the College and Community College, respectively, to reflect long-standing unfunded vacancies.

Historical Preservation and Heritage Commission. The Governor recommended the enacted level of 15.6 full-time equivalent positions for FY 2027. The Assembly authorized 14.0 positions, reflecting the elimination of 1.6 long vacant positions.

Corrections. The Governor recommended FY 2027 staffing of 1,461.0 full-time equivalent positions, consistent with the enacted authorization. The Assembly authorized 1,411.0 positions, 50.0 fewer than recommended, reflecting the removal of long-standing vacancies.

Judiciary. The Governor recommended FY 2027 staffing of 749.3 full-time equivalent positions, consistent with the enacted authorization. The Assembly authorized 752.3 positions, adding 3.0 positions for a new domestic violence calendar within the Superior Court.

Public Safety. The Governor recommended staffing of 635.0 full-time equivalent positions for FY 2026, 1.0 more than enacted, reflecting the transfer of a position from the Department of Administration. To his revised budget, he added 3.0 positions for E-911, for FY 2027 staffing of 638.0 positions. The Assembly concurred.

Office of the Public Defender. The Governor recommended 105.0 full-time equivalent positions for FY 2027, 1.0 more than enacted, to add an additional attorney to reduce caseloads. The Assembly concurred.

Environmental Management. The Governor recommended FY 2027 staffing of 440.0 positions, 1.0 more than enacted, reflecting the transfer of a property management and maintenance position of the Big River Management Area from the Department of Administration. The Assembly concurred.

Transportation. The Governor recommended the authorized level of 755.0 full-time equivalent positions for FY 2026. He recommended 2.0 new chief civil engineer positions for bridge inspection oversight, for FY 2027 staffing of 757.0 positions. The Assembly authorized 722.0 full-time equivalent positions for FY 2027, 35.0 fewer than recommended, reflecting the removal of long-standing vacancies, and concurred with the remainder of the recommendation.

Internal Service Funds

The state uses internal service funds to reimburse one agency for services provided to another. For example, the Division of Capital Asset Management and Maintenance Facilities within the Department of Administration charges agencies for property management and maintenance expenses, such as snow removal and security services. These expenses had previously included utilities; the 2025 Assembly concurred with the Governor's recommendation to decentralize utility expenses. In other cases, the service provided is more administrative, such as human resources support. The funds to cover these expenditures are budgeted as an operating expenditure in the agency receiving the services. No funds are appropriated to the internal service fund.

Internal service funds lack the transparency of direct appropriations. Billings to agencies support them since no money is appropriated to the funds, and the services appear as operating costs, even though they often fund personnel expenses. This makes it difficult to exercise the same level of scrutiny as direct appropriations. The 2017 Assembly adopted legislation authorizing internal service funds for centralized services, including information technology, facilities management, and human resources.

That law also requires that the Department of Administration report the fund activities quarterly, starting with October 15, 2017, including a breakdown by each department and agency. The report must be submitted to the Speaker of the House and President of the Senate, with copies to the House and Senate Finance Committee chairpersons. The following table shows the dates the reports were submitted.

Fiscal Year	1st 10/15	2nd 1/15	3rd 4/15	4th 7/15
2026	11/24	1/28	4/15	
2025	10/15	1/15	4/23	11/10
2024	10/16	1/31	4/19	9/19
2023	10/17	1/20	4/14	8/11
2022	10/27	1/15	4/15	7/15
2021	10/30	2/22	5/14	
2020	10/31	1/17	5/20	8/24
2019		2/19	5/21	9/13
2018	10/13	2/21		11/24

Previous personnel costs discussed exclude internal service funds expenses; however, the staffing levels do include them, which skews the actual cost per position. The following table shows them included.

FY 2027 Enacted Including ISF	General Revenues	Federal Funds	Restricted Receipts	Other Funds	Total
Salaries and Wages	\$ 901,156,887	\$ 204,471,138	\$ 75,372,670	\$ 500,367,223	\$ 1,681,367,918
Benefits	498,025,206	122,602,724	43,047,251	204,852,457	868,527,638
Total Salaries and Benefits	\$ 1,399,182,093	\$ 327,073,862	\$ 118,419,921	\$ 705,219,680	\$ 2,549,895,556
Contracted Services	156,979,418	358,448,228	115,337,309	67,560,902	698,325,857
Total Personnel	\$ 1,556,161,511	\$ 685,522,090	\$ 233,757,230	\$ 772,780,582	\$ 3,248,221,413

The associated staffing costs of \$83.0 million support 488.0 full-time equivalent positions statewide. This includes 442.0 positions in the Department of Administration, which is 8.0 positions more than enacted, primarily reflecting the Office of Accounts and Control Internal Service Fund. This is also 25.0 fewer positions than recommended, reflecting the removal of long-standing vacancies. There are also 13.0 positions in the Department of Public Safety, 4.0 in the Secretary of State, and 29.0 in the Department of Corrections.

The following table shows the budgets for the most recently created internal service funds; they have the largest staffing costs. The bottom part of the table shows resources that are budgeted in agencies to support them.

ISF Budgets	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted
Accounts and Control	\$ -	\$ -	\$ -	\$ 17,696,064
Human Resources	16,566,445	18,711,878	18,478,334	14,804,445
DCAMM - Facilities	54,377,776	40,492,965	40,533,451	41,508,177
Information Technology	56,635,661	70,587,805	70,690,359	64,137,258
Total	\$ 127,579,882	\$ 129,792,648	\$ 129,702,144	\$ 138,145,944
Agency Budgets				
Accounts and Control	\$ -	\$ -	\$ -	\$ 14,213,811
Human Resources	15,139,941	16,178,487	16,130,373	14,668,355
DCAMM - Facilities	51,188,469	44,086,317	44,463,395	44,319,989
Information Technology	47,375,110	57,571,743	59,270,924	53,148,943
Total	\$ 113,703,520	\$ 117,836,547	\$ 119,864,692	\$ 126,351,098
Difference	\$ 13,876,362	\$ 11,956,101	\$ 9,837,452	\$ 11,794,846

Accounts and Control. The primary mission of the Office of Accounts and Control is to promote the financial integrity and accountability of state government through sound administrative and accounting controls and procedures. In 2019, functions of federal grants management were transferred to the Office from the Office of Management and Budget. The 2025 Assembly concurred with the Governor's proposal to transfer functions of the Office of Risk Management from the Division of Capital Asset Management and Maintenance to the State Controller, based on the assertion that its work on insurance coverage is primarily a financial issue rather than facility management.

The Department's constrained request proposes to change the funding methodology for the Office of Accounts and Control, from direct appropriation to an internal service fund. The Department believes that charging agencies directly for statewide financial services will allow for a greater allocation of expenses to non-state sources. As previously noted, internal service funds lack the transparency of direct appropriation because they are supported by billings to agencies, which makes it difficult to exercise the same level of scrutiny. The proposal assumes statewide general revenue savings of \$1.5 million, which assumes approximately 25 percent of the Office's operating budget of \$5.7 million can be charged to other sources. It includes staffing of 72.0 full-time equivalent positions; 33.0 are transfers from existing internal service fund programs, including 23.0 positions from Human Resources for payroll services and expenses, 7.0 positions from the Division of Enterprise Technology Strategy and Services for the new Enterprise

Resource Planning System. It also repurposes three vacancies from the Division of Capital Asset Management and Maintenance.

*The Governor's recommendation reflects the establishment of an internal service fund for accounts and control expenses with a budget of \$17.7 million and staffing of 67.0 full-time equivalent positions. This includes \$8.4 million for operations of the Enterprise Resource Planning System, \$0.5 million for risk management functions, and \$8.9 million for Accounts and Control support services. The recommendation is \$1.5 million less and 5.0 fewer positions than requested. This includes \$0.6 million less representing the plan to retain direct appropriation for the federal Grants Management Office. It also includes additional turnover savings. The recommended budget includes only \$14.2 million in agency budgets to support accounts and control expenses. **The Assembly concurred.***

Human Resources. The Division provides human resources services to nearly all state departments. Services include employee benefits, payroll, and labor relations. Agencies are billed based on a cost per filled position. At the end of FY 2025, the fund balance was \$1.3 million. Through the second quarter of FY 2026, expenses totaled \$8.0 million, and \$8.1 million for services were billed. As of mid-November 2025, 14,369.9 full-time equivalent positions are filled; this is 82.8 and 511.6 positions more, respectively, than in November 2024 and 2023.

Human Resources	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 13,286,756	\$ 15,738,424	\$ 15,307,179	\$ 12,184,207
Contracted Services	1,203,462	204,200	795,795	345,795
Other State Operations	2,095,402	2,739,754	2,345,860	2,244,943
Capital	(19,175)	29,500	29,500	29,500
Total	\$ 16,566,445	\$ 18,711,878	\$ 18,478,334	\$ 14,804,445
Ending Fund Balance	\$ 1,311,146			
FTE Authorization	104.0	104.0	103.0	80.0

The FY 2026 revised request includes expenditures of \$18.7 million, essentially as enacted. However, this includes \$0.5 million less than enacted for salaries and benefits, reflecting updated staffing costs and allocations, and turnover savings, which were repurposed primarily for various contracted services. As of mid-November, there were 12 vacancies. The remaining expenses of \$3.1 million are \$5,000 less than enacted.

The FY 2027 request includes \$16.6 million for salaries and benefits for 103.0 full-time equivalent positions. This is \$0.9 million more than enacted and \$1.4 million more than the revised request. It assumes turnover savings equivalent to about five vacancies, six fewer than the revised request. All remaining expenses of \$3.1 million are \$5,000 less than enacted.

The constrained request of \$15.3 million, which is \$4.3 million less, primarily reflects the transfer of payroll services and staffing costs for 23.0 full-time equivalent positions to the proposed Accounts and Control Internal Service Fund.

*The Governor's revised budget is \$0.2 million less than enacted and requested, primarily reflecting additional turnover savings. For FY 2027, he concurred with the constrained proposal and included \$14.8 million. This is \$0.5 million less than requested, reflecting additional turnover savings, statewide adjustments to health and other benefit rates, centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

DCAMM - Facilities. The Division of Capital Asset Management and Maintenance provides services, including property management, groundskeeping, and janitorial services for state departments and agencies. It is responsible for 140 state buildings and six court buildings. Expenditures are based on projected costs for janitorial services, snow removal, repairs, and personnel. For billing purposes, each building is assigned a rate, which reflects the cost per square foot for occupancy, and agencies are charged based on the square footage they occupy in a facility.

At the end of FY 2020, the fund had an accumulated deficit of \$1.9 million. In FY 2021, a total of \$43.5 million for services was billed to agencies, and expenditures were \$41.0 million, resulting in a surplus balance of \$2.5 million, effectively eliminating the prior fund deficit. The fund ended with negative balances of \$0.4 million, \$0.5 million, and \$1.9 million, respectively, for FY 2023, FY 2024, and FY 2025. The 2025 Assembly concurred with the Governor's recommendation to decentralize utility expenses; \$13.9 million of utility expenses were removed and are included in agency budgets.

DCAMM - Facilities	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 13,686,744	\$ 15,339,025	\$ 15,353,522	\$ 15,711,890
Contracted Services	9,637,558	8,572,334	9,399,467	9,624,467
Other State Operations	31,004,055	16,517,106	15,765,462	16,156,820
Capital	49,419	64,500	15,000	15,000
Total	\$ 54,377,776	\$ 40,492,965	\$ 40,533,451	\$ 41,508,177
Ending Fund Balance	\$ (1,918,528)			
FTE Authorization*	103.0	101.0	102.0	94.0

**FY 2027 authorization assumes the removal of 25 vacancy results in 5 fewer positions assigned to this program*

Through the second quarter of FY 2026, expenses totaled \$18.2 million, while the Department billed \$21.2 million for services; this eliminated the prior year's deficit, resulting in a surplus balance of \$1.1 million.

The FY 2026 revised request is \$36,301 more than enacted, for salaries and benefits, reflecting updated staffing costs and allocations. It assumes staffing of 102.0 full-time equivalent positions, 1.0 more than enacted to correct an error in the enacted budget, which was based on the Department's request.

For FY 2027, the request includes \$16.0 million for salary and benefit expenses, or \$0.7 million more than enacted for current service adjustments, staffing costs, and allocations. The Department intended to include staffing of 102.0 full-time equivalent positions, consistent with the revised request; however, it appears to have inadvertently included three fewer positions.

The request also includes \$25.2 million for all remaining operating and contracted expenses, of which \$12.3 million or 48.7 percent is for the Pastore Center, and \$4.8 million is for the Capital Center, which includes the following buildings: State House, William Powers, Cranston Street Armory, Cannon, Chapin, State Office Building, Old State House, and Arrigan Center. The request adds \$0.9 million for snow removal, for a total of \$2.5 million. Expenses were \$2.8 million in FY 2025; however, the revised request maintains the FY 2026 enacted amount of \$1.5 million.

It includes \$8.7 million for contracted services, including \$3.5 million for the contract with NORESCO, which has two components: direct labor, a fixed amount, and consumables, which depend on repair costs. It also includes \$1.6 million for contracted security services, which is \$0.9 million less than enacted, reflecting the Department's proposal to shift these expenses to Rhode Island Capital Plan funds. It should be noted that the Department's request includes another proposal to shift \$2.1 million from salary and

benefit expenses for 10.5 full-time equivalent positions, including project managers and architects, from general revenues to Rhode Island Capital Plan funds. The Governor recommended these proposals unsuccessfully for FY 2025 and FY 2026. The Assembly has, each year, maintained the use of these funds for direct, specific capital project costs.

The constrained request further increases contracted operating expenses to Rhode Island Capital Plan funds by \$1.1 million, bringing the total to \$2.2 million. Under this proposal, the amount billed to agencies would be \$159,000 less, and \$0.9 million would be allocated to other expenses, including \$0.7 million for snow removal, for a total expense of \$3.2 million.

The Governor's FY 2026 revised recommendation is \$4,185 more than requested, reflecting statewide adjustments. He recommended \$41.5 million for FY 2027; he did not recommend the constrained proposals.

*The recommendation is \$0.3 million more than requested; consistent with the enacted budget, he includes \$2.6 million, or \$0.9 million more than requested for security services, which is partially offset by additional turnover. The recommendation also reflects statewide adjustments to health and other benefit rates, centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred. The FY 2027 enacted staffing authorization removed 25.0 long-standing vacancies; 5.0 of these are assumed to be allocated to the Division of Capital Asset Management and Maintenance.***

Enterprise Technology Strategy and Services. The Division of Enterprise Technology Strategy and Services provides centralized information technology services to state agencies. According to the Department of Administration, expenditures are broken out into service categories to calculate the cost of service; from that, rates are developed. Some services include printing, storage, system support, server charges, and disaster recovery. At the end of FY 2022, the fund had a balance of \$2.4 million, which grew to \$8.6 million by the end of FY 2025. Through the second quarter of FY 2026, expenses totaled \$25.7 million, while the Department billed \$25.5 million for services. This results in a current deficit of \$0.2 million; however, it appears that not all information technology services have been paid.

Enterprise Technology Strategy and Services	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted
Expenditures by Category				
Salaries and Benefits	\$ 28,477,598	\$ 34,451,003	\$ 33,817,326	\$ 33,611,256
Contracted Services	3,854,614	5,719,985	6,451,705	5,292,311
Other State Operations	21,529,249	30,392,324	30,421,328	25,233,691
Capital	2,774,200	24,493	-	-
Total	\$ 56,635,661	\$ 70,587,805	\$ 70,690,359	\$ 64,137,258
Ending Fund Balance	\$ 8,647,465			
FTE Authorization*	179.0	196.0	196.0	169.0

**FY 2027 staffing assumes the removal of 25 long-standing vacancies results in 20 fewer positions assigned to this program*

The revised request includes total expenses consistent with the enacted budget, savings of \$0.7 million from salaries and benefits, based on additional turnover savings. The revised request assumes staffing of 196.0 full-time equivalent positions, consistent with the enacted level; it reflects the transfer of a position from the Central Mailroom, and a position was transferred back to the Department of Public Safety, resulting in no net change. As of mid-November, there were 35 vacancies.

The 2025 Assembly created a designation for specialized information technology positions in state service, to be capped at 15.0 full-time equivalent positions in any fiscal year. It authorizes the personnel administrator to implement the pay plans for these positions without conducting a public hearing or obtaining approval from the Governor until December 31, 2026. It also requires the personnel administrator to submit a report within 30 days to the Governor, the Speaker of the House of Representatives, the Senate President, and the chairpersons of the House and Senate Finance Committees. Of the 15.0 new positions, 10.0 would be dedicated to the Unified Health Infrastructure Project and 5.0 for the Division of Enterprise Technology Strategy and Services. Those funded by the information technology internal service fund program would support various enterprise initiatives. It appears that funding for the positions supporting the Unified Health Infrastructure Project is budgeted as salaries and benefits in the Executive Office of Health and Human Services and HealthSource RI budgets. This is inconsistent with current practice, which reflects these expenses as operating costs in agency budgets.

The request includes \$71.8 million for FY 2027, which is \$1.2 million more than enacted. It includes \$35.8 million for salary and benefit expenses for 196.0 full-time equivalent positions, consistent with the revised request. This is \$1.4 million more than enacted, reflecting current service adjustments and expenses for the newly authorized positions; this is partially offset by \$0.6 million of savings from contracted information technology services. All remaining expenses are \$0.4 million more, primarily for software maintenance.

The Department's constrained request of \$64.1 million, which is \$7.7 million less, primarily reflects the transfer of expenses and staffing of 7.0 full-time equivalent positions for the Enterprise Resource Planning System to the proposed Accounts and Control Internal Service Fund.

The Governor's FY 2026 revised recommendation is \$0.1 million more than requested, reflecting statewide adjustments. He included \$64.1 million for FY 2027, which is \$65,691 more than the constrained request. This includes additional turnover savings, offset by statewide adjustments to health and other benefit rates, and centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred. The FY 2027 enacted staffing authorization removed 25.0 long-standing vacancies; 20.0 of these are assumed to be allocated to the Division of Enterprise Technology and Strategy Services.

Assessed Fringe Benefits. The Assessed Fringe Benefit Fund provides funding for the state employee workers' compensation, severance pay, unemployment pay, and employee assistance programs. The Fund is supported from a biweekly assessment that is applied to the amount of salaries and wages paid from all accounts and funds. At the end of FY 2024, the balance was \$5.9 million, and it appears to be \$3.9 million for FY 2025; audited data is not available. The enacted budget assumes an assessment of 2.9 percent for both FY 2026 and FY 2027.

The Department projected FY 2026 revised expenses of \$36.9 million, which is \$363,986 less than enacted. It includes an additional \$95,014 for program administration, reflecting updated staffing allocations. It also includes \$459,000 less for severance payments, for which the enacted budget included \$6.5 million. The request is \$4.4 million less than FY 2025 expenses of \$10.4 million; FY 2024 expenses were \$7.7 million. The reduction appears to have been in error. Subsequently, the Budget Office indicated that it needs to review the fund to align the Appropriations Act with recent actuals.

The request of \$36.9 million for FY 2027 is essentially consistent with the revised request. *The Governor's recommendations correct for the inadvertent exclusion and include statewide adjustments to health and other benefit rates, centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. The Assembly concurred.*

Central Mailroom. The central mail services program provides for inter-agency mail delivery and processing of mail for most state agencies. Agencies are billed based on mail processed on their behalf.

The revised request includes total expenses essentially as enacted and 8.0 full-time equivalent positions for FY 2026. Salary and benefit expenses are \$150,713 less for 1.0 fewer position, reflecting a transfer to the Division of Enterprise Technology Strategy and Services. As of mid-November, there were eight filled positions. Operating expenses of \$7.6 million are \$150,713 more than enacted, primarily for computer supplies. This is \$0.1 million less than FY 2025 expenses, adjusting for \$0.8 million for postage, provided for the January 2026 rate increases. The FY 2027 request includes \$9.2 million, including \$1.5 million for 8.0 full-time equivalent positions, consistent with the revised request. It includes \$7.7 million or \$0.3 million more for operating expenses; approximately half of the increase is for mailing.

*The Governor's recommendations are \$835 and \$1,287 less than requested for FY 2026 and FY 2027, respectively, reflecting statewide adjustments to health and other benefit rates, and centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

State Fleet. State Fleet provides charges for the administration and fiscal management of state-owned vehicles and operates several fuel depots throughout the state. The FY 2026 revised and FY 2027 requests assume staffing of 7.0 full-time equivalent positions, consistent with the enacted level. As of mid-November, there was one vacancy. The revised request is \$9,931 more than enacted, for updated staffing costs. The revised request is \$0.2 million more than FY 2025 reported expenses. The request of \$21.7 million for FY 2027 is \$40,489 more than enacted and \$30,558 more than the revised request for current service adjustments.

*The Governor's recommendations are \$4,884 and \$38,950 more than requested for FY 2026 and FY 2027, respectively, reflecting statewide adjustments to health and other benefit rates, and centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

Telecommunications. The Division of Enterprise Technology Strategy and Services' telecommunications program manages all voice telephone line installations, service changes, and billings statewide. It also provides direct services both internally to the government and to the public. Agencies are billed based on the number of lines as well as the requested maintenance. The revised request total is essentially consistent with FY 2026 enacted expenses of \$3.4 million.

The FY 2027 request includes \$3.5 million, of which \$1.1 million is for salary and benefit expenses for the authorized level of 6.0 full-time equivalent positions. This is \$44,044 more than enacted, of which \$28,437 is to restore enacted turnover savings. As of mid-November, there were no vacancies. Operating expenses of \$2.4 million are \$34,755 more than enacted, primarily for telecommunications.

*The Governor's recommendations are \$3,173 more for FY 2026 and \$15,348 less for FY 2027, reflecting turnover savings and statewide adjustments to health and other benefit rates, and centralized services, including a new charge for accounts and control expenses, and other changes based on updated data. **The Assembly concurred.***

Medicaid

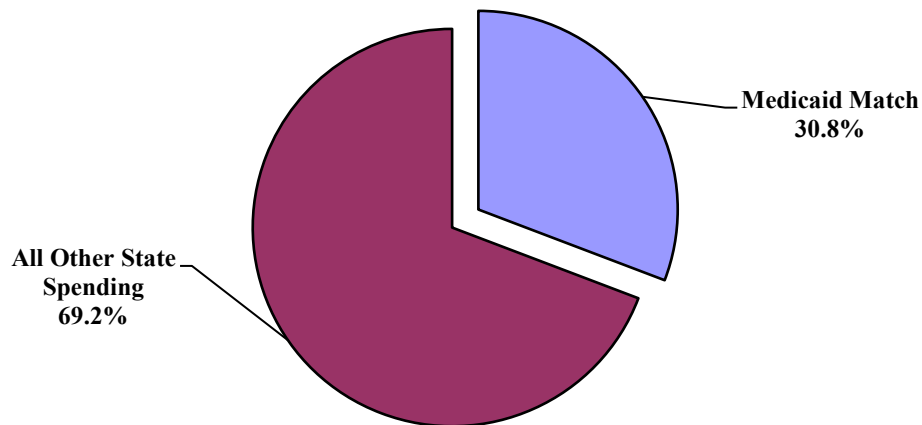
Medicaid is a health insurance program jointly funded by the federal government and the states to provide services to low-income children, pregnant women, parents of dependent children, the elderly, and people with disabilities. The federal government's share of expenditures for most Medicaid services is called the federal medical assistance percentage or FMAP. The remainder is referred to as the nonfederal or state share. With the passage of the Patient Protection and Affordable Care Act of 2010, states had the option to expand coverage to include certain low-income adults, with the federal government eventually paying 90 percent of the total cost.

Rhode Island provides medical assistance, residential care, community-based services, and case management activities to individuals who meet the eligibility criteria established for the various assistance programs operated by the Executive Office of Health and Human Services and the four departments under its umbrella: Human Services; Behavioral Healthcare, Developmental Disabilities and Hospitals; Children, Youth and Families; and Health. The following table shows Medicaid spending by department in the FY 2027 enacted budget, including administrative costs and direct benefits, as well as by percent of the total Medicaid budget.

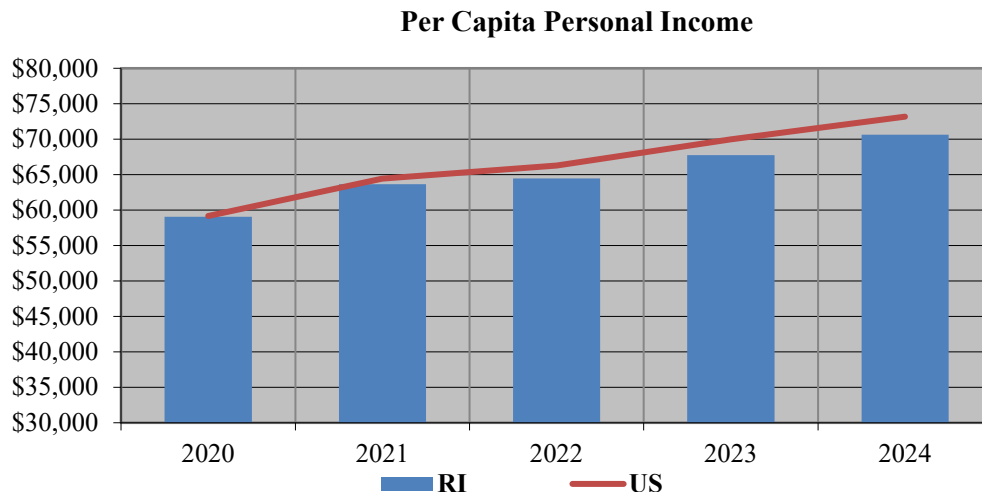
FY 2027 Enacted	General Revenues	All Funds	% of Medicaid
EOHHS	\$ 1,522,736,333	\$ 4,428,175,644	84.3%
BHDDH	290,645,733	682,260,318	13.0%
Children, Youth and Families	37,280,630	84,916,887	1.6%
Human Services	19,039,274	46,795,293	0.9%
Health	2,230,129	10,662,510	0.2%
Total	\$ 1,871,932,099	\$ 5,252,810,652	100%

Medicaid as a Percent of the State Budget. Programs supported by Medicaid are 34.5 percent of total spending in the FY 2027 enacted budget, and the state match for that requires 30.8 percent of all spending from general revenues. The programs and recipients receiving Medicaid funded services are discussed separately in the pages that follow, including the state's mandated coverage for these populations, the number of individuals receiving services and the costs, as well as other optional services provided through the health and human service agencies.

**FY 2027 State Medicaid Match vs
All General Revenue Spending**



Medicaid Rate. The federal medical assistance percentage, also known as FMAP or the federal Medicaid rate, is a calculation with significant impact on state health and human services spending. Each state has a Medicaid rate. The formula that determines an individual state's Medicaid rate is based on that state's three-year average per capita income relative to national per capita income and represents the portion of medical services delivered under the Medicaid program that the federal government will contribute. States with a higher per capita income level are reimbursed a smaller share of their costs.



By law, the standard Medicaid rate cannot be lower than 50 percent or higher than 83 percent. The federal contribution to any state's administrative costs for Medicaid services is set at 50 percent. The chart above shows the state's per capita income for the previous five calendar years compared to the national average. The FY 2027 rate is based on 2022 through 2024 data. The per capita income data released by the federal Bureau of Economic Analysis is used to calculate each state's Medicaid reimbursement rate.

Since the Medicaid rate is effective for each federal fiscal year that starts on October 1, the state uses a blended rate for its fiscal year. For example, Rhode Island's FY 2027 rate for budgetary purposes is based on one quarter of the federal fiscal year 2026 rate and three quarters of the federal fiscal year 2027 rate.

For FY 2023 through FY 2027, the following table shows the regular rates for the federal and state fiscal years, as well as the enhanced rates related to the pandemic. The federal share has grown over the last several years. It was also temporarily enhanced during the pandemic, as shown in the table for FY 2023 and FY 2024, resulting in general revenue savings.

Medicaid Rates	FFY		SFY	
	Regular	Enhanced	Regular	Enhanced
2027	57.81%	N/A	57.73%	N/A
2026	57.50%	N/A	57.20%	N/A
2025	56.31%	N/A	55.99%	N/A
2024	55.01%	55.75%	54.75%	55.75%
2023	53.96%	60.16%	54.19%	60.09%

Medicaid - CHIP Enhanced Rate. The federal medical assistance percentage not only determines the state and federal share of Medicaid, the state's largest health and human services program, but also applies to adoption assistance, foster care, and child care. The Medicaid rate is the basis for calculating the enhanced matching rate for the Children's Health Insurance Program (CHIP). The enhanced Medicaid rate reduces the state share by 30 percent. For example, a Medicaid rate of 52 percent means a state share of 48 percent. A 30 percent reduction to that brings the state share to 33.6 percent and an enhanced federal rate

of 66.7 percent. Like the underlying Medicaid rate, these enhanced rates may change annually with updated data.

CHIP Rates	FFY	SFY
2027	70.47%	70.42%
2026	70.25%	70.04%
2025	69.42%	69.19%
2024	68.51%	68.33%
2023	67.77%	67.93%

The Patient Protection and Affordable Care Act of 2010. On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act of 2010, commonly referred to as the Affordable Care Act, which provided for national health care reform. That was immediately followed by the signing of a package of amendments, the Health Care and Education Reconciliation Act of 2010.

The act required most citizens and legal residents to have health insurance by January 1, 2014, or pay a tax penalty, and expanded Medicaid coverage to individuals and families up to 138 percent of the federal poverty level. The Tax Cuts and Jobs Act of 2017 eliminated the penalty for not purchasing health insurance.

The Affordable Care Act also provided premium credits and cost-sharing subsidies for individuals and families between 139 percent and 400 percent of poverty. The act requires most employers to offer medical coverage, includes small business tax credits for employers with no more than 25 employees, and provides for a temporary reinsurance program for employers providing health insurance coverage to individuals over 55 years of age but who are not eligible for Medicare. This provision remains in current law.

The Affordable Care Act allows young adults to remain on a parent's or guardian's health plan until age 26; this provision became effective September 23, 2010. Regulations state that young adults are eligible for this coverage regardless of any of the following factors: financial dependency, residency with a parent, student status, employment, or marital status. The law does not require that a plan or issuer offer dependent coverage, but if coverage is offered, it must be extended to young adults up to age 26. Rhode Island requires insurance plans that cover dependent children to cover unmarried dependent children until age 19, or until age 25 if a student. If the dependent child is mentally or physically impaired, the plan must continue coverage after the specified age. This provision remains in current law.

Medicaid Expansion. Title II of the act expands eligibility to lower-income persons and assumes federal responsibility for much of the cost of this expansion. Beginning on January 1, 2014, all children, parents and adults without dependent children who are not entitled to Medicare and who have family incomes up to 138 percent of poverty became eligible. The 2013 Assembly expanded coverage to this population.

The act also required states to maintain the same income eligibility levels through September 30, 2023. For Rhode Island, the requirement applied to RItE Care eligibility for parents who are at or below 175 percent of poverty and children who are at or below 250 percent. The 2013 Assembly lowered the parent's threshold to 133 percent of poverty and included funding to assist in the transition to coverage through the health benefits exchange. The eligibility threshold for the parent was increased to 138 percent to match the threshold for the expansion program.

Between 2014 and 2016, the federal government paid 100 percent of the cost of covering newly-eligible individuals until January 1, 2020. After a phase-down period, the final rate of 90.0 percent took effect.

The table on the following page shows total program expenses and the state match for FY 2021 through the FY 2027 enacted budget and projected through FY 2031. Expenditures from FY 2021 through FY 2024

reflect caseload growth partially attributable to the prohibition on redeterminations during the public health emergency. Redeterminations began April 1, 2023, and the state match for this program remains at 10 percent; the delay in redeterminations did affect total state costs, which increased to \$702.8 million for FY 2024 from the pre-pandemic level of \$491.0 million in FY 2019, or about 40 percent.

Medicaid Expansion		
FY	General Revenues	All Funds
2031	\$ 92.9	\$ 842.6
2030	\$ 89.5	\$ 811.0
2029	\$ 86.2	\$ 781.4
2028	\$ 82.9	\$ 751.3
2027	\$ 79.2	\$ 734.6
2026	\$ 80.5	\$ 741.5
2025	\$ 73.8	\$ 717.5
2024	\$ 76.4	\$ 702.8
2023	\$ 83.6	\$ 784.5
2022	\$ 77.6	\$ 722.7
2021	\$ 68.8	\$ 643.8

\$ in millions

HealthSource RI. In September 2011, Governor Chafee issued an executive order to establish the Rhode Island Health Benefits Exchange, renamed HealthSource RI, the marketplace for purchasing health insurance. The 2015 Assembly enacted Article 18 of 2015-H 5900, Substitute A, as amended, to establish the Exchange in general law as a division within the Department of Administration. It authorized HealthSource RI to operate a state-based exchange to meet the minimum requirements of the federal act. It also authorized an assessment be charged by the Department not to exceed revenues raised through the federally facilitated marketplace upon those insurers offering products on the Exchange. The assessment is anticipated to generate \$11.4 million for FY 2027.

The 2019 Assembly also adopted Article 11 of 2019-H 5151, Substitute A, as amended, to address federal changes decreasing the assessment from 3.5 percent to 3.0 percent. The article decoupled the state's premium assessment from the rate charged for federally facilitated marketplaces. It established a fee of 3.5 percent in statute, effective January 1, 2020. The Governor's FY 2027 recommended budget includes \$1.9 million from general revenues to be used in conjunction with these revenues for the operations of HealthSource RI.

The Assembly included Section 18 of Article 12 of 2026-H 7127, Substitute A, as amended to establish the Individual Market Affordability program to provide assistance to individuals who purchase health insurance on the Exchange. The legislation authorizes the Exchange to determine the annual affordability percentages for each upcoming coverage year based on the appropriations. The first coverage year would be 2027, and the legislation requires that for that year, affordability percentages prioritize households with incomes below 200 percent of the federal poverty level who are no longer receiving federal enhanced premium assistance subsidies.

The FY 2027 enacted budget includes \$22.0 million from general revenues, the full estimated annual cost for the program, requiring that unspent funds be reappropriated to the following year. This is estimated to cover the same group and would reach others as well. It includes full 12-month coverage for FY 2027 because coverage determination must be based on appropriations and spans two fiscal years.

HealthSource RI offers in-person assistance from professional health benefits navigators and online tools to assist Rhode Island residents and small businesses with shopping for and purchasing health insurance.

All plans offered through HealthSource RI meet minimum coverage requirements set by the federal government, including essential health benefits such as preventive care and annual physicals, doctor sick visits, hospitalizations, maternity care, emergency room visits, and prescription coverage.

Tools offered can be used by those who do not have coverage either through an individual plan or through an employer plan, are under-insured by their individual or employer plan, or are comparison shopping between their current plan and plans offered through the Exchange. Small employers with fewer than 50 full-time employees may also use HealthSource RI to offer coverage options to their employees.

The Assembly required religious employers that purchase plans on the exchange to offer their employees a full-choice option. The employers would not be responsible for any additional costs of a plan selected by an employee. It also required that if an employer elects the religious exemption variation, it must provide written notice to enrollees that the plan excludes coverage for abortion services.

Health plans offered through the marketplace are categorized into tiers based on the level of benefits and cost-sharing requirements. Individuals in households with incomes below 400 percent of poverty and who are not Medicaid eligible will receive federal subsidies to reduce the cost of commercial health plans purchased through the Exchange.

The 2013 Assembly lowered the state's threshold criteria for RItE Care parents to 133 percent of poverty and created a premium assistance program to aid in the transition to coverage through the Exchange. The state pays 50 percent of the cost of commercial coverage after subtracting what the parents are currently paying for RItE Care coverage and any federal tax credits or subsidies that are available. The FY 2027 enacted budget includes \$0.9 million, including \$0.4 million from general revenues, to cover qualifying parents who lose benefits because of the expiration of the enhanced subsidies.

Reinsurance Program. The 2019 Assembly concurred with Governor Raimondo's proposal to establish a reinsurance program, which was envisioned to provide stability in the individual insurance market; legislation is contained in Article 11 of 2019-H 5151, Substitute A, as amended. It imposes a shared responsibility payment penalty for individuals who do not have health insurance coverage, with certain exemptions, and became effective on January 1, 2020. For federal tax year 2017, the penalty per household was \$695 per adult and \$347.50 per child under 18 or 2.5 percent of the household's income; however, the penalty was capped at the national average premium for bronze-level plans. It mirrors the federal penalty, with the exception of capping the penalty at the statewide average premium for bronze-level plans offered on the state's health benefits exchange.

The penalty is collected by the tax administrator and deposited into a restricted account titled the Health Insurance Market Integrity Fund. The funds are used to provide reinsurance or payments to health insurance carriers as a means of ensuring that premiums do not increase drastically, and administrative costs. Remaining funds from the penalty can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services. The legislation prohibits the use of general revenues for reinsurance payments. The 2023 Assembly adopted Section 4 of Article 4 of 2023-H 5200, Substitute A, as amended, to exempt any person on Medicaid during calendar year 2023 from the current penalty assessed for not having health insurance.

The FY 2027 enacted budget includes \$18.0 million, of which \$12.2 million is from federal funds and \$5.8 million is from the Shared Responsibility Payment penalty for individuals without health insurance coverage, with certain exemptions. This includes \$17.3 million for reinsurance payments to health insurance carriers and \$0.7 million for program administration.

Unified Health Infrastructure Project/RI Bridges. The state received approval from the Centers for Medicare and Medicaid Services in April 2015 for a fully integrated system, RI Bridges, for its human

services eligibility and application and worker accessibility activities in the affected agencies as originally planned. The project is a joint venture among the Executive Office of Health and Human Services, Department of Human Services, and HealthSource RI.

In September 2016, the old system was shut down, and the new system became operational, though implementation problems were widespread. The following table includes FY 2016 spending through the FY 2027 recommended budget.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted & HealthSource RI	Total
FY 2016 to FY 2025	\$ 205,240,103	\$ 628,342,219	\$ 49,262,861	\$ 41,060,887	\$ 928,190,542
FY 2026 Final					
EOHHS	\$ 15,082,328	\$ 55,483,396	\$ 7,587,139	\$ -	\$ 78,152,863
DHS	3,050,887	9,777,346	-	-	12,828,233
HealthSource RI/Contact Center	-	-	-	6,193,480	6,193,480
Total	\$ 18,133,215	\$ 65,260,742	\$ 7,587,139	\$ 6,193,480	\$ 97,174,576
FY 2027 Request					
EOHHS	\$ 29,906,293	\$ 59,634,779	\$ 150,000	\$ -	\$ 89,691,072
DHS	3,180,285	9,260,979	-	-	12,441,264
HealthSource RI/Contact Center	-	-	-	6,166,265	6,166,265
Total	\$ 33,086,578	\$ 68,895,758	\$ 150,000	\$ 6,166,265	\$ 108,298,601
FY 2027 Governor					
EOHHS	\$ 38,651,742	\$ 72,628,976	\$ 150,000	\$ -	\$ 111,430,718
DHS	3,339,273	9,843,543	-	-	13,182,816
HealthSource RI/Contact Center	-	-	-	6,155,247	6,155,247
Total	\$ 41,991,015	\$ 82,472,519	\$ 150,000	\$ 6,155,247	\$ 130,768,781
FY 2027 Enacted					
EOHHS	\$ 38,651,742	\$ 73,628,976	\$ 150,000	\$ -	\$ 112,430,718
DHS	3,339,273	9,843,543	-	-	13,182,816
HealthSource RI/Contact Center	-	-	-	6,155,247	6,155,247
Total	\$ 41,991,015	\$ 83,472,519	\$ 150,000	\$ 6,155,247	\$ 131,768,781
FY 2016 through FY 2027 Enacted	\$ 265,364,333	\$ 777,075,480	\$ 57,000,000	\$ 53,409,614	\$ 1,157,133,899

The FY 2027 enacted budget of \$131.8 million includes \$42.0 million from general revenues. This total includes \$43.1 million, of which \$19.2 million is from general revenues, for the Executive Office and the Department of Human Services to comply with H.R. 1. This includes 29.0 new full-time equivalent positions between the two agencies.

The FY 2026 final budget includes \$7.0 million in Deloitte settlement funds for the 2024 cybersecurity data breach, with general revenues reduced by a like amount.

H.R. 1. As part of the FY 2026 enacted budget, the 2025 Assembly directed the Secretary of Health and Human Services to convene an advisory working group to assist in the review and analysis of potential impacts of any adopted federal actions related to Medicaid programs. The working group was required to develop options for administrative action or General Assembly consideration to address any federal funding changes that impact Rhode Island's Medicaid programs and report its findings no later than October 31, 2025.

The federal legislation contained in H.R. 1 was signed into law in July 2025 and includes numerous changes to the Medicaid program that will affect participants and states and take effect over several fiscal years.

The following table shows examples of those changes included in the October 30, 2025, final report from the state's Federal Compliance Advisory Group. The full report is available on the Executive Office of Health and Human Services website at <https://eohhs.ri.gov/initiatives/medicaid-initiatives/federal-compliance-advisory-group>.

H.R. 1		Effective Date
Community Engagement Work Requirements	New requirements for those ages 19-64 (expansion population) to work or participate in qualifying activities at least 80 hours/month	Effective no later than: 12/31/2026
	Exempts parents of dependent children or the medically frail	
"Qualified Alien"	Defines which individuals are eligible for Medicaid benefits	10/1/2026
Eligibility Determinations	Redeterminations every 6 months for expansion population only	Renewals on or after 12/31/2026
Retroactive Coverage	Coverage for two months preceding enrollment except for the expansion population, which will be one month	1/1/2027
Cost Sharing	New cost-sharing requirements up to \$35 for expansion population/certain services exempt; cost sharing for prescriptions limited to nominal amounts	10/1/2028
Provider Taxes	Five-year phase down of provider taxes, excluding nursing homes, from current 6.0 percent threshold to 3.5% by FY 2032.	Starts FY 2028

The May caseload conference estimate assumes that 3,735 qualifying non-citizens would lose coverage, which is about 50 percent lower than the 7,244 projected in November, based on updated guidance. The enrollment change from May to November for those subject to the community engagement requirement is even lower at 5,052, compared to 24,630. The FY 2027 enacted budget is consistent with the May caseload estimate, which assumes \$32.8 million in savings from changes in H.R. 1, as shown below.

May 2026 CEC H.R. 1 Impacts		
	# of Persons	Expenses
Qualifying Non-Citizen	(3,735)	\$ (24.4)
Community Engagement	(5,052)	(8.4)
Total	(8,787)	\$ (32.8)

\$ in millions

The community engagement work requirement, effective January 1, 2026, requires some Medicaid beneficiaries and applicants to work, participate in a work program, and/or complete at least 80 hours of community service per month, or be in school at least half-time. The interim final rule was released on June 1, 2026, with comments due by July 31, 2026, and the regulations effective at the same time.

As of October 1, 2026, an individual eligible for services as a "qualified alien" is someone who is a legal permanent resident after the five-year waiting period, a Cuban or Haitian entrant, or an immigrant through the Compact of Free Association set of treaties whose citizens are permitted to work in the country indefinitely without visas. It appears to exclude groups such as refugees, asylees, humanitarian parolees, and victims of trafficking, individuals subject to battery and other cruelty, and conditional entrants.

The federal legislation also reduces the current 6.0 percent threshold on provider taxes by 0.5 percent annually, starting in FY 2028, until it reaches 3.5 percent in FY 2032. The provider taxes subject to this change apply to hospitals and managed care organizations, but not to nursing homes. The impact of the

phase-down of the provider taxes is included in the out-year forecast and the final report. The loss of revenue in the final year is estimated to be \$151.0 million.

Provider Tax Estimated Revenue Impact*					
FY	Threshold	Hospital License Fee	MCO Services Taxes	Total	
2028	5.50%	\$ (12.2)	N/A	\$	(12.2)
2029	5.00%	\$ (31.9)	N/A	\$	(31.9)
2030	4.50%	\$ (51.7)	\$ (8.6)	\$	(60.3)
2031	4.00%	\$ (71.5)	\$ (32.9)	\$	(104.4)
2032	3.50%	\$ (91.3)	\$ (59.6)	\$	(150.9)

**Page 33 of Federal Compliance Advisory Group Report; \$ in millions*

Health System Transformation Program. The 2015 Assembly authorized the federal authority required to implement a program to provide participating hospitals and nursing facilities the ability to obtain certain payments for achieving performance goals established by the Secretary. The 2016 Assembly sought federal authority to fund the program with a Medicaid match through a health workforce development partnership with the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island. A restricted receipt account was established so that the activities could receive the federal Medicaid match.

The state received approval on October 20, 2016, for a five-year grant totaling \$129.7 million for the Health System Transformation Project, which was later extended. Aggregate program and administrative expenses from FY 2017 through the FY 2027 enacted budget total \$240.1 million. As part of the project, the state developed shared savings agreements between the managed care health plans and the certified affordable entities. The second phase expanded opportunities through the Accountable Entities Incentive Arrangement, with total averaging approximately \$18 million annually for FY 2018 through FY 2024.

The following table shows the progression of the grant and examples of the investments made in the last decade, in addition to the accountable entities arrangement.

Fiscal Year	Investment	
2027	Staff support, data and financial analysis, information technology projects, and behavioral health infrastructure project.	\$ 1.8
2026		5.3
2025		2.2
2024	Workforce Transformation Initiative & Care Transformation Collaborative through DOH.	2.3
2023	Dept. of Health's Care Transformation Collaborative for Practice Facilitation Services & Collaboration with URI/RIC & CCRI.	17.6
2022	Real Jobs Healthcare Workforce Initiative with URI, RIC, CCRI & DLT. Continued program support for the Commission on the Deaf and Hard of Hearing. Staff support and contracted services.	19.7
2021	Workforce Transformation Initiative and Care Transformation Collaborative through the Dept. of BHDDH. Staff support and contracted services.	17.0
2020	Workforce Transformation Initiative and program support for the Commission on the Deaf and Hard of Hearing.	15.2
2019	Healthcare Workforce Transformation Initiative with URI, CCRI & RIC and administrative services.	9.7
2018		
2017		
Total		\$ 90.8

\$ in millions

The FY 2026 final budget includes \$1.9 million for contracted services, \$0.3 million for administrative expenses, and \$1.8 million for a behavioral health infrastructure project. The FY 2027 enacted budget includes \$0.7 million for contracted services, \$0.3 million for administrative expenses, and \$1.1 million for the infrastructure project.

Poverty Guidelines

The federal poverty guidelines are thresholds used for the purpose of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office. They are based on the calculations made for the poverty threshold used by the United States Census Bureau, mainly for statistical purposes, for instance, preparing the estimates of the number of Americans in poverty for each year's report. They are issued each year, generally in the winter, in the Federal Register by the United States Department of Health and Human Services and adjusted for families of different sizes.

Both the thresholds and the guidelines are updated annually for price changes using the Consumer Price Index for All Urban Consumers (CPI-U). The poverty guidelines are sometimes referred to as the "federal poverty level" or "poverty line." The 2026 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	138%	175%	185%	200%	225%	250%	261%
1	\$ 15,960	\$ 22,025	\$ 27,930	\$ 29,526	\$ 31,920	\$ 35,910	\$ 39,900	\$ 41,656
2	21,640	29,863	37,870	40,034	43,280	48,690	54,100	56,480
3	27,320	37,702	47,810	50,542	54,640	61,470	68,300	71,305
4	33,000	45,540	57,750	61,050	66,000	74,250	82,500	86,130
5	38,680	53,378	67,690	71,558	77,360	87,030	96,700	100,955
6	44,360	61,217	77,630	82,066	88,720	99,810	110,900	115,780
7	50,040	69,055	87,570	92,574	100,080	112,590	125,100	130,604
8	55,720	76,894	97,510	103,082	111,440	125,370	139,300	145,429

For families with more than 8 members, add \$5,680 for each additional member for the 100 percent calculation.

Medicaid Waiver. The Rhode Island Consumer Choice Global Compact Waiver, or Medicaid Global Waiver, was approved by the Centers for Medicare and Medicaid Services on January 16, 2009. This established a new federal-state agreement that provides Rhode Island with the flexibility to provide services in the least restrictive, most cost-effective way to meet the needs of its citizens. It was first renewed through December 31, 2018, renamed the 1115 Research Demonstration Waiver, and then extended by another five years through December 31, 2023. During several steps of the renewal process, the state was notified that the waiver had eventually been extended through December 31, 2025. Federal approval was provided in late November 2025 for the five-year period of January 1, 2026, through December 31, 2030.

Programs under the waiver include RItE Care, Rhody Health Partners, Rhody Health Options, home and community-based services to elderly residents, residential and community support programs to adults with behavioral health and developmental disabilities, and breast and cervical cancer treatments. It also allows the state to leverage Medicaid for services that were previously state-only in the Departments of Human Services and Children, Youth and Families.

Waiver Proposals Approved and Part of the Budget	
Program	Explanation
Covering Family Home Visiting Program	• Able to receive federal matching funds for evidence-based home visiting services for Medicaid eligible pregnant women and children up to age four who are at-risk for adverse health, behavioral, and educational outcomes • Aimed at improving maternal and child health outcomes, encouraging positive parenting, and promoting child development and school readiness

The next table shows proposals affecting adults that have been approved but are not included in any budgets.

Waiver Proposals Approved and Not Funded as Part of the Budget	
<i>Programs for Adults</i>	<i>Explanation</i>
Waive the Institutions of Mental Disease (IMD) Exclusion	• Waiver of the IMD exclusion to allow Medicaid coverage for residential treatment services in a facility with 16 or more beds for individuals who have substance use disorders • CMS has approved a waiver of the IMD exclusion for substance abuse disorders only, not mental health

The following table shows the process that the state adheres to amend the waiver. It shows each category, gives brief explanations and examples, and identifies whether or not Assembly approval is required.

Category	Assembly Approval	Waiver Change	Examples of Waiver Changes
I	No	Any administrative change that does not affect eligibility, benefits, healthcare delivery, payment methods or cost sharing	General operating procedures, instruments to determine level of care and prior authorization procedures
II	Yes	State plan amendment change that does not change the special terms and conditions of the global waiver or expenditure authority	Benefit packages, payment methods, and cost sharing levels that do not affect eligibility
III	Yes	Requires modifying the current waiver or expenditure authority	All eligibility changes, changes to spend down levels, aggregate changes to cost sharing that exceed current limit

Medicaid Recipients

The following table shows the populations to which a state must provide medical benefits and the eligibility criteria established in Rhode Island. This is followed by descriptions of the populations served.

Populations	
Mandatory	Optional
Low-income Medicare beneficiaries up to 135% of poverty	Low-income elderly or adults with disabilities and individuals eligible for home and community care waiver services
Children up to age 1 at or below 185% of poverty; Parents and children age 1 to 19 at or below 133% of poverty	Children up to 250% of poverty
Supplemental Security Income or Social Security Disability Insurance recipients	Non-disabled adults, without dependent children, ages 19 through 64 with income at or below 138% of poverty Individuals who are medically needy Women eligible for breast and cervical cancer treatment services
Children in adoption assistance or who live in foster care under a Title IV-E program	Children under 18 who would otherwise need institutional care

Citizenship. To be eligible to receive Medicaid funded services, an individual must be a state resident and

generally either be a citizen or a legal resident for at least five years. There are exceptions. These were narrowed as part of H.R. 1, as noted previously in this report.

Children and Parents. Medical services are provided to children whose family income is at or below 250 percent of poverty and parents if the income is at or below 138 percent of poverty through the RItE Care and RItE Share programs. Medical services are also provided to children who are placed in foster care or adopted through the Department of Children, Youth and Families.

Children with Special Health Care Needs. Medical services are provided to children with special health care needs, including children who are in foster care or adopted through the Department of Children, Youth and Families.

Pregnant and Post-Partum Women. Medical services are provided to pregnant women whose annual income is at or below 250 percent of the poverty level. States are federally required to provide services to women at or below 133 percent of poverty. Women who are not otherwise eligible for Medicaid lose coverage after 60 days post-partum. Previously, the state offered a limited Medicaid benefit to post-partum women up to 250 percent of poverty for up to 24 months. The American Rescue Plan Act created a new state Medicaid option to extend full Medicaid coverage for women who are 12 months post-partum and the 2022 Assembly extended full coverage to approximately 1,000 women. It also expanded full coverage to the population not eligible for Medicaid because of immigration status, assuming about 500 participants would receive benefits.

Coverage for Children Regardless of Immigration Status. The FY 2023 enacted budget extended medical benefits coverage, funded solely from state sources, to children whose family income is at or below 250 percent of poverty, regardless of immigration status, and included \$1.3 million for the benefit. The legislative change was included in Article 12 of 2022-H 7123, Substitute A, as amended. The FY 2026 final budget includes \$20.0 million and \$15.0 million is included for FY 2027, consistent with caseload estimates.

Low Income Elderly. Individuals age 65 and older are eligible for medical benefits based on income and resources. They are eligible for community and/or long-term care services if they meet income guidelines and the level of care requirements for the state's programs.

Medicaid Eligible Disabled Non-Elderly Adults. The state provides medical and cash assistance benefits to an adult under the age of 65 if that individual meets the Social Security Administration definition of disabled. Individuals are considered disabled if they have a physical or mental disability expected to last longer than six months and result in their death. There are two programs that provide a monthly cash assistance benefit to a disabled individual: Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI).

An individual determined to be disabled, who has a work history of 40 quarters, may first be eligible for Social Security Disability Insurance, which is not considered a public assistance program. This is a federal program where the individual receives a monthly payment.

The second program available is the federal Supplemental Security Income program for individuals with limited income and resources. Individuals may be eligible for both programs if they meet the income eligibility requirements. States may provide a state payment in addition to the federal payment. Rhode Island began making this supplemental payment in 1987.

Non-Disabled Adults without Dependent Children. The 2013 Assembly expanded Medicaid coverage to non-disabled adults without dependent children between the ages of 19 and 64 at or below 138 percent

of federal poverty, consistent with the changes under the Affordable Care Act. The federal changes under H.R. 1 require community engagement apply to this population.

Breast and Cervical Cancer Treatment. The state provides breast and cervical cancer treatment services through the Medicaid global waiver. A woman must first be screened through the Department of Health's women's cancer screening program before she can receive Medicaid-covered treatment services and must be at or below 250 percent of poverty.

Mandatory and Optional Benefits

States must provide mandatory benefits to certain populations. States can also choose to cover additional populations and provide additional benefits beyond what is mandated by the federal government. If a state chooses to extend coverage to additional populations, it must provide the same mandatory services it gives to its mandatory populations.

The most recently produced Executive Office of Health and Human Services' Rhode Island Annual Medicaid Expenditure Report included Medicaid spending by population and cost per person for FY 2024 as shown in the following table.

FY 2024 Medicaid Annual Report					
Populations	# of Persons	% of Population	Total Cost*	% of Cost	Annual Cost/Person
Children/Parents	182,339	52.4%	\$ 965.1	25.0%	\$ 4,308
Expansion	96,960	27.9%	818.2	21.2%	6,732
Elderly	28,055	8.1%	826.4	21.4%	26,436
Disabled - Children	12,176	3.5%	278.2	7.2%	21,120
Disabled - Adults	28,321	8.1%	976.0	25.3%	28,260
Total	347,851	100%	\$ 3,863.9	100%	

**in millions*

The 2024 annual report includes Medicaid expenditures totaling \$4,270.5 million, funded by federal and state funds, for direct benefits and administrative expenses. Of this amount, \$3,863.9 million, or 90 percent of the expenses, is for benefits for full enrollees' covered services. There is another \$190.2 million, or five percent of expenses, for partial enrollees, uncompensated care payments made to hospitals, payments to local education agencies, Medicare premium payments the state makes on behalf of eligible individuals, and costs not otherwise matchable. The report also includes \$216.4 million, or five percent of program costs, for administrative expenses. Of the total spent on Medicaid benefits, \$1,460.3 million, or 37.8 percent, was spent on mandatory services for mandatory populations.

FY 2024 Medicaid Annual Report		All Funds	% of Total
Mandatory Populations	Mandatory Services	\$ 1,460.3	37.8%
	Optional Services	674.3	17.5%
	Subtotal - Mandatory Populations	\$ 2,134.6	55.2%
Optional Populations	Mandatory Services	\$ 1,191.3	30.8%
	Optional Services	538.0	13.9%
	Subtotal - Optional Populations	\$ 1,729.3	44.8%
Total Expenses		\$ 3,863.9	100%

\$ in millions

The requirements to submit the annual report are contained in Rhode Island General Law, Section 42-7.2-5 and, starting in 2020, the report must include: expenditures, including administrative expenses, outcomes and utilization rates by population and sub-population served (e.g. families with children, persons with

disabilities, children in foster care, children receiving adoption assistance, adults ages 19 to 64, and the elderly); expenditures, outcomes and utilization rates by each state department or other municipal or public entity receiving federal reimbursement under Medicaid; and expenditures, outcomes and utilization rates by type of service and/or service provider.

The annual report, due by September 15, must also separately report expenditures for mandatory and optional populations receiving mandatory and optional services for each state agency that receives Medicaid funds. The most recent one was submitted in late September 2025.

The following table shows both the mandatory and optional benefits provided through the state's Medicaid program for acute care services. Acute care services are direct medical benefits provided to eligible individuals, including doctor visits, hospital services, rehabilitation, and prescription coverage.

Acute Care Benefits	
Mandatory	Optional
Physician services	Prescriptions
Lab and X-ray	Rehabilitation and other therapies
In/outpatient hospital services	Clinical services
Early, Periodic, Screening Diagnostic and Treatment (EPSDT) services	Dental, dentures, prosthetic devices and eyeglasses
Family planning services and supplies	Case management
Federally qualified health centers and rural health clinic services	Durable medical equipment
Nurse midwife as state law permits	Tuberculosis-related services
Certified pediatric and family nurse practitioner services	Medical remedial care provided by other licensed professionals

In addition, the next table includes both the mandatory and optional benefits provided through the state's Medicaid program for long-term care and home and community care services.

Long Term Care Benefits	
Mandatory	Optional
Institutional	
Nursing facility services for those 21 or older needing that level of care	Intermediate Care Facility for the Developmentally Disabled (ICF/DD)
	Individuals 65 or older in an institute of mental disease
	Inpatient psychiatric hospital service for those under 21
Home and Community Care Services	
Home health care services for those entitled to nursing home care	Home- and community-based care/other home health care
	Targeted case management
	Hospice/personal care
	Respiratory care services for ventilator dependent individuals
	PACE Program

Programs and Services

The state provides medical benefits, long-term care services, residential services and other programs to qualified individuals. These programs are described in the sections that follow.

Medical Benefits

RIte Care/RIte Share. The RIte Care program provides medical benefits to eligible children and their parents, with federal mandates ensuring coverage for specific low-income populations. Rhode Island extends benefits to children from families earning up to 250 percent of the poverty level (for example, a family of four with an income that does not exceed \$82,500) and to parents if the family income is at or below 138 percent of poverty (for that same family of four, an income that is not above \$45,540).

RIte Share participants can receive RIte Care while having access to employer-sponsored insurance, where the state covers certain costs. The 2019 Assembly required a plan to identify Medicaid-eligible individuals with employer insurance to boost enrollment, which declined after the launch of the Unified Health Infrastructure Project. The most recent figures indicate enrollment levels significantly lower than the pre-implementation numbers. Additionally, there are new reporting requirements for evaluating employer-sponsored plans for cost-effectiveness in RIte Share, discussed in the next section.

The November 2025 caseload testimony reported enrollment of about 1,971 for FY 2026 and 2,474 for FY 2027. Enrollment for FY 2025 was 1,395.

RIte Share Outreach and Reporting. Prior to the September 2016 launch of the Unified Health Infrastructure Project (UHIP), about 8,400 individuals were covered through RIte Share, which declined to 2,000 by November 2020. Following a proposal from Governor Raimondo concerning a new fee for large employers with Medicaid-covered workers, testimonies revealed employers were often unaware of their employees' RIte Care status.

The Assembly required the Executive Office to present a plan by October 1, 2019, aimed at revisiting the RIte Share program and enhancing enrollment. This led to ongoing monthly reports beginning January 2020 detailing access to third-party insurance and RIte Share enrollment. Under current law, enrollment in RIte Share is mandatory for anyone over 19, and failure to enroll can result in the termination of Medicaid eligibility for adults, although children retain their RIte Care coverage. The 2021 Assembly also required reports on cost-effective employer-sponsored plans. The January 2025 report indicated 403 employers with 100-299 employees, of which 93 participated, and 143 employers with 300 or more employees, of which only 66 participated as of November 2023. Notably, the report lacked specific details on which employer-sponsored health plans met cost-effectiveness criteria, focusing instead on aggregated data.

RIte Share Cost Sharing Requirement. RIte Share recipients with annual incomes above 150 percent of federal poverty pay a monthly cost-sharing requirement that is no more than five percent of their annual income. The following table shows the separate payments based on a family's annual income, approximately three percent.

RIte Share Co-Pays	
Poverty Level	Current Payments
150% up to 185%	\$61
185% up to 200%	\$77
200% up to 250%	\$92

The 2013 Assembly eliminated the monthly cost-sharing requirement for families whose children receive coverage through RIte Care so that a family receiving coverage through the Exchange will not have two monthly premiums: one for the child(ren) in RIte Care and the monthly cost for commercial health coverage. As previously noted, the Governor's FY 2027 recommendation includes \$0.8 million, of which \$0.3 million is from general revenues, to cover parents and caregivers who lose coverage as a result of federal changes.

Extended Family Planning. The state provides extended family planning services to post-partum women with an income at or below 250 percent of poverty for up to 24 months if the mother loses RIte Care coverage within 60 days after having a child.

Foster Care. The state provides RIte Care benefits to a child in a foster care placement. The state does not provide benefits to the biological parent or the foster parent. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

Adoptive Assistance. The state provides RIte Care benefits to a child in adoptive assistance. The child is also covered by Medicaid if determined to be eligible for disability through the Supplemental Security Income program.

Children with Special Health Care Needs - Katie Beckett Option. The state chooses to provide home care and other services to children under the age of 18 who would require an institutional level of care. The income eligibility is based on the child's income and not the family's income. States can also choose to provide this service as a waiver, which would include a limited number of placements, or as an option under the Medicaid state plan, which is not limited. Rhode Island provides the services under the state plan option allowing for an unlimited number of program participants.

Early Intervention. The state provides services to children from birth to age three who have presented with a disability through the early intervention program. The services include physical, speech and occupational therapies. The 2026 Assembly included legislation allowing children to remain until September 1 after their third birthday. Taking into account the policy and planning changes, this is expected to take effect in May 2028.

Rhody Health Partners. For adults who are disabled but not receiving Medicare, the state provides medical benefits through Rhody Health Partners. This is a managed care system with plans through either Neighborhood Health Plan of Rhode Island, UnitedHealthcare or Tufts.

Rhody Health Options. For adults who are eligible for both Medicare and Medicaid, the state contracts with Neighborhood Health Plan of Rhode Island to manage the acute care and long-term care services for these individuals through its Integrity program.

Fee-for-Service System. Individuals who are eligible for both Medicare and Medicaid, known as dual eligibles, receive medical benefits through the traditional fee-for-service system.

Telemedicine Services. The Centers for Medicare and Medicaid Services permits states broad flexibility to cover telehealth services through the Medicaid program, such as telephonic, video technology commonly available on smartphones and other devices. As a result, a state does not need federal approval to reimburse providers for telehealth services in the same way or pay at the same rate that it pays for face-to-face services.

The 2021 Assembly adopted legislation that required commercial insurers and the Medicaid program cover telemedicine services in certain circumstances at the same rates as face-to-face visits. The Office of the Health Insurance Commissioner promulgated the necessary rules and regulations.

Long-Term Care Services

Nursing Homes. The state reimburses nursing homes that provide long-term residential care to elderly and disabled individuals who require a nursing home level of care.

Hospice Services. Hospice services are provided to the terminally ill if there is a medical prognosis that life expectancy is six months or less. Services are provided in either the home setting, a nursing home, or other institutional setting.

Home and Community Care Services. The state provides home care and community care services to allow individuals to remain in their home instead of moving into a nursing home.

Assisted Living Facilities. The state provides eligible residents access to assisted living facilities, a less expensive alternative to residing in a nursing home. Individuals can access this option, available through the Medicaid Waiver.

Eleanor Slater Hospital. Eleanor Slater Hospital provides long-term care for individuals with disabilities and psychiatric patients. The hospital, comprising the Zambarano and Cranston campuses, faced compliance issues with Medicaid billing, particularly in how psychiatric and forensic patients were categorized. As of October 25, 2022, the Benton facility for forensic patients became a separate entity called the Rhode Island State Psychiatric Facility.

Key issues included non-compliance with federal rules about the patient mix (which led to the designation as an Institute of Mental Disease) and improper billing for forensic patients. Following guidance from the Centers for Medicare and Medicaid Services, the state amended its Medicaid billing practices. Over the years, these compliance issues resulted in over \$200 million of added general revenues to cover the lost Medicaid funding.

Governor Raimondo and later Governor McKee proposed budgets to address facility needs, including a \$64.9 million proposal for a new nursing facility, which the Assembly did not approve. For FY 2023, Governor McKee included funding for a new 110-bed long-term care facility and finalized the separation of the Benton facility into its own fully funded psychiatric facility. The Assembly concurred with the Governor's FY 2027 recommendation to maintain the approved \$107.1 million from Rhode Island Capital Plan funds in the Department of Administration's budget through FY 2031. The project has been repeatedly delayed from prior timelines.

The Executive Office of Health and Human Services conducted another feasibility study, finalized in May 2026, which concluded that, based on updated cost projections for the new long-term care facility, the current plan is not feasible, and an alternative, such as a new hospital on the Pastore campus, may be an option.

Residential Services and Other Programs

Foster Care. The state provides foster care services to children in its custody.

Group Homes. The state provides placement in group home settings to children in its custody.

Bradley Hospital Psychiatric Hospitalization. The state provides short-term treatment and crisis stabilization for children in acute distress, comprehensive evaluations, and long-term treatment. The state pays for psychiatric hospitalization services for Medicaid-eligible children and children who are uninsured at the Emma Pendleton Bradley Hospital in East Providence.

Bradley Hospital Group Homes. There are five group homes that are run by Bradley Hospital for children ages 4 to 21, located in East Providence (Rumford House and Swan House), East Greenwich (Greenwich House), North Providence (Hill House), and Warwick (Heritage House).

HIV Treatment Services. The state provides treatment and supportive services to HIV positive individuals who are uninsured and with income up to 400 percent of poverty. As of January 1, 2014, individuals are either eligible for the Medicaid expansion program or benefits through the Exchange. Benefits will still be provided using the Ryan White federal grant and any rebate funding the state receives from drug purchases through that grant.

Mental Health Treatment Services. The state provides mental health treatment services through the Medicaid waiver. For Medicaid funded services, managed care organizations must adhere to the requirement of the Mental Health Parity and Addiction Equity Act of 2008, which was later amended by the Affordable Care Act.

Substance Use Treatment Services. As an option under Medicaid, states can also choose to provide substance use treatment services to Medicaid-eligible individuals. For Medicaid-funded services, managed care organizations must adhere to the requirement of the Mental Health Parity and Addiction Equity Act of 2008, which was later amended by the Affordable Care Act.

Conflict-Free Case Management Services. Federal changes require that person-centered planning and conflict-free case management services be provided independently from the agency providing the direct service. This includes Medicaid beneficiaries who receive long-term services and supports in a home- or community-based setting. Currently, direct services are determined by community-based agencies through a case management process, which may result in those services being provided by the same agency. Individuals affected by this include the elderly and disabled in the Executive Office of Health and Human Services and the Department of Human Services' Office of Healthy Aging. Case management services provided through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' Division of Developmental Disabilities must also be conflict-free.

The 2023 Assembly directed the Executive Office of Health and Human Services to establish a conflict-free case management system by January 1, 2024, for individuals receiving home- and community-based services through the Medicaid program. This is required to comply with federal regulations that require that person-centered planning and case management services be provided independently from the agency providing the direct service to avoid a conflict of interest.

Funding was initially included in the FY 2024 budget to cover the cost for half a year, assuming the January 1, 2024, start date. The Executive Office reported that it delayed the planned implementation and instead would have a phased approach starting in April 2024, with full enrollment assumed in early FY 2026. At the May 2026 Caseload Estimating Conference, adopted funding includes \$8.0 million, of which \$3.4 million is from general revenues for FY 2026 and \$12.6 million, including \$5.3 million from general revenues for FY 2027.

Certified Community Behavioral Health Clinics. The 2022 Assembly authorized the Executive Office of Health and Human Services to submit a state Medicaid plan amendment to establish certified community behavioral health clinics in accordance with the federal model. There was also a \$29.0 million appropriation from State Fiscal Recovery funds to support the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. The Executive Office spent \$27.1 million in FY 2023 through FY 2025. The FY 2026 final budget includes the remaining \$1.9 million.

The change was made to the state Medicaid plan, and the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals defined additional criteria for certification and services provided. During FY 2023, there were requirements to use the appropriate purchasing process for any organizations wanting to participate in the program and to submit cost reports developed by the Department and Hospitals to the Executive Office. The reports included the cost of providing the required services. The Department

and Executive Office had to prepare an analysis of the proposals, determine how many organizations could be certified, and the cost for each one.

The original start date to implement the federal model was July 1, 2023; however, the 2023 Assembly delayed it until February 1, 2024, concurring with the Governor’s recommendation. The Governor later proposed legislation to further extend the deadline to July 1, 2024, and again to October 1, 2024, or to FY 2025. Although the start date was never changed in the law, the program started on October 1. The FY 2024 final budget included \$0.6 million, including \$0.3 million from general revenues, for one new position and three contractors to support the initiative.

Around the same time, the Executive Office also received approval to participate in a four-year Medicaid demonstration grant through the Centers for Medicare and Medicaid Services and the Substance Abuse and Mental Health Services Administration, which provides an enhanced Medicaid rate for services provided through the initiative. The savings for FY 2025 totaled \$7.2 million. For FY 2026 and FY 2027, the general revenue savings are estimated to be \$13.9 million and \$16.1 million, respectively.

The May 2026 Caseload Estimating Conference estimated program FY 2026 expenses at \$150.2 million, increasing to \$159.6 million for FY 2027, reflecting anticipated quality bonus payments.

Adults with Developmental Disabilities. States are mandated to provide Medicaid-funded medical benefits to developmentally disabled adults who require a nursing home level of care and to those who are Supplemental Security Income recipients. The state operates a state-run system for about 100 adults with developmental disabilities, and the remaining 4,200 individuals receive residential and community-based services through private developmental disability organizations.

Services provided under the Medicaid Waiver are optional, with mandated medical benefits being paid for through the Executive Office of Health and Human Services’ budget. The federal regulations governing the waiver mandate that, in order to receive services, a person must meet three eligibility criteria: diagnostic, functional, and financial. Medicaid-funded services provided through the waiver for this eligible population include residential care, day programming, and supportive services. The Assembly adopted legislation to update the Medicaid waiver to reflect its current practice for services.

For an individual to meet the *diagnostic* criteria, he or she must have mental retardation, defined as an intelligence quotient that is 70 or less, or another type of developmental disability. States have the ability to define developmental disabilities differently, using a more expansive definition and consequently serving different populations.

Rhode Island uses an expanded developmental disability definition. Section 40.1-21-4.3 of the Rhode Island General Laws defines a developmentally disabled adult as someone who is 18 years of age or older, not under the jurisdiction of the Department of Children, Youth and Families, and who is either a developmentally disabled adult or is a person with a severe, chronic disability.

Financial eligibility requires a person to be income-eligible for services. In most cases, the only source of income for individuals with developmental disabilities is the \$954 monthly Supplemental Security Income check, which places them below 135 percent of the federal poverty level required for the program.

Functional eligibility requires an individual to have a substantial functional limitation in three or more of the following life activities: self-care, receptive and expressive language learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency.

The following table shows the tiers and descriptions of options and supports.

DD/ID Needs-Based Service Tier Classifications and Options		
Tier	Service Options	Available Supports
Tier D and E (Highest): Extraordinary Needs	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home/Specialized Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier C (Highest): Significant Needs	• Living with Family/Caregiver • Independent Living • Shared Living • Community Support Residence • Group Home	• Community Residential Support or Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation
Tier B (High): Moderate Needs and Tier A (High): Mild Needs	• Living with Family/Caregiver • Independent Living • Community Support Residence • Shared Living** • Group Home*	• Access to Overnight Support Services • Integrated Employment Supports • Integrated Community and/or Day Supports • Transportation

*Tier A or B individuals will have access to residential services in a group home if they meet at least one defined

**Tier A will have access to shared living services if they meet at least one defined exception

Recent Changes. The 2023 Assembly authorized the Executive Office of Health and Human Services to seek federal approval to allow individuals with developmental disabilities who enter an acute care facility, such as a hospital, to still have access to their personal care attendants. It also authorized seeking federal approval to allow payments to parents and other relatives providing services for individuals with developmental disabilities receiving services through the community-based system. This makes permanent the pandemic-era opportunity also referred to as Appendix K. The changes have been approved.

Department of Justice Consent Decree

On January 14, 2014, Rhode Island entered into an interim settlement with the federal government and on April 8, 2014, signed a consent decree to settle United States v. State of Rhode Island and City of Providence, which addressed the statewide day activity service system for individuals with intellectual and developmental disabilities. State agency parties to the agreement are: Department of Behavioral Healthcare, Developmental Disabilities and Hospitals; Department of Human Services; Department of Elementary and Secondary Education; and the Office of the Attorney General. The Department of Justice finding applies to those who meet the state's definition of an individual with a disability pursuant to the Rhode Island General Laws. This was a ten-year consent decree with the state exiting it on June 30, 2024, if compliant with all requirements. On October 2, 2023, Judge McConnell issued a court order for additional oversight until June 30, 2026, and noted that he would not be holding periodic public hearings but is available if needed by the court monitor. On May 11, 2026, limited court oversight was extended through FY 2028. Dr. A. Anthony Antosh, the court monitor, oversees compliance, including training and outreach programs, and investigates the state's adherence to the decree.

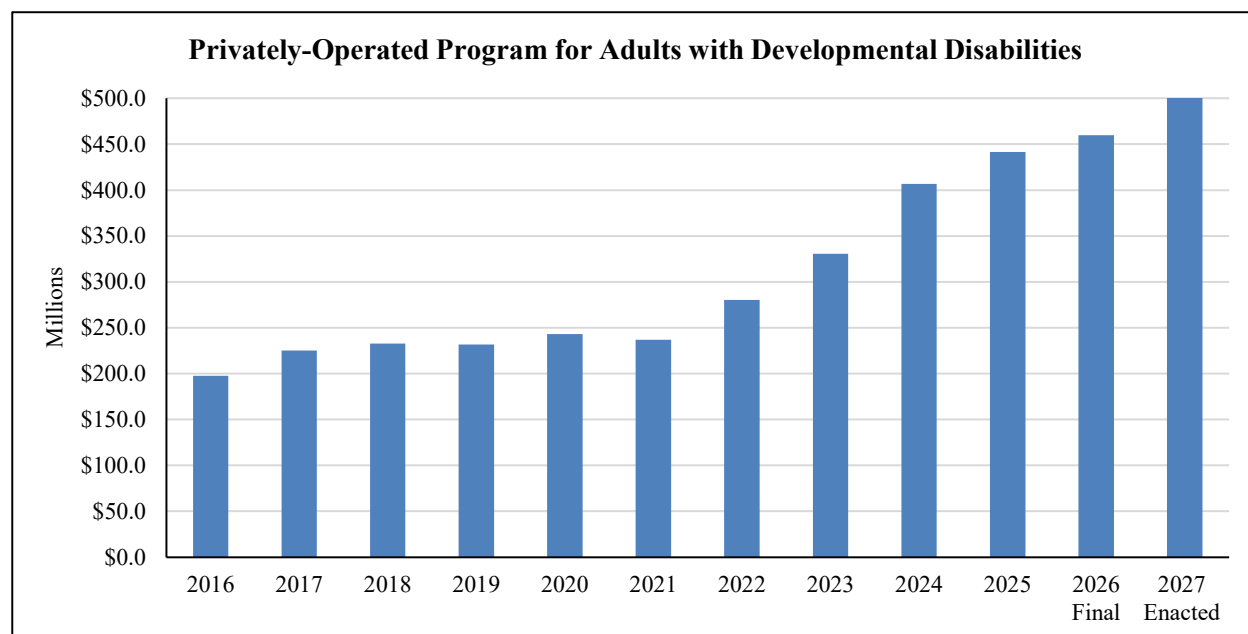
The state established an \$800,000 Workshop Conversion Trust Fund to support agencies transitioning to supported employment. There was also an employment-first task force created to ensure funding for integrated services rather than segregated programs. Court orders from Judge McConnell, starting in February 2020, mandated ongoing reviews and the development of a three-year budget to address workforce issues, align with federal Medicaid standards, and enhance individualized service plans.

The 2021 Assembly also added program expenses for the community-based system for adults with developmental disabilities to the semi-annual medical assistance and public assistance caseload conference. The Executive Office of Health and Human Services was also directed to provide assistance to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to facilitate compliance with reporting requirements and preparation for the caseload conferences. The November 2021 Caseload Estimating Conference was the first to include the Department.

The state’s “Action Plan” addressed compliance with the consent decree; progress is shown in the table.

Action Plan	Description	Status
Rate Review	Completed by 12/2022 & recommended changes in the FY 2024 budget	Review Done & Funded in FY 2024
DSP Wages	FY 2023: \$18/hour FY 2024: \$20/hour Both years: Overnight & supervisor wages will increase proportionally	Funded in FY 2023 and FY 2024
Transformation Fund	\$12.0 million to be used for integrated day activities and supported employment services	Funded
Technology	\$2.0 million for technology purchases (example, iPads)	

The following table shows the increase in expenses for direct benefits provided to program beneficiaries over the period of federal oversight. Individuals receiving direct services through the consent decree in FY 2016 averaged about 3,600, increasing to approximately 4,300 as of December 2025, or FY 2026.



Human Service Agencies

The Executive Office of Health and Human Services is the umbrella agency for the four health and human service agencies, each analyzed separately in the *House Fiscal Advisory Staff Budget as Enacted FY 2027*. The table shows services provided by the population and the agency responsible for the expenses.

Programs	EOHHS	DHS	BHDDH	DCYF	DOH
Medical Benefits					
Children and parents	X				
Elderly	X				
Disabled and adults, without dependent children	X				
Residential and Other Services					
Nursing and hospice services	X				
Assisted living; home- & community-based services to the elderly	X	X			
Foster care and group home placements				X	
Community-based services - developmentally disabled			X		
Mental health and substance abuse treatment services	X			X	
Eleanor Slater Hospital			X		
HIV surveillance and treatment services	X				X

Medical benefits are those primarily provided through the managed care plans, Neighborhood Health Plan of Rhode Island, UnitedHealthcare, or Tufts Health Plan. Benefits include doctor's office visits, prescriptions, lab tests, hospital and emergency care, drug and alcohol treatment, mental health services, and referrals to specialists, funded through the Executive Office. The plans also pay for short-term and long-term residential treatment services for those with behavioral health issues and/or substance use disorders.

Residential and other community-based services are those provided outside medical benefits through the departments' budgets.

Medicaid Rates

The state reimburses providers for a variety of services, with payments made through managed care plans or on a fee-for-service basis. The locations may be the same, such as a nursing home, but payments can differ based on the resident's coverage, which may include Rhody Health Options, the managed care plan for those enrolled in Medicare and Medicaid. Most Medicaid-eligible individuals are required to enroll in a managed care plan, with payments to providers being made either through the monthly capitated payment or a fee-for-service payment. An example of this type of a fee-for-service payment is for neonatal intensive care services. The capitated payments reimburse for services through primary care providers, hospitals, and specialty physicians, such as cancer screenings. The managed care organizations have a network of primary care providers for beneficiaries to choose from.

The Executive Office's payments to the managed care plans are negotiated, reviewed, and must be approved as actuarially sound. There is a Risk/Gain Share arrangement when actual costs are significantly above or below the rates. The FY 2027 enacted budget includes \$2,547.4 million, of which \$815.3 million is from general revenues, for the approximately 258,000 individuals enrolled in RItE Care, Rhody Health Partner, Rhody Health Options, or the expansion program.

Biennial Rate Review. The Office of the Health Insurance Commissioner conducts a comprehensive review of social and human service programs contracted or licensed by the state, occurring every odd-numbered year. The Office must produce an assessment of rate adjustments by September 1.

The FY 2027 budget provides \$115.7 million, including \$45.8 million from general revenues, to fully fund the Governor's proposal to incorporate the results of the most recent review. Specifically, that proposal called for the rates not to exceed those paid by Medicare and are effective October 1, 2026.

Agency	FY 2027 Enacted	
	General Revenues	Total
EOHHS*	\$ 31,264,692	\$ 81,411,610
BHDDH	14,100,412	33,357,964
OHA	403,324	955,972
Total	\$ 45,768,428	\$ 115,725,546

**Also includes taxes/admin. expenses*

The table below shows what governs the variety of Medicaid rates. Those for which there is an annual index in state law still require federal approval, as do those services covered by the OHIC biennial rate review. Some services, such as those through federally qualified health centers, are based on a federal methodology.

Rate Authority			
Provider/Services	Statutory*	OHIC Review	Other
Hospitals	X		
Nursing Facilities	X		
Home Care Providers		X	
Assisted Living		X	
Behavioral Health		X	
Substance Use Disorder		X	
I/DD Services		X	
Children's Services		X	
Managed Care Organizations			X
Primary Care**			X
FQHCs			X

Also requires CMS approval;OHIC report due 9/1/2026*

ARPA State Fiscal Recovery Funds

The American Rescue Plan Act of 2021 included significant support for states and local governments to cover certain expenses and revenue losses related to the coronavirus pandemic until December 31, 2026. Resources from the State and Local Fiscal Recovery Fund established in the Act were required to be obligated by December 31, 2024. Obligated funds are available for use through December 31, 2026, or FY 2027. Rhode Island received \$1.8 billion for state and local use. The state received \$112.3 million from the Capital Projects Fund and \$1,131.1 million from the State and Local Fiscal Recovery Fund designated for state use; local governments received \$536.8 million. Funds are intended to respond to the coronavirus pandemic, negative economic impacts, and infrastructure supports for water, sewer, or broadband systems.

The 2021 Assembly preserved the full value of American Rescue Plan Act fiscal recovery funds for a more robust public process on the proposed uses. On October 7, 2021, Governor McKee requested authority to use \$113.0 million from the State Fiscal Recovery Fund, roughly 10 percent of the state's allocation. On January 4, 2022, the Assembly authorized \$119.0 million. The FY 2023 enacted budget allocated the remaining funds as well as the Capital Projects Fund for use over several years. Since FY 2024, funding for previously approved programs has always been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2025 Assembly made adjustments based on updated needs and priorities and authorized the Governor to reclassify program income or underspending to other eligible projects. However, if the value of the proposal is greater than \$1.0 million or 20.0 percent of program appropriations, it will go into effect within 30 days unless rejected by joint action of the House and Senate.

For most approved projects, total funding is unchanged except to shift unspent FY 2025 funding to FY 2026, consistent with the enacted reappropriation authority. The totals by category, as recommended by the Governor and approved by the Assembly, are shown in the table below. Changes to the overall total primarily reflect the timing of updates regarding FY 2025 spending.

State Fiscal Recovery Funds				
Category	Governor	Change to Enacted	2026 Assembly*	Change to Governor
Housing	\$ 331,818,730	\$ (381,274)	\$ 331,504,534	\$ (314,196)
Economic and Workforce Development	89,999,999	1	89,649,999	(350,000)
Small Business & Impacted Industry	165,300,002	(2)	165,300,002	-
Public Health	129,489,498	2	129,473,487	(16,011)
Children, Families and Education	142,140,951	(340,588)	141,996,847	(144,104)
Behavioral Health	55,219,415	(180,586)	55,004,922	(214,493)
Public Infrastructure & Technology	74,063,370	563,370	75,116,627	1,053,257
Climate	92,650,002	3	92,635,647	(14,355)
Operating Shortfall	35,000,000	-	35,000,000	-
Administration	15,379,447	516	15,378,933	(514)
Subtotal	\$ 1,131,061,414	\$ (338,558)	\$ 1,131,060,998	\$ (416)
Capital Projects Fund**	124,747,550	12,941,536	112,291,189	(12,456,361)
Total	\$ 1,255,808,964	\$ 12,602,978	\$ 1,243,352,187	\$ (12,456,777)

* Including reclassifications requested on June 8, 2026; ** The recommendation overstates available funds by \$12,456,361

The Governor's budget recommendation includes \$1,255.8 million from the State Fiscal Recovery and Capital Projects funds, which includes one new project, corrects a \$0.3 million overstatement of State Fiscal Recovery funds associated with the timing of when financial statements were released, and overstates Capital Projects funds by \$12.5 million; actual spending cannot exceed available funds. The FY 2026 enacted budget contains \$3.6 million from general revenues to continue operating funding for three projects.

The recommendation contains \$5.9 million from general revenues for FY 2026 and \$8.2 million for FY 2027, including \$4.7 million from general revenues, to continue operating funding for six projects.

The Assembly concurred with the amended recommendation. On June 8, after the House passed the budget, the Governor requested to reclassify \$1.1 million of unspent funds from eight projects to operating support for the Enterprise Resource Planning System.

Federal Guidance and State Compliance

The Pandemic Recovery Office within the Department of Administration is responsible for ensuring compliance with rules, regulations, and other guidance issued by the U.S. Department of the Treasury and submission of all required reports for the State Fiscal Recovery Fund and Capital Projects Fund. As required by the Assembly, it produces spending and programmatic reports, which are publicly available on its website. For the capital fund, guidance was issued in September 2021 and a one-year application window opened later that month.

Federal guidance on uses of the fiscal recovery funds was issued in May 2021, updated in July, finalized in January 2022, modified by the 2023 Consolidated Appropriations Act in December 2022, updated in November 2023, and updated again in December 2024. Compared to the original guidance, it provides increased flexibility for obligations and expenditures and creates an additional allowable use for certain specified infrastructure projects. Funds obligated under the new allowable uses must be expended by September 30, 2026, three months earlier than those obligated under the pre-existing use categories. Additionally, after December 31, 2024, if any program has excess funds, those funds may be reclassified to any program for which an obligation has already been incurred. This significantly reduces the risk of federal recapture, as it effectively allows unspent funds to be reallocated to any existing State Fiscal Recovery funds project or to replace general revenues where funds are set aside but not necessarily disbursed. Such revisions are still subject to the state budget process and authority.

Eligibility categories consistent with federal legislation are shown in the following table alongside the corresponding abbreviations used in Pandemic Recovery Office documents. The Office has issued category designations that may differ from enacted assumptions. The table at the end of the report notes the Office's determinations and the fiscal staff's estimate of the applicable designation for a new item; some projects may also have components that fit into a different category.

U.S. Treasury Eligibility Categories	PRO Abbreviation
Respond to the Public Health Emergency & its Economic Impacts	
Support public health	PH
Address negative economic impacts & services to disproportionally impacted communities	NEI
Premium Pay	PP
Revenue Replacement	RR
Infrastructure - Water, Sewer, Broadband; 2022 Expansion*	INF
Administration	A

**Authorized in the 2023 Consolidated Appropriations Act*

State Projects by Topic

Each item on the pages that follow includes the Governor's original and amended proposals as well as the Assembly's actions, status updates for every previously approved project, and if the Budget makes one-time programs permanent or otherwise replaces State Fiscal Recovery funds with other fund sources, such

as general revenues. Descriptions of projects from the Capital Projects Fund follow a table showing the State Fiscal Recovery Fund projects at the end of this report.

The funding for FY 2026 is contained in Article 13, Section 1 of 2026-H 7127, Substitute A, as amended; FY 2027 funding is contained in Article 1, Section 1. Section 5 and Section 17 of each article, respectively, contain a description of each of the projects for which any appropriation is made. Consistent with previous years, the Budget includes language to reappropriate any unspent funds for the same purpose or for the Governor to reclassify program income or underspending to other eligible projects.

Housing

Development of Affordable Housing. The Governor's budget maintains the authorized amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. Of these funds, \$90.0 million supports additional direct subsidies as a match to multiple sources of financing, and \$10.0 million supports a pilot program for low-income public housing vouchers and financing. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs. As of the end of FY 2025, \$40.0 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Site Acquisition. The Governor's budget maintains the authorized amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. As of November 2025, all funds have been obligated, \$0.5 million remains to be disbursed by RI Housing, and \$900 is budgeted for state expenses in FY 2026. The Assembly concurred.

Down Payment Assistance. As of the end of FY 2024, all \$30.0 million has been spent from State Fiscal Recovery funds provided for down payment assistance to eligible first-time homebuyers, and the program is now closed. Funds were used to provide grants to promote homeownership up to a \$20,000 limit established by the 2023 Assembly. The Pandemic Recovery Office issued its final report in July 2024.

Workforce Housing. The Governor's FY 2026 recommendation includes the remaining \$8.3 million of \$20.0 million authorized from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income. The Assembly concurred.

Affordable Housing Predevelopment. As of the end of FY 2024, all \$10.0 million from State Fiscal Recovery funds provided to reduce pre-construction barriers to housing development has been transferred to RI Housing and no longer appears in the state budget; however, \$0.7 million remains to be disbursed by RI Housing. Funds supported predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and affordable housing developer capacity.

Home Repair and Community Revitalization. The Governor's budget maintains the authorized amount of \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program initially supported from 2016 general obligation bonds. Of these funds, \$20.0 million finances acquisition and redevelopment of blighted properties in disadvantaged communities and \$4.5 million is for critical home repairs within the same communities. As of the end of FY 2025, \$9.7 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Predevelopment and Capacity Building. The Governor's budget maintains the authorized amount of \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Executive Office of Housing. Funding is intended to assist with managing the increased resources for federal and other housing-related programs and address lack of administrative capacity as a barrier to

implementing affordable housing initiatives. The Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. The Executive Office hired its first consultants in March 2022 and submitted its first report in March 2023, and has not submitted a report since July 2023. As of the end of FY 2025, \$41,192 remains to be spent and is budgeted for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$13,857 of unspent funds to operating support for the Enterprise Resource Planning System.

Homelessness Assistance Program. The Governor's budget maintains the authorized amount of \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. The Executive Office submitted its first report in March 2023 and has not submitted a report since July 2023. The 2024 Assembly provided \$17.3 million. As of the end of FY 2025, \$9.0 million remains to be spent, which the Governor recommends for FY 2026. The Governor's recommendation also contains \$0.9 million for FY 2026 and \$1.7 million for FY 2027 from general revenues for operating expenses for state-owned shelters previously supported by these funds. He subsequently requested an amendment to shift \$0.4 million of general revenues costs for FY 2026 to available State Fiscal Recovery funds. The Assembly concurred with the amended recommendation and further shifted \$0.8 million of FY 2027 costs to available Housing Resources and Homelessness restricted receipts.

Homelessness Infrastructure. The Governor's budget maintains the authorized amount of \$45.0 million from State Fiscal Recovery funds to increase facility capacity, prevention, and stabilization programs for individuals experiencing homelessness. Of this amount, \$10.0 million supports Crossroads Rhode Island's sponsored housing developments. The Assembly appropriated funding for FY 2023 and FY 2024. As of the end of FY 2025, \$4.2 million remains to be spent and is budgeted for FY 2026. The Governor's capital recommendation contains \$3.1 million from Rhode Island Capital Plan funds, including \$0.3 million for FY 2026 and \$1.7 million for FY 2027, for asset protection for state-owned shelters previously supported by these funds. The Assembly provided State Fiscal Recovery funds as recommended and excluded Rhode Island Capital Plan funds for FY 2026 based on the timing of planned work.

Statewide Housing Plan. The Governor's budget maintains the authorized amount of \$2.0 million from State Fiscal Recovery funds to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. As of the end of FY 2025, \$1.0 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Targeted Housing Development. The Governor's budget maintains the authorized amount of \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. As of the end of FY 2025, \$18.0 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Housing Related Infrastructure. The Governor's budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional affordable housing. As of the end of FY 2025, the Governor's \$1.9 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Municipal Homelessness Support Initiative. The Governor’s budget maintains the authorized amount of \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden on municipal services, which this program is intended to partially offset. As of the end of FY 2025, \$0.7 million remains to be spent and is budgeted for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of unspent funds to operating support for the Enterprise Resource Planning System.

Municipal Planning. The Governor’s recommendation includes the authorized amount of \$1.9 million authorized from State Fiscal to support municipal planning efforts. Of these funds, \$1.3 million is for a municipal fellowship program and \$1.6 million supports grants to municipalities to study and implement zoning changes that encourage development near public transit. The Assembly initially authorized \$2.3 million, including \$0.4 million more for transit-oriented development funds; however, these awards were announced in October 2025 and the Governor reclassified \$0.4 million of unawarded funds to operating support for the Enterprise Resource Planning System. The Governor recommended remaining funding of \$1.7 million for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.1 million of unspent funds to operating support for the Enterprise Resource Planning System.

Proactive Housing Development. The Governor’s recommendation includes the authorized amount of \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with land acquisition, to assemble financing, and navigate regulatory and legal processes. These funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024, and a president was appointed that September. As of the end of FY 2025, \$0.7 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Preservation of Affordable Units. The Assembly provided \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure or blight. All funds were awarded to the Community Housing Land Trust to manage a revolving fund. All funds have been spent, and the Pandemic Recovery Office issued its final report in November 2024.

Economic and Workforce Development

Enhanced Real Jobs. The Governor’s budget maintains the authorized amount of \$30.0 million from State Fiscal Recovery funds for an enhanced version of the Real Jobs Rhode Island workforce training program. The program’s functions are to place employees in job openings, advance the skills of employed people, and create a talent pipeline for businesses. Funds support job partnerships to connect employers adversely impacted by the pandemic to workforce training program enrollees. Expenditures through FY 2025 were \$29.9 million; \$65,508 remains unspent and is budgeted for FY 2026. The Assembly concurred.

Bioscience Investments. The Governor’s budget maintains the authorized amount of \$45.0 million from State Fiscal Recovery funds to finance one or more wetlab facilities and capitalize a new fund to promote bioscience business and workforce development. The 2023 Assembly provided these funds for the creation of the Rhode Island Life Science Hub. This replaced a prior initiative intended as a match for a federal grant application that was unsuccessful. Expenditures through FY 2025 were \$20.8 million and all funds have been obligated. As of the end of FY 2025, \$24.2 million remains unspent and is budgeted for FY 2026. The Assembly concurred.

Rhode Island Reconnect. The Governor’s budget maintains the authorized amount of \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program and fund it for two years.

Funding will be used for direct supports, such as targeted coaching and wraparound support, for those 16 and older to continue their education. A portion of these funds must be used to address barriers to the attainment of teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. As of the end of FY 2025, \$4.6 million remains to be spent and is budgeted for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$350,000 of unspent funds to operating support for the Enterprise Resource Planning System.

Cybersecurity Center. The Governor's budget maintains the authorized allocation of \$2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November 2023. As of the end of FY 2025, \$0.5 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Fresh Start Scholarship. The Governor's budget maintains the authorized allocation of \$5.0 million from State Fiscal Recovery funds for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. Funding represents two years of scholarships. As of the end of FY 2025, \$1.2 million remains to be spent and is budgeted for FY 2026. The Assembly concurred.

Small Business and Impacted Industry

Aid to the Convention Center. The 2022 Assembly provided the Convention Center Authority \$10.0 million from State Fiscal Recovery funds for operating expenses for FY 2022 and FY 2023. Timing of the budget enactment meant that the FY 2022 expense did not occur, and funds were reappropriated to FY 2023. The plan called for \$5.0 million to upgrade technology at the venues, \$3.2 million to replace seats in the north end of the Civic Center, \$0.8 million to upgrade the marquee, and \$1.0 million for operating expenses. All funds have been spent, and the Pandemic Recovery Office issued its final report in September 2023.

Unemployment Insurance Trust Fund. The 2022 Assembly provided \$100.0 million from State Fiscal Recovery funds to deposit into the Unemployment Insurance Trust Fund to prevent an unemployment tax rate increase for 2023. The deposit was made on September 26, 2022. The 2024 Assembly authorized the Governor to reallocate to the trust fund any allocations from other programs at risk for not meeting federal spending deadlines as of October 1, 2024. No additional deposit occurred, as new federal guidance permitted the reclassification of excess State Fiscal Recovery funds, removing the risk of missing deadlines. All funds have been spent; the recommendation contains a minor accounting adjustment.

Small Business and Technical Assistance. The Assembly authorized \$31.3 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. All funds have been spent, and this program has ended.

Assistance to Impacted Industries. The Governor's budget maintains the authorized amount of \$15.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic on the tourism, hospitality, and events industries. The 2024 Assembly added \$2.0 million for FY 2025 for public space improvements and event programming, for total funding of \$15.0 million. Expenditures through FY 2025 were \$13.7 million; \$1.3 million remains unspent and is budgeted for FY 2026. The Governor's recommendation also includes \$0.5 million from general revenues for FY 2027 to continue a placemaking grant program within the Executive Office of Commerce. The Assembly concurred.

Destination Marketing. The Governor's budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds, matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. All funds were spent by FY 2024, and the FY 2025 and FY 2026 enacted budgets allocated \$1.4 million each from general revenues to continue the program. The Governor recommended \$1.5 million from general revenues for FY 2027. The Assembly concurred.

Minority Business Accelerator. The 2022 Assembly authorized \$6.0 million from State Fiscal Recovery funds to establish a minority business accelerator program in coordination with minority small business associations to provide technical assistance, loans, and programming space. As of the end of FY 2025, all funds have been spent. The FY 2025 final budget provided \$0.5 million from general revenues to supplement the limited federal funds; no additional funding has been provided since.

Public Health

COVID-19 Operational Support. The Governor's recommendation maintains the authorized amount of \$32.2 million from State Fiscal Recovery funds for the Department of Health to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. As of the end of 2025, \$32.0 million has been spent, and the remaining \$0.2 million is recommended for FY 2026. The Assembly concurred.

Public Health Response Warehouse Support. The Governor's recommendation maintains the authorized amount of \$4.2 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. Through FY 2025, \$3.2 million has been spent, and the remaining \$1.0 million is recommended for FY 2026. The recommendation also includes \$0.7 million from general revenues for warehouse operations for FY 2026 and \$1.5 million for FY 2027. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$16,011 of unspent funds to operating support for the Enterprise Resource Planning System.

Auto-Enrollment Program. The Assembly authorized a total of \$1.6 million for HealthSource RI to automatically enroll qualified individuals transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. The funds were used to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. All funds have been spent, and the Pandemic Recovery Office issued its final report in November 2025.

Health Care Facilities. The Assembly provided a total of \$87.5 million from State Fiscal Recovery funds to address pandemic-related staffing needs of hospitals, nursing facilities, and community health centers. The 2023 Assembly provided \$77.5 million, including \$30.0 million for nursing facilities based on the number of Medicaid bed days, with 80 percent dedicated to direct care workers. It also provided \$45.0 million for hospitals, including \$2.5 million for the Rhode Island Health Center Association to distribute to community health centers for direct care staffing needs, a base payment equivalent to \$1.0 million per hospital, and the remainder allocated based on a hospital's pro rata share of operating expenses from the 2021 cost reports. The 2024 Assembly provided an additional \$10.0 million disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024, rate changes took effect. All funds have been spent, and the Pandemic Recovery Office issued its final report in December 2024.

Public Health Clinics. As of the end of FY 2025, all \$4.0 million from State Fiscal Recovery funds has been spent, including \$2.0 million each to the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults, and Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. The Pandemic Recovery Office issued its final report for Open Door Health in April 2025 and for the Rhode Island Free Clinic in May 2025.

Children, Families, and Education

Nonprofit Assistance. The Assembly provided \$20.0 million from State Fiscal Recovery funds for FY 2023 for the Rhode Island Foundation to distribute to nonprofit organizations to address needs exacerbated by COVID-19, including housing, food insecurity, and behavioral health issues. All funds have been spent, and the Pandemic Recovery Office issued its final report in December 2024.

Pediatric Recovery. The Assembly provided \$15.0 million from State Fiscal Recovery funds to provide financial support to pediatric providers and incentives for increased developmental and psychosocial/behavioral screenings. All payments have been made, and the Governor reclassified \$129 of remaining funds in October 2025 to other uses.

Early Intervention Recovery. The Assembly provided \$11.0 million from State Fiscal Recovery funds to provide financial support to nine early intervention providers and performance bonuses for providers when meeting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. All payments have been made.

Provider Workforce Stabilization. The 2024 Assembly authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which resulted in a capped or reduced capacity. As of the end of FY 2025, \$23.9 million has been spent. The Governor's FY 2026 revised recommendation includes the remaining \$257,093. The Assembly concurred.

Child Care Support. The Governor's budget maintains the authorized level of \$42.0 million from State Fiscal Recovery funds, primarily to provide retention bonuses for direct care staff at child care centers and licensed family-based care providers. Funds are also used to waive any fees for new family child care providers, including application fees and background checks, and for quality improvements, creating a workforce registry, and staff education opportunities. Payments totaled \$41.0 million through FY 2025. The Governor's FY 2026 revised budget includes the remaining \$1.0 million. The Assembly concurred.

Support for Survivors of Domestic Violence. The Governor maintained the \$10.5 million from State Fiscal Recovery funds authorized by the 2022 Assembly to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault for two years starting in FY 2023, after which federal grants are expected to return to historic levels. As of the end of FY 2025, \$4.6 million remains to be spent and is budgeted for FY 2026 and FY 2027. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$144,145 of unspent funds to operating support for the Enterprise Resource Planning System.

Adult Education Providers. The Governor maintained the authorized amount of \$5.0 million from State Fiscal Recovery funds for adult education providers. Grants are used to fund local adult education programs and literacy services, including workplace literacy, family literacy, English literacy, and civics education. Expenditures through FY 2025 were \$3.5 million, and the Governor recommended the remaining \$1.5 million for FY 2026. The project initially experienced delays, but the Department of Elementary and Secondary Education reports that all funding has been allocated and that it will meet December 2026 spending deadlines. The Assembly concurred.

Out of School Time Education Providers. The Governor maintained the authorized amount of \$6.0 million from State Fiscal Recovery funds to be distributed to community organizations to expand access to out-of-school educational programs, including \$4.0 million through the Department of Elementary and Secondary Education and \$2.0 million through the Department of Administration in Community Learning Center Support Grants. As of the end of FY 2025, \$2.0 million of the Department of Elementary and

Secondary Education's allocation has been spent, and the Governor recommended the remaining \$4.0 million for FY 2026.

A total of \$4.3 million from general revenues was allocated in the FY 2025 and FY 2026 budgets to continue this program; \$4.0 million of these funds are available in FY 2026, including \$2.7 million reappropriated from FY 2025. The Governor recommended an additional \$2.0 million from general revenues in FY 2027, bringing total state support to \$6.3 million. The Assembly concurred.

Foster Care Youth Scholarships. The Assembly authorized \$1.0 million from State Fiscal Recovery funds in the Office of Postsecondary Commissioner for a last-dollar scholarship program for foster care youth exiting the Department's care to attend Rhode Island College. Recipients will receive tuition, room and board, and/or support services, including during summer months, with funding distributed through the Rhode Island College Foundation. All funds have been transferred to the Foundation, and the Pandemic Recovery Office issued its final report in March 2025.

Rhode Island Community Food Bank. The Assembly authorized \$3.0 million from State Fiscal Recovery funds for the Rhode Island Community Food Bank to assist households in need, including those that received enhanced nutrition benefits during the public health emergency. All funds have been spent, and the Pandemic Recovery Office issued its final report in August 2024.

SNAP Healthy Incentives Pilot. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits card, with incentive thresholds to be determined by the Department of Human Services. The 2022 Assembly provided \$11.5 million for the program, including information technology upgrades. The authorizing legislation calls for the pilot to operate until all funds are expended. The FY 2025 enacted budget shifted \$4.5 million from general revenues to State Fiscal Recovery funds, and nearly all the funds were spent. The Governor's FY 2026 revised budget includes the remaining \$1,350. The Assembly concurred.

Behavioral Health

Certified Community Behavioral Health Clinics. The Assembly provided a total of \$29.0 million from State Fiscal Recovery funds in the Executive Office of Health and Human Services' budget to transition to the certified community behavioral health clinics federal model. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. As of the end of FY 2025, \$27.1 million has been spent, and the Governor recommended the remaining \$1.9 million for FY 2026. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of all unspent funds to operating support for the Enterprise Resource Planning System.

988 Hotline. The Assembly authorized the amount of \$5.4 million from State Fiscal Recovery funds in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules to ensure consistent service. The hotline is operated by Horizon Healthcare Partners, which used its BH Link program to provide the necessary staffing and operations to comply with the Act. As of the end of FY 2025, the Department spent \$2.9 million, and the Governor included the remaining \$2.4 million for use in FY 2026. The Assembly concurred.

Psychiatric Residential Treatment Facility/Female Youth Facility. The Governor's recommendation maintains the authorized \$9.1 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and to support the initial design of a new female youth program facility. As of the end of FY 2025, \$2.6 million has been spent, including \$1.0 million for the design of the Exeter female

residential facility. The FY 2026 enacted budget made \$6.6 million available for the expansion of psychiatric treatment beds, pending an updated plan.

In December 2025, the administration reclassified the \$6.6 million for psychiatric treatment beds to construction costs for the Exeter project to meet obligation deadlines. Separately, the Governor's recommendation includes \$28.1 million from Rhode Island Capital Plan funds in FY 2026 and FY 2027 to renovate the former St. Mary's Home for Children in North Providence, which the state purchased in December 2025, for use as a psychiatric residential treatment facility. The Governor also recommended \$1.0 million from general revenues in FY 2027 for facility maintenance. He subsequently requested an amendment to assign the funds to correct project and correct the total authorization, providing \$7 more than the original recommendation. The Assembly concurred.

Crisis Intervention Trainings. The Assembly authorized \$2.2 million from State Fiscal Recovery funds to provide law enforcement training and offer technical assistance for strategies and protocols to respond to increased mental health-related calls to local police departments. Spending for FY 2024 and FY 2025 totaled \$1.0 million, mostly paid to Thundermist for training. The Governor's FY 2026 revised recommendation includes the remaining \$1.2 million. The Assembly concurred.

Butler Hospital Short Term Stay Unit. The Assembly provided \$8.0 million from State Fiscal Recovery funds for the new short-term stay unit at Butler Hospital, a psychiatric hospital for adults and adolescents. The intent is to alleviate overcrowding in emergency departments for adults and adolescents by providing immediate access to inpatient behavioral health care services, crisis intervention, and other related services. All funds have been spent, and the Pandemic Recovery Office issued its final report in December 2024.

Turnpike and Bridge Authority - Safety Barriers Study. The Assembly authorized a total of \$1.8 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The Newport and Sakonnet bridge studies were completed in February 2025. Mount Hope and Jamestown bridges were completed in May 2024. The total project cost was \$1.6 million, \$0.2 million below the approved amount. The Governor requested to reclassify the remaining \$0.2 million in October 2025 for operating support for the Enterprise Resource Planning System. The Assembly concurred.

Public Infrastructure and Technology

Broadband Planning and Mapping. The Assembly authorized \$0.5 million from State Fiscal Recovery funds for broadband infrastructure planning work. Funds supported a needs assessment, statewide mapping of broadband access and cost, and one Broadband Director position at the Commerce Corporation. All funds have been spent, and the Pandemic Recovery Office issued its final report in April 2023.

Municipal Public Safety Infrastructure. The Assembly authorized \$11.0 million from State Fiscal Recovery funds for matching support to cities and towns to make significant public safety facilities infrastructure improvements, including new construction. Funding priority is based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality are limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others.

The state released its funding application in December 2023 with a deadline of January 26, 2024. Funding has been awarded to the following municipalities: Central Falls, East Providence, Providence, Foster, Lincoln, Middletown, Narragansett, North Smithfield, Smithfield, South Kingstown, Warwick, and West Warwick. As of the end of FY 2025, \$6.6 million has been spent; the Governor's FY 2026 budget includes the remaining \$4.4 million. The Assembly concurred.

Municipal Roads Grant Program. The Governor’s revised budget includes the remaining \$11.4 million from State Fiscal Recovery funds for FY 2026 for the Municipal Roads Grant Program administered by the Department of Transportation. Funds are available to cities and towns for the construction and maintenance of roads, sidewalks and bridges, with a required municipal match of 67.0 percent. Additionally, \$5.0 million of the funds will be distributed equally, and the remaining \$15.0 million will be distributed based on non-federal lane miles of roads in each community. A total of \$27.0 million was authorized, including \$20.0 million for FY 2024 with the proviso that the Department of Transportation could retain any funds not obligated by June 30, 2024, for statewide paving projects. All of those funds were obligated. It also included \$7.0 million for FY 2025, to be distributed equally.

The 2025 Assembly concurred with his recommendation, making the program permanent and included \$6.5 million from transportation funds for FY 2026. The Governor recommended \$10.0 million from transportation funds for FY 2027, for a one-time increase of \$3.5 million. His capital budget assumes \$6.5 million annually for FY 2028 through FY 2031. The Assembly concurred.

Washington Bridge Project. The Governor’s budget maintains the approved amount of \$35.0 million from State Fiscal Recovery funds as a partial state match for the Washington Bridge Project. As of the end of FY 2025, \$18.0 million has been spent. The FY 2026 revised and the FY 2027 recommended budgets include \$16.9 million and \$0.1 million, respectively. The Assembly concurred.

ERP Implementation Support. During the summer of 2019, the Department indicated that it selected a vendor to examine options and strategies for replacing the human resources, payroll, and financial management systems. The systems were nearing the end of their useful lives and were susceptible to security risks. The Auditor General has historically reported the inefficiencies with the various systems. The systems were fully developed and implemented in November 2025. The Governor’s recommendation reflects his reclassification of a total of \$0.6 million in residual funds from other projects to support the systems’ operations. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$1.1 million in residual funds to support the systems’ operations.

Climate

Electric Heat Pump Grant Program. A total of \$25.0 million from State Fiscal Recovery funds was provided to support low-and moderate-income households and community organizations to purchase and install energy-efficient electric heat pumps. The Office of Energy Resources issued two requests for proposals in September 2022 and January 2023. It had anticipated the program starting in June, but a further delay meant it did not incur any expenses. The Office started taking applications for the program on September 5, 2023.

The 2025 Assembly concurred with the Governor’s recommendation to provide \$0.6 million, reflecting federal grants that the state had received for home electrification and appliance rebates. As of the end of FY 2025, \$23.7 million has been spent, and the FY 2026 revised budget includes the remaining \$0.7 million. The revised budget also retains the annual reporting requirement for the program due by April 1 of each year to the Speaker of the House of Representatives and the Senate President. The report must include the number of grants issued, the amount of each grant, the average grant amount, and the expected cumulative carbon emissions reductions associated with the grants awarded. The Assembly concurred. On June 8, after the House passed the budget, the Governor requested to reclassify \$14,355 of unspent funds to operating support for the Enterprise Resource Planning System.

Port of Davisville. The Governor’s budget maintains the authorized amount of \$65.0 million from State Fiscal Recovery funds to support Port of Davisville infrastructure. Support expands on existing funding to develop port infrastructure to create job opportunities, invest in marine transportation, and make capital

improvements to prepare for offshore wind development. Nearly all funds were spent; \$279 remains and is budgeted for FY 2026. The Assembly concurred.

R-Line - Free Service Pilot. The Assembly authorized \$3.3 million from State Fiscal Recovery funds to support a free fare bus route service pilot program along the R-Line. The one-year pilot program started on September 1, 2022, and was set to end on September 30, 2023; however, the Authority's board of directors extended the program an additional month. The Authority tracked ridership data and submitted the required report to the Speaker of the House, the President of the Senate, and the Governor on March 21, 2024. All funds have been spent, and the Pandemic Recovery Office issued its final report in January 2024.

Operating/Administration

RI Public Transit Authority - Operating Grant. The Authority projected an operating deficit of about \$18 million for FY 2025. The Assembly provided \$15.0 million from State Fiscal Recovery funds to partially defray that gap and required the Authority to review all operations, including ridership and administration, to identify efficiencies by March 1, 2025. The study was completed in July 2025 and includes required recommendations for sustainable and effective transit operations. All funds have been spent, and the Pandemic Recovery Office issued its final report in June 2025.

DOC - Budget Shortfall. The Assembly authorized \$20.0 million from State Fiscal Recovery funds for operating budget expenses for the Department of Corrections. This provided general revenue relief and covered a FY 2024 operating deficit that resulted in part from not returning its housing modules to pre-pandemic densities, contrary to previous indications. All funds have been spent.

Administration. The Governor recommended \$1.2 million and \$0.7 million for FY 2026 and FY 2027, respectively, to support the Pandemic Recovery Office within the Department of Administration. The Office oversees all programs financed by State Fiscal Recovery or Capital Projects funds. The Office is responsible for ensuring compliance with all rules, regulations, and guidance and submission of all required reports. Through FY 2025, \$13.5 million has been spent. The Governor subsequently requested an amendment to align FY 2026 expenses with available funds, which were overstated by \$514. This brings total funding to \$15.4 million, consistent with the approved amount. The Assembly concurred with the amended recommendation.

The following table summarizes the funding by project. Those with notable changes from the enacted budget, other than reappropriation of unspent prior year funds or reclassifications of less than \$100,000, are shaded in gray. The table includes reclassifications requested by the Governor on June 8, after passage of the Budget by the House.

State Fiscal Recovery Funds						
	Prior Years	FY 2025	FY 2026	FY 2027	Total	Eligibility Category
Housing						
Development of Affordable Housing	\$ 39,944,124	\$ 20,053,875	\$ 40,002,001	\$ -	\$ 100,000,000	NEI
Site Acquisition	24,999,100	-	900	-	25,000,000	NEI
Down Payment Assistance	30,000,000	-	-	-	30,000,000	RR
Workforce Housing	3,672,503	8,002,401	8,325,097	-	20,000,001	RR
Affordable Housing Predevelopment	10,000,000	-	-	-	10,000,000	NEI
Home Repair & Community Revitalization	6,997,899	7,763,907	9,738,194	-	24,500,000	RR
Predevelopment & Capacity Building	1,243,174	215,633	27,335	-	1,486,142	RR
Homelessness Assistance Program	15,704,164	14,084,981	9,010,861	-	38,800,006	NEI
Homelessness Infrastructure	27,384,049	13,430,376	4,185,576	-	45,000,001	NEI
Statewide Housing Plan	38,650	943,838	1,017,513	-	2,000,001	RR
Targeted Housing Development	-	7,998,097	18,001,903	-	26,000,000	NEI
Housing Related Infrastructure	-	1,072,036	1,927,964	-	3,000,000	RR
Municipal Homelessness Support Initiative	312,535	1,168,361	518,765	-	1,999,661	NEI
Municipal Planning	-	260,498	1,558,224	-	1,818,722	RR
Proactive Housing Development	-	700,000	700,000	-	1,400,000	RR
Preservation of Affordable Units	-	500,000	-	-	500,000	RR
Subtotal Housing	\$ 160,296,198	\$ 76,194,003	\$ 95,014,333	\$ -	\$ 331,504,534	
Economic & Workforce Development						
Enhanced Real Jobs	\$ 24,056,944	\$ 5,877,548	\$ 65,508	\$ -	\$ 30,000,000	NEI
Bioscience Investments	2,000,600	18,810,122	24,189,278	-	45,000,000	RR
Rhode Island Reconnect	803,078	2,596,537	4,250,385	-	7,650,000	NEI
Cybersecurity Center	404,677	1,120,316	475,006	-	1,999,999	RR
Fresh Start Scholarship	1,997,253	1,803,460	1,199,287	-	5,000,000	RR
Subtotal Economic & Workforce Development	\$ 29,262,552	\$ 30,207,983	\$ 30,179,464	\$ -	\$ 89,649,999	
Small Business & Impacted Industry						
Aid to the Convention Center	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	RR
Unemployment Insurance Trust Fund	100,000,000	(1,197)	1,196	-	99,999,999	NEI
Small Business & Technical Assistance	28,842,485	2,457,517	-	-	31,300,002	NEI
Assistance to Impacted Industries	13,000,000	658,037	1,341,963	-	15,000,000	PH/NEI/RR
Destination Marketing	3,000,000	-	-	-	3,000,000	RR
Minority Business Accelerator	3,593,339	2,406,662	-	-	6,000,001	NEI/RR
Subtotal Small Business & Impacted Industry	\$ 158,435,824	\$ 5,521,019	\$ 1,343,159	\$ -	\$ 165,300,002	
Public Health						
COVID-19 Operational Support	19,963,774	\$ 12,003,970	\$ 229,342	\$ -	\$ 32,197,086	PH
Public Health Response Warehouse Support	2,249,371	928,411	984,551	\$ -	4,162,333	RR
Auto-Enrollment Program	1,448,003	166,065	-	-	1,614,068	NEI
Health Care Facilities	77,500,000	10,000,000	-	-	87,500,000	NEI/RR
Public Health Clinics	3,015,973	984,027	-	-	4,000,000	NEI/RR
Subtotal Public Health	\$ 104,177,121	\$ 24,082,473	\$ 1,213,893	\$ -	\$ 129,473,487	

State Fiscal Recovery Funds						
	Prior Years	FY 2025	FY 2026	FY 2027	Total	Eligibility Category
Children, Families, & Education						
Nonprofit Assistance	\$ 20,000,001	\$ -	\$ -	\$ -	\$ 20,000,001	NEI
Pediatric Recovery	14,999,873	-	-	-	14,999,873	PH
Early Intervention Recovery	11,000,000	-	-	-	11,000,000	PH
Provider Workforce Stabilization	22,492,002	1,371,672	257,093	-	24,120,767	NEI
Child Care Support	39,310,210	1,683,971	1,004,309	-	41,998,490	NEI/RR
Support for Survivors of Domestic Violence	1,121,319	4,782,894	4,386,858	64,786	10,355,857	PH
Adult Education Providers	1,320,362	2,140,276	1,539,362	-	5,000,000	RR
Out of School Time Education Providers	-	1,952,762	4,047,238	-	6,000,000	NEI
Foster Care Youth Scholarships	-	1,021,859	-	-	1,021,859	RR
RI Community Food Bank	3,000,000	-	-	-	3,000,000	NEI
SNAP Healthy Incentives Pilot	-	4,498,650	1,350	-	4,500,000	RR
Subtotal Children, Families & Education	\$ 113,243,767	\$ 17,452,084	\$ 11,236,210	\$ 64,786	\$ 141,996,847	
Behavioral Health						
Certified Community Behavioral Health Clinics	\$ 21,835,574	\$ 5,256,003	\$ 1,693,922	\$ -	\$ 28,785,499	PH
988 Hotline	1,837,343	1,099,982	2,412,677	-	5,350,002	PH
Psychiatric Residential Facility/ Female Youth Facility	3,318,045	(779,168)	6,561,130	-	9,100,007	RR
Crisis Intervention Trainings	550,114	432,380	1,217,506	-	2,200,000	RR
Butler Short Stay Unit	8,000,000	-	-	-	8,000,000	PH
RITBA Safety Barrier Study	1,108,236	461,178	-	-	1,569,414	RR
Subtotal Behavioral Health	\$ 36,649,312	\$ 6,470,375	\$ 11,885,235	\$ -	\$ 55,004,922	
Public Infrastructure & Technology						
Broadband Planning & Mapping	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	RR
Municipal Public Safety Infrastructure	3,666,232	2,933,532	4,400,236	-	11,000,000	RR
Municipal Roads Grant Program	3,816,585	11,761,698	11,421,717	-	27,000,000	RR
Washington Bridge Project	-	18,029,953	16,895,328	74,583	34,999,864	RR
ERP Implementation Support	-	-	1,616,763	-	1,616,763	RR
Subtotal Public Infrastructure & Technology	\$ 7,982,817	\$ 32,725,183	\$ 34,334,044	\$ 74,583	\$ 75,116,627	
Climate						
Electric Heat Pump Grant Program	\$ 10,366,288	\$ 13,336,273	\$ 683,085	\$ -	\$ 24,385,646	RR
Port of Davisville	19,364,009	45,635,713	279	-	65,000,001	RR
RIPTA - R Line Free Service Pilot	3,250,000	-	-	-	3,250,000	RR
Subtotal Climate	\$ 32,980,297	\$ 58,971,986	\$ 683,364	\$ -	\$ 92,635,647	
Operating Shortfall						
RIPTA Operating Grant	\$ -	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000	RR
DOC Budget Shortfall	20,000,000	-	-	-	20,000,000	RR
Subtotal Operating Shortfall	\$ 20,000,000	\$ 15,000,000	\$ -	\$ -	\$ 35,000,000	
Administration	\$ 12,102,614	\$ 1,368,998	\$ 1,224,653	\$ 682,668	\$ 15,378,933	A
Grand Total	\$ 675,130,502	\$ 267,994,104	\$ 187,114,355	\$ 822,037	\$ 1,131,060,998	

Capital Projects Fund

	Capital Projects Fund				
	Prior Years	FY 2025	FY 2026	FY 2027	Total
CPF Administration	\$ 644,549	\$ 517,238	\$ 1,453,385	\$ 669,389	\$ 3,284,561
Community Learning Center Municipal Grant Program	2,081,019	10,374,046	70,765,063	-	83,220,128
Last-Mile Broadband	-	1,141,632	24,644,868	-	25,786,500
Total	\$ 2,725,568	\$ 12,032,916	\$ 96,863,316	\$ 669,389	\$ 112,291,189

The Budget reflects the full value of \$112.3 million from Rhode Island's Capital Projects Fund allocation. Funding for these projects is contained in Article 13 and Article 1 of 2026-H 7127, Substitute A, as amended. Sections 5 and 17, respectively, contain a description of each of the projects for which any appropriation is made. These descriptions are in the paragraphs below.

CPF Administration. The Governor recommended a total of \$3.3 million, or 2.9 percent, for administrative costs of the \$112.3 million from the Capital Projects Fund, which is exempt from the assessment on federal stimulus awards. The recommendation assumes use of \$1.5 million for FY 2026 and \$0.7 million for FY 2027 in the Department of Administration; \$1.2 million has been spent. The Governor's recommendation is \$1.0 million less than the approved amount, reflecting anticipated costs; up to 5.0 percent can be used for administrative expenses. He subsequently requested an amendment to add \$474, reflecting available resources. The Assembly concurred with the amended recommendation.

Community Learning Center Municipal Grant Program. The Governor recommended a total of \$95.7 million from Capital Projects funds, including \$83.2 million for FY 2026, for cities and towns seeking to renovate or build community centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. Through FY 2025, \$12.5 million has been spent. A total of 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. The recommendation also includes the authorized amount of \$2.0 million from State Fiscal Recovery funds to support the operation of approved Community Learning Centers. These funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026. The recommendation is \$12.9 million more than contained in the enacted budget and overstates available Capital Projects funds by \$12.5 million. The Governor subsequently requested an amendment to correct overstated expenses. The Assembly concurred with the amended recommendation.

Last-Mile Broadband. The Governor's budget includes the authorized amount of \$25.8 million from Capital Projects funds to expand reliable, high-speed internet. The program provides funding to municipalities, public housing authorities, businesses, and internet service providers to expand internet access in underserved communities. Expenditures through FY 2025 were \$1.1 million and all funds have been awarded; \$24.6 million remains unspent and is budgeted for FY 2026. The Assembly concurred.

Housing

State spending to support housing production, access, and subsidies appears throughout the state budget and those of quasi-public entities, some of which are detailed as part of operating and capital budget analyses. Quasi-public entities authorized to administer housing programs do not appear in the state budget except to the extent that certain programs receive general obligation bond proceeds and pass-through funds. Support is generally provided through major federal grants, general obligation bonds, and dedicated taxes. This report contains detailed information on these sources, programs, and the state housing policy structure.

Recent Activity

The 2026 Assembly provided \$587.2 million for housing programs, \$123.4 million more than enacted for FY 2026, broken out in the table below; it should be noted that this value excludes regular operating costs borne by managing agencies, and some funding reflects the total value of multi-year programs, while others are a single year only. Further detail on State Fiscal Recovery Fund programs is available in the ARPA State Fiscal Recovery Fund report, also in the Special Reports section of this publication.

Housing Programs - 2026 Assembly			
Programs	Amount	Source	Managing Entity
Sojourner House	\$ 200,000	General Revenue	E.O. Housing
Livable Home Modification	515,278	General Revenue	GCD
Crossroads	1,910,000	General Revenue	DHS & DOC
Emergency Housing	5,000,000	Gen. Rev. & Federal	DCYF
Medicaid Home Modifications	555,081	Gen. Rev. & Federal	DHS
State-Owned Shelters	3,360,000	Gen. Rev., Restricted & RICAP	E.O. Housing
Education for Homeless Children and Youth	648,415	Federal	Dept. Elem. & Sec. Education
Community Development Block Grants	9,915,414	Federal	E.O. Housing
Homelessness Assistance Grants	7,993,717	Federal	E.O. Housing
Pathways to Removing Obstacles	2,002,377	Federal	E.O. Housing
Housing Opportunities for Persons with AIDS	350,000	Federal	E.O. Housing
ARPA - Homelessness Infrastructure*	45,000,001	Federal - SFRF	E.O. Housing
ARPA - Targeted Housing Development*	26,000,000	Federal - SFRF	E.O. Housing
ARPA - Homelessness Assistance*	38,800,006	Federal - SFRF	E.O. Housing
ARPA - Municipal Homeless. Support	2,200,000	Federal - SFRF	E.O. Housing
ARPA - Municipal Planning*	1,918,722	Federal - SFRF	E.O. Housing
ARPA - Statewide Housing Plan*	2,000,001	Federal - SFRF	E.O. Housing
ARPA - Predevelopment & Capacity Building*	1,499,999	Federal - SFRF	E.O. Housing
ARPA - Housing Related Infrastructure*	3,000,000	Federal - SFRF	Infrastructure Bank
ARPA - Development of Affordable Housing*	100,000,000	Federal - SFRF	RI Housing
ARPA - Site Acquisition*	25,000,000	Federal - SFRF	RI Housing
ARPA - Home Repair & Comm. Revitalization*	24,500,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing*	20,000,001	Federal - SFRF	RI Housing
ARPA - Proactive Housing Development*	1,400,000	Federal - SFRF	RI Housing
Low Income Housing Tax Credit Fund	520,000	Restricted Receipts	E.O. Housing
Housing Resources and Homeless. Account	19,654,757	Restricted Receipts	E.O. Housing
Housing Production Fund	3,239,197	Restricted Receipts	RI Housing
2024 Affordable Housing Bonds*	120,000,000	GO Bonds	RI Housing & E.O. Housing
2026 Affordable Housing Bonds*	120,000,000	GO Bonds	RI Housing & E.O. Housing
Total	\$ 587,182,966		

**One-time funds; amounts represent the full value of multi-year funding*

The 2021 and 2022 Assemblies authorized \$250.0 million from State Fiscal Recovery funds for housing programs, created a Secretary of Housing, and authorized the transfer of programs from the Executive Office of Commerce to a new Executive Office of Housing, effective July 1, 2023. The 2023 Assembly provided an additional \$71.5 million from State Fiscal Recovery funds, formalized the transfer, and provided a total of 38.0 full-time equivalent positions.

The 2024 Assembly added \$10.7 million from State Fiscal Recovery funds, for a total of \$332.2 million; a one-time transfer of \$10.0 million from general revenues; and a \$120.0 million Housing Bond, approved in November 2024. The 2025 Assembly authorized four new or increased sources of revenue and enacted legislation requested by the Governor to reorganize the state's housing structure, consistent with the December 2024 housing organization plan, and renamed the agency the Executive Office of Housing.

The Governor's FY 2027 budget recommended adjustments for some programs, reclassified \$0.4 million from State Fiscal Recovery funds for other uses, and proposed a new \$120.0 million general obligation bond to be placed before the voters on the November 2026 ballot for housing development, infrastructure, redevelopment, property acquisition, and homeownership programs for FY 2028 through FY 2031. Of these funds, at least \$25.0 million must support production of homeownership units. The Assembly concurred and further provided that up to \$10.0 million of new bond funds may be used to support a program for public housing development and eliminated 7.0 unfunded positions within the Executive Office of Housing that have been vacant since FY 2024. The Secretary of Housing noted that these positions are not essential.

Allocations under the 2024 bond and the proposed 2026 bond are shown in the following table.

Project	Approved 2024 G.O. Bonds	2026 G.O. Bonds for Approval	Total
Affordable Housing	\$ 80,000,000	\$ 95,000,000	\$ 175,000,000
<i>Public Housing Development Program*</i>	<i>[10,000,000]</i>	<i>[10,000,000]</i>	<i>[20,000,000]</i>
Home Ownership Units	20,000,000	25,000,000	45,000,000
Housing Related Infrastructure	4,000,000	-	4,000,000
Site Acquisition	5,000,000	-	5,000,000
Community Revitalization	10,000,000	-	10,000,000
Municipal Planning	1,000,000	-	1,000,000
Total	\$ 120,000,000	\$ 120,000,000	\$ 240,000,000

**Up to this amount in each bond may be used to support a program for public housing development*

Housing-Related Revenues

The 2025 Assembly authorized four new or increased sources of revenue to provide long-term support for housing programs. It also provided a one-time transfer of \$2.5 million from general revenues to the Housing Resources and Homelessness restricted account intended to bridge the gap for FY 2026 while these initiatives are implemented. The following table displays pre-existing tax rates compared to those established by the 2025 Assembly.

Housing-Related Taxes	Applicability	Prior Law	2025 Assembly
Real Estate Conveyance Tier 1	All	0.46%	0.75%
Real Estate Conveyance Tier 2	Residential; Portion >\$800,000	0.46%	0.75%
Whole-Home Short-Term Rental	All	None	5.00%
Non-Owner Occupied Tax	Non-Rental; Portion >\$1.0 million	None	0.50%

The following table estimates total collections from dedicated housing revenue sources; detailed further in the subsequent sections. The value of non-owner occupied non-rental tax collections is not yet clear.

Source	FY 2026		FY 2027		Two-Year Total
	Housing Resources & Homelessness	Housing Production Fund	Housing Resources & Homelessness	Housing Production Fund	
Real Estate Conveyance Tier 1	\$ 9.1	\$ -	\$ 10.4	\$ -	\$ 19.5
Real Estate Conveyance Tier 2	1.6	3.2	3.1	6.1	14.0
One-time Transfer	2.5	-	-	-	2.5
Whole Home	0.9	-	2.1	-	3.0
Total	\$ 14.1	\$ 3.2	\$ 15.6	\$ 6.1	\$ 39.1

\$ in millions based on current estimates

Real Estate Conveyance Tax. The Real Estate Conveyance Tax previously included a first-tier rate of 0.46 percent charged on all transfers and a second-tier rate of 0.46 percent charged on the portion of residential transfers above \$800,000. The 2025 Assembly increased both rates from 0.46 percent to 0.75 percent, for a top-tier effective rate of 1.5 percent, effective October 1, 2025. Revenue from the first tier is allocated according to a statutory formula that includes an allocation to municipalities and the Housing Resources and Homelessness account, essentially unchanged from prior law. The second-tier rate is now split, with 0.50 percent of the 0.75 percent allocated to the Housing Production Fund, up from the prior 0.46 percent, and the remaining 0.25 percent to the Housing Resources and Homelessness restricted account. Beginning January 1, 2026, the \$800,000 threshold became subject to an inflationary adjustment; it is \$824,000 for 2026.

Whole Home Short-Term Rental Tax. The 2025 Assembly established a new tax on houses, condominiums, or other furnished residential dwellings rented for a short term in their entirety, equal to the 5.0 percent State Hotel Tax, from which these units were exempt prior to January 1, 2026. These funds are distributed at 50.0 percent to the Housing Resources and Homelessness Account and 25.0 percent each to the municipality and tourism district in which the rental is located.

Non-Owner Occupied Tax. The 2025 Assembly authorized a new non-owner occupied residential property tax. The payment process is identical to that for property taxes: payments are made in arrears and in quarterly installments with valuations based on the most recent municipal assessments. As a result, while the tax became effective in FY 2026 starting July 1, 2025, collections will begin on July 1, 2026, or FY 2027. Since October 2025, the Department of Revenue has held information meetings with tax assessors, town clerks, realtors, and other tax professionals and stakeholders. The Department identified properties with potential tax liabilities and mailed notice letters in March 2026, which included an explanation and the process for identifying and requesting an exemption.

The tax does not apply to commercial property or property rented for more than 183 days in a given taxable year, inclusive of long-term leases, short-term rentals, or a combination of the two. It also does not apply to primary residences, only to property where the owner does not reside for state income and other tax purposes and regardless of whether the owner's primary residence is in Rhode Island or another state. Affected properties are subject to a 0.5 percent annual tax on only the portion of their value exceeding \$1.0 million, with all resulting revenues dedicated to the Low Income Housing Tax Credit Fund to supplement appropriations. The \$1.0 million threshold is subject to an inflation adjustment beginning July 1, 2027.

State Housing Structure

From passage of the Housing Resources Act of 1998 to 2024, three organizations administered the vast majority of state housing programs and funds: the Office of Housing and Community Development, the

Housing Resources Commission, and the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing. By statute, the Housing Resources Coordinating Committee was intended to oversee and coordinate all three entities, although this did not occur in practice. All originally existed within the Department of Administration but were transferred to the Executive Office of Commerce in 2015.

The 2022 Assembly placed the Office of Housing and Community Development under the Secretary of Housing, removing it from Coordinating Committee authority. It also required a housing organizational plan by November 1, 2022. The submitted plan had several deficiencies and was not recommended or adopted. The 2023 Assembly transferred the Office of Housing and Community Development to a standalone Department of Housing on July 1, 2023, codified its role as the state's lead housing agency, and expanded its responsibility and staffing. The 2024 Assembly required a new version of a reorganization plan by December 31, 2024. Required statutory revision proposals were requested in a subsequent Governor's amendment. The 2025 Assembly concurred with the amended recommendation, which also renamed the Department as an Executive Office.

Executive Office of Housing. As set forth in Rhode Island General Laws, Section 42-167-1, the Executive Office of Housing is the state's lead agency for addressing issues related to housing, homelessness, and community development. This includes developing plans, policies, standards, programs, interagency coordination, and providing technical assistance. It is the recipient of federal community development block grants for 33 municipalities and various other grants aimed at helping vulnerable populations. It combines the authorities of the former Coordinating Committee, Housing Resources Commission, and Office of Housing and Community Development. This includes authority over the Housing Production Fund, Housing Resources and Homelessness Account, state Low-Income Housing Tax Credits, and the ability to designate which state or quasi-state agency will administer federal housing programs. It has historically administered all state homelessness grants. All lead hazard mitigation efforts must still be supported from Executive Office resources, although authority was transferred to the Department of Health in 2025.

Advisory Council on Housing and Homelessness. The 2025 Assembly established a 20-member Advisory Council on Housing and Homelessness. All members are appointed by the Governor and must broadly represent low- and moderate-income housing and homelessness advocates, people with lived experience of homelessness, tenants, landlords, nonprofit developers, for-profit developers, homelessness services providers, public housing authorities, representatives of municipalities, builders, building officials, fair housing interests, and community development intermediaries. The predecessor Housing Resources Commission had 28 members, many ex-officio and each with specific requirements.

RI Housing. Established in 1973 under Rhode Island General Laws, Chapter 42-55, the Rhode Island Housing and Mortgage Finance Corporation, also known as RI Housing, is a quasi-public corporation statutorily authorized to finance, construct, upgrade, and act as landlord for residential housing and health care facilities. The Corporation supported three healthcare facilities in 1983 but has otherwise never exercised its broad statutory authority. It has intentionally limited its purview to financing housing development and administering housing vouchers and similar programs to minimize its legal, reputational, and financial liability. The Corporation has seven Commissioners detailed in the table that follows, three serve in an ex-officio capacity and four are appointed by the Governor based on professional expertise. The 2025 Assembly provided that the Secretary of Housing serve as ex-officio chair and removed the Director of the Department of Business Regulation. In 2023, RI Housing maintained assets totaling \$2.9 billion, although these are largely held in trust for the benefit of bondholders and other third parties and do not represent state resources.

RI Housing Commissioners	
Ex-Officio	Director of Administration
	Secretary of Housing
	General Treasurer
Governor Appointed	Four members experienced in housing design, development, finance, management, and state and municipal finance

The primary activities of the Corporation involve financing housing development and rehabilitation, single family loan origination, servicing associated loans, and carrying out federal rental programs, such as housing vouchers and contract administration. The Corporation’s single-family and multi-family lending activities are often supported by insurance or guarantees through the federal Departments of Housing and Urban Development, Veterans Administration, Agriculture/Rural Development, Treasury, or government sponsored enterprises. The 2023 Assembly enacted facilitating language for the creation of a new proactive development subsidiary of RI Housing, which was formally established in January 2024.

Interagency Councils. To improve state agency coordination, the 2025 Assembly created a new 12-member Interagency Council on Housing Production and Preservation and reactivated a 17-member Interagency Council on Homelessness. These councils consist of state and quasi-state agencies chaired by the Secretary of Housing and intended to coordinate state policy and services, with administrative support provided by the Executive Office of Housing.

Interagency Council on Housing Production and Preservation. The Interagency Council on Housing Production and Preservation was established by the 2025 Assembly. It is chaired by the Secretary of Housing and has 12 members, including 10 state agencies, RI Housing, and the Infrastructure Bank. The Council is intended to promote the development and preservation of housing across all affordability levels.

Interagency Council on Homelessness. The Interagency Council on Homelessness was established in 1987 but met rarely and inconsistently until it was reconvened by the Executive Office in December 2024. The 2025 Assembly restructured the Council. It is chaired by the Secretary of Housing and has 17 members, including 15 state agencies, RI Housing, and the Continuum of Care. The Council is intended to coordinate homelessness services and also serves as the ratification committee for the Continuum of Care.

Consolidated Homelessness Fund. The Consolidated Homelessness Fund is not statutory but is a functional mechanism for centralizing award-making on a competitive basis to the private shelter system for homelessness services that combines Housing Resources and Homelessness Account allocations, funds from the cities of Providence and Pawtucket, and federal resources from a variety of homelessness assistance grants. It is the default mechanism through which state homelessness money is awarded, although this is an informal arrangement, not a requirement, and is not always the case. The Fund was historically overseen by the Housing Resources Commission and is currently overseen by the Executive Office of Housing.

Continuum of Care. The Continuum of Care is not established in Rhode Island General Laws but is required by federal law as an advisory and coordinating entity for homelessness support. The entity receives around \$3.0 million annually from federal resources through a collaborative applicant agreement with RI Housing. It does not fall within the state budget. The program provides funding to nonprofit providers, states, and local governments for rapid rehousing and efforts promoting self-sufficiency and access and utilization of existing services by homeless individuals and families.

Housing Programs

Housing programs are broken out in the subsequent section into functional categories, including funding and administering agencies, as enacted by the 2026 Assembly. Housing bond funds approved by voters in November 2024 continue several existing State Fiscal Recovery Fund programs and are noted in the corresponding items where appropriate.

Housing Production. Housing production refers to all programs intended to increase the supply of new housing. This includes technical assistance and grants awarded for housing construction projects, renovation of existing buildings to create new or additional housing, as well as predevelopment assistance for businesses and municipalities to reduce barriers to housing production.

Housing Production				
Program	FY 2027 Recommended	FY 2027 Enacted	Source	Managing Entity
Pathways to Removing Obstacles	\$ 2,002,377	\$ 2,002,377	Federal	E.O. Housing & EOHHS
ARPA - Targeted Housing Development*	26,000,000	26,000,000	Federal - SFRF	E.O. Housing
ARPA - Development of Affordable Housing*	100,000,000	100,000,000	Federal - SFRF	RI Housing
ARPA - Workforce Housing*	20,000,001	20,000,001	Federal - SFRF	RI Housing
ARPA - Home Repair & Community Revital*	24,500,000	24,500,000	Federal - SFRF	RI Housing
ARPA - Housing Related Infrastructure*	7,000,000	7,000,000	Federal - SFRF & GO Bonds	E.O. Housing & RI Housing
ARPA - Site Acquisition*	30,000,000	30,000,000	Federal - SFRF & GO Bonds	RI Housing
Low Income Housing Tax Credits	-	520,000	Restricted Receipts	E.O. Housing
Housing Production Fund	3,239,197	3,239,197	Restricted	RI Housing
Affordable Housing*	175,000,000	175,000,000	GO Bonds	RI Housing
Homeownership Units*	45,000,000	45,000,000	GO Bonds	RI Housing
Community Revitalization*	10,000,000	10,000,000	GO Bonds	RI Housing
Total	\$ 442,741,575	\$ 443,261,575		

**One-time funds; amounts represent the full value of multi-year funding*

- Pathways to Removing Obstacles. The Budget includes \$2.0 million from federal grant funds for the Executive Offices of Housing and Health and Human Services to identify and remove barriers to affordable housing production and preservation. This primarily takes the form of Health Equity Zone programming.
- ARPA - Targeted Housing Development. The final budget includes the remaining \$18.0 million of \$26.0 million from State Fiscal Recovery funds to allow the Secretary of Housing to target priority housing development projects. Of this amount, \$4.0 million supports transit-oriented housing.
- ARPA - Development of Affordable Housing. The final budget includes the remaining \$40.0 million of \$100.0 million authorized from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments, site acquisition, and predevelopment expenses. Of these funds, \$10.0 million supports a pilot program for low-income public housing vouchers and financing.
- ARPA - Workforce Housing. The final budget includes the remaining \$8.3 million of \$20.0 million authorized from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income.
- ARPA - Home Repair and Community Revitalization. The final budget includes the remaining \$9.7 million of \$24.5 million authorized from State Fiscal Recovery funds to support critical home repairs and redeveloping residential or commercial properties, and public and community spaces.

- ARPA - Housing Related Infrastructure. The final budget includes the remaining \$1.9 million of \$3.0 million authorized from State Fiscal Recovery funds to be transferred to the Infrastructure Bank to support infrastructure necessary for affordable housing development. It also includes \$4.0 million from general obligation bond funds approved in November 2024, for a total project value of \$7.0 million.
- ARPA - Site Acquisition. The Budget maintains the authorized amount of \$30.0 million, including \$25.0 million from State Fiscal Recovery funds and \$5.0 million from general obligation bond funds approved in November 2024, to continue a site acquisition program administered by RI Housing, which began during 2020 in response to the coronavirus pandemic. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. As of November 2025, all funds have been obligated, \$0.5 million remains to be disbursed by RI Housing, and \$900 for state expenses is budgeted for FY 2026.
- Low Income Housing Tax Credits. The FY 2026 enacted budget provides \$4.0 million from general revenues to pre-fund commitments under the State Low Income Housing Tax Credit program. Up to \$30.0 million of credits annually are competitively awarded for a five-year term in equal annual increments and may be redeemed for 90.0 percent of their value. To be eligible, developments must first have been awarded federal low-income housing tax credits. Through FY 2026, the Assembly has provided \$32.0 million from general revenues to pre-fund credits against an existing award maximum of \$120.0 million based on the current June 30, 2028, sunset date. The 2025 Assembly also established a non-owner occupied residential property tax of 0.5 percent annually on the portion of property value exceeding \$1.0 million, effective July 1, 2026, and dedicated all resulting revenues to supplement appropriations to the Fund. Current credits are estimated to be redeemed through at least FY 2033. The first \$30.0 million in credits were awarded in May 2025. The Budget assumes \$0.5 million from restricted receipts to reflect the first anticipated redemption of credits under the program but does not contain additional prefunding for FY 2027.
- Housing Production Fund. The Budget includes the FY 2026 enacted amount of \$3.2 million from Housing Production Fund restricted receipts to provide financial or technical assistance to support the creation and preservation of affordable housing. Funds are generated from the second tier of the Real Estate Conveyance Tax for residential property over \$0.8 million. The 2021 Assembly provided \$25.0 million for initial capitalization and established a rate of 0.46 percent, entirely dedicated to the Fund. The 2025 Assembly increased the second-tier rate to 0.75 percent, of which 0.50 percentage points are dedicated to the Fund. As of the end of FY 2025, funds have supported awards totaling \$35.0 million, and \$2.6 million is available for additional awards.
- Affordable Housing. The Budget includes \$175.0 million from general obligation bond funds for housing development, infrastructure, redevelopment, and property acquisition. Of this amount, \$95.0 million is from a \$120.0 million housing bond to be placed on the November 2026 ballot, and \$80.0 million is from general obligation bond funds approved in November 2024. A total of \$20.0 million, up to \$10.0 million from each housing bond, may be used to support a program for public housing development.
- Homeownership Units. The Budget includes \$45.0 million from general obligation bond funds for the development of housing units intended for homeownership. Of this amount, \$25.0 million is from a \$120.0 million housing bond for the November 2026 ballot, and \$20.0 million is from general obligation bond funds approved in November 2024.
- Community Revitalization. The Budget includes \$10.0 million from general obligation bond funds approved in November 2024 to continue RI Housing's Acquisition and Revitalization Program to finance acquisition and redevelopment of blighted properties in disadvantaged communities.

Housing Preservation. Housing preservation refers to programs designed to retain the existing supply of housing and protect its affordability. This includes support for upgrades, repairs, and maintenance that are

necessary to prevent housing from exiting the housing stock; health-related initiatives, such as lead abatement, to increase housing quality and longevity; and efforts to add deed restrictions or reduce capital and operating expenses to preserve the affordability of housing for low- and moderate-income households.

Housing Preservation					
Program	FY 2027 Recommended	FY 2027 Enacted	Source	Managing Entity	
Livable Home Modification	\$ 515,278	\$ 515,278	General Revenue	GCD	
Medicaid Home Modifications	555,081	555,081	Gen. Rev. & Federal	DHS	
Total	\$ 1,070,359	\$ 1,070,359			

- **Livable Home Modification.** The Budget includes \$0.5 million from general revenues for FY 2027 for the Livable Home Modification Grant Program, which provides 50.0 percent of the total retrofit costs to support home modifications and accessibility enhancements to allow individuals to remain in community settings. The grant amount is capped at \$4,500.
- **Medicaid Home Modifications.** The Budget includes \$0.6 million for FY 2027, including \$0.2 million from general revenues and \$0.3 million from federal Medicaid funds, for home modifications to accommodate individuals with disabilities so they can remain in their homes. This is \$0.1 million less than enacted, reflecting FY 2025 spending levels.

Supportive Services. Supportive services are programs that aid housing consumers. This includes financial support and information for prospective homebuyers as well as direct assistance and subsidies that address the special needs of certain populations, such as the homeless. State programs in this category typically take the form of pass-through funds to quasi-governmental and nonprofit organizations.

Supportive Services					
Program	FY 2027 Recommended	FY 2027 Enacted	Source	Managing Entity	
Crossroads	\$ 1,910,000	\$ 1,910,000	General Revenue	DHS & DOC	
Sojourner House	100,000	200,000	General Revenue	E.O. Housing	
State-Owned Shelters	3,360,000	3,360,000	Gen. Rev., Restricted & RICAP	E.O. Housing	
Emergency Housing	5,000,000	5,000,000	Gen. Rev. & Federal	DCYF	
Education for Homeless Children & Youth	648,415	648,415	Federal	Dept. Elem. & Sec. Education	
Housing Opportunities for Persons with AIDS	350,000	350,000	Federal	E.O. Housing	
Homelessness Assistance Grants	7,993,717	7,993,717	Federal	E.O. Housing	
ARPA - Homelessness Infrastructure*	45,000,001	45,000,001	Federal - SFRF	E.O. Housing	
ARPA - Homelessness Assistance*	38,800,006	38,800,006	Federal - SFRF	E.O. Housing	
ARPA - Muni. Homelessness Support Initiative*	2,200,000	2,200,000	Federal - SFRF	E.O. Housing	
Total	\$ 105,362,139	\$ 105,462,139			

**One-time funds; amounts represent the full value of multi-year funding*

- **Crossroads.** The Budget includes the FY 2026 enacted level of \$1.9 million from general revenues awarded directly to Crossroads Rhode Island, the state's largest homelessness services organization. This includes \$1.1 million in the Department of Corrections' budget for sex offender discharge planning and housing assistance and \$0.9 million in the Department of Human Services' budget for homeless services and emergency shelters.
- **Sojourner House.** The Budget includes \$0.2 million from general revenues to support Sojourner House supportive housing and rapid rehousing programs, \$0.1 million more than enacted for FY 2026.

- State-Owned Shelters. The Budget includes new funding of \$0.5 million for FY 2026 and \$1.7 million for FY 2027 from general revenues and Housing Resources and Homelessness restricted receipts for operating expenses for state-owned shelters. Ongoing expenses are assumed to total \$2.1 million annually thereafter. These properties are located in Providence, were acquired over the past few years, and are rented to organizations that provide up to 490 beds and associated services daily, often with the support of state and federal grants. The capital budget also contains \$2.8 million from Rhode Island Capital Plan funds for asset protection work at these facilities, including \$1.7 million for FY 2027.
- Emergency Housing. The Budget includes \$5.0 million from all sources, including \$1.3 million from general revenues, for emergency housing for families in situations in which housing is a barrier to reunification. This is \$1.1 million less than the enacted budget, including \$1.3 million more from general revenues. The Family Court has the authority to require the Department of Children, Youth, and Families to provide housing, most often in the form of a hotel, and this practice grew after the pandemic. The Department indicates that families who are not yet enrolled in Rhode Island Works receive benefits while enrolling; however, if they are unable to qualify, federal funds cannot be used, leading to reliance on general revenues. The FY 2026 enacted budget assumed that all families served would be enrolled and meet income requirements; the Department has not been able to implement this in recent years.
- Education for Homeless Children and Youth. The Budget includes \$0.6 million from federal funds to support students experiencing homelessness. This is \$0.1 million more than the FY 2026 enacted level, reflecting updated distribution of the McKinney-Vento federal funds. Funds are used to identify homeless children and provide wraparound services and assistance that enable them to attend school and participate fully in activities.
- Housing Opportunities for Persons with AIDS. The Budget includes the FY 2026 enacted amount of \$0.4 million from federal funds to administer the federal Housing Opportunities for Persons with AIDS program, dedicated to supporting services and housing for low-income people living with HIV and AIDS.
- Homelessness Assistance Grants. The Budget includes \$8.0 million from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants, which is \$3.3 million more than enacted for FY 2026 to reflect available funds. The Executive Office typically allocates funding competitively to the private shelter system through the Consolidated Homelessness Fund.
- ARPA - Homelessness Infrastructure. The final budget includes the remaining \$4.2 million of \$45.0 million authorized from State Fiscal Recovery funds to increase facility capacity for individuals experiencing homelessness. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs.
- ARPA - Homelessness Assistance. The final budget includes the remaining \$9.0 million of \$38.8 million from State Fiscal Recovery funds authorized to provide housing navigation, stabilization, and mental health services for people experiencing homelessness. The 2021 Assembly included a requirement to provide monthly progress reports regarding the achievement of these efforts. The Executive Office submitted its first report in March 2023 and has not submitted one since July 2023.
- ARPA - Municipal Homelessness Support Initiative. The final budget includes the remaining \$0.7 million of \$2.2 million authorized from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden on municipal services, which this program is intended to partially offset. On June 8, after the House passed the budget, the Governor requested to reclassify \$0.2 million of unspent funds to operating support for the Enterprise Resource Planning System.

Flexible. Some programs provide funding that is not limited to a specific purpose but can be put to a variety of uses at the discretion of the Executive Office of Housing.

Flexible				
Program	FY 2027 Recommended	FY 2027 Enacted	Source	Managing Entity
Community Development Block Grants	\$ 9,915,414	\$ 9,915,414	Federal	E.O. Housing
Housing Resources & Homelessness Account*	19,654,757	19,654,757	Restricted	E.O. Housing
Total	\$ 29,570,171	\$ 29,570,171		

*Excludes funds allocated to State-Owned Shelters

- **Community Development Block Grants.** The Budget includes \$9.9 million from federal Community Development Block Grant funds, \$0.6 million more than the FY 2026 enacted budget. Cranston, East Providence, Pawtucket, Providence, Warwick, and Woonsocket are entitlement communities that receive their Community Development Block Grants directly from the U.S. Department of Housing and Urban Development; the state administers the remaining 33 communities' grants.
- **Housing Resources and Homelessness Account.** The Budget includes the enacted amount of \$19.7 million from Housing Resources and Homelessness Account restricted receipts, excluding \$0.8 million allocated for state-owned shelter operating costs. These funds are flexible but must broadly be used to support lead hazard reduction, rental subsidies, shelter operations, and other housing and homelessness initiatives. Historically, most funds have been allocated to providers through the Consolidated Homelessness Fund. The 2014 Assembly provided a dedicated portion of the Real Estate Conveyance Tax to provide a permanent stream of funding. The 2024 Assembly authorized a one-time transfer of \$10.0 million from general revenues. The 2025 Assembly provided a one-time transfer of \$2.5 million, dedicated 50.0 percent of revenue from a new whole home short-term rental tax, and increased both the first and second tiers of the real estate conveyance tax to provide additional ongoing support for this account.

Planning. Planning costs refer to nonrecurring expenses associated with planning, managing, and reporting on state housing programs. It should be noted that the operating expenses of quasi-governmental organizations do not appear in this publication.

Planning				
Program	FY 2027 Recommended	FY 2027 Enacted	Source	Managing Entity
ARPA - Statewide Housing Plan*	\$ 2,000,001	\$ 2,000,001	Federal - SFRF	E.O. Housing
ARPA - Predevelopment & Capacity Building*	1,499,999	1,499,999	Federal - SFRF	E.O. Housing
ARPA - Proactive Housing Development*	1,400,000	1,400,000	Federal - SFRF	RI Housing
ARPA - Municipal Planning*	2,918,722	2,918,722	Federal - SFRF & GO Bonds	E.O. Housing
Total	\$ 7,818,722	\$ 7,818,722		

*One-time funds; amounts represent the full value of multi-year funding

- **ARPA - Statewide Housing Plan.** The final budget includes the remaining \$1.0 million of \$2.0 million authorized from State Fiscal Recovery funds to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts.
- **ARPA - Predevelopment and Capacity Building.** The final budget includes the remaining \$41,192 of \$1.5 million authorized from State Fiscal Recovery funds for consultants to provide administrative support to the Executive Office of Housing. Funding is intended to assist with managing the increased resources for federal and other housing-related programs and address the lack of administrative capacity as a barrier to implementing affordable housing initiatives. The 2021 Assembly included a requirement to provide

monthly progress reports regarding achievement of these efforts. The Executive Office submitted its first report in March 2023 and has not submitted a report since July 2023. On June 8, after the House passed the budget, the Governor requested to reclassify \$13,857 of unspent funds to operating support for the Enterprise Resource Planning System.

- **ARPA - Proactive Housing Development.** The final budget includes the remaining \$0.7 million of \$1.4 million authorized from State Fiscal Recovery funds to create a new proactive development subsidiary of RI Housing. The subsidiary was formally established in January 2024, and a president was appointed that September.
- **ARPA - Municipal Planning.** The final budget includes the remaining \$1.7 million of \$1.9 million authorized from State Fiscal Recovery funds to support municipal planning efforts. Of these funds, \$1.3 million is for a municipal fellows program and \$1.6 million is for transit- and zoning-related grants to municipalities. This is \$0.4 million less for grants, reflecting the Governor's reclassification of remaining funds after awards were announced in October 2025. The Budget also includes \$1.0 million from general obligation bond funds approved in November 2024, for a total project value of \$2.9 million. On June 8, after the House passed the budget, the Governor requested to reclassify \$100,000 of unspent funds to operating support for the Enterprise Resource Planning System.

Required Reports

The status as of June 2026 of all programmatic reports related to housing required to be submitted to the General Assembly or individual members, among others, is shown in the following table. The table does not include annual organization-wide financial disclosures and audits, which are all submitted and compliant, nor does it include reports required for programs using State Fiscal Recovery funds.

R.I.G.L.	Program	Submitted	Compliant
<i>Executive Office of Housing</i>			
42-167-4	Integrated Housing Report	Yes	Yes
42-167-4	State Housing Reorganization Plan	Yes	Yes
42-167-4	Strategic Plan to End Homelessness	New	New
42-167-4	Muni. Low & Moderate Income Chart	New	New
42-128.3	Housing Incentives Districts	No	No
44-71	Low Income Housing Tax Credit Fund	Yes	Yes
45-24	Accessory Dwelling Units	Yes	Yes
45-24	Fee in Lieu of Public Housing	Yes	Yes
45-53	Comprehensive Permitting	Yes	Yes
45-53	Housing Vouchers	Yes	Yes
45-53	Vacant Schools	Yes	Yes
<i>Rhode Island Housing and Mortgage Finance Corporation</i>			
42-55-22.1	Mortgage Disclosure	Yes	Yes
42-55-22.2	Affirmative Action Fair Housing Policy	Yes	Yes
42-55.1	Housing Trust Fund	Defunct	Defunct
44-53	Development and Preservation Activity	Yes	Yes

Integrated Housing Report. The Executive Office of Housing is required to submit an April 15 annual report, including the total number of housing units, occupancy, change in units, net new units in development since the prior report, units by building occupancy and income type, regional and similar-state comparisons, including fund sources, rental bedrooms, affordability level, permitting statistics, and affordability by municipality. Much of this data must be broken down by municipality and into cost brackets.

The 2024 Assembly made several changes to this report to provide clarity and align more closely with available data, including when federal data becomes available by delaying the due date from December 31 to April 15. It also required municipalities to provide relevant data requested by the Executive Office on or before February 15.

Previously, the report included annual requirements to assess the number of Americans with Disabilities Act compliant special needs units, along with determining the number of units needed versus produced under status quo conditions. The 2024 Assembly replaced these with a report due every three years, beginning on December 31, 2026, assessing the accessibility of the state housing stock and the number of units required to meet estimated growth.

Strategic Plan to End Homelessness. As of July 1, 2026, and every three years thereafter, the Executive Office of Housing is required to create a statewide strategic plan to prevent and address homelessness. It is required to conduct this work in coordination with the Advisory Council on Housing and Homelessness, the Interagency Council on Homelessness, and the Continuum of Care.

Municipal Low and Moderate Income Chart. As of January 1, 2027, the Executive Office of Housing is required to produce an annual chart reflecting the number and percentage of low- and moderate-income housing units in each city and town. Municipalities will have thirty days to suggest modifications and revisions.

Housing Incentives Districts. As of FY 2022, the Executive Office of Housing is required to file an annual report on commitments and disbursements of technical assistance or school impact payments for municipalities that create and administer a Housing Incentive District. The Executive Office indicates that this municipal initiative has not yet been implemented, and there is no status to report. It should be noted that the report is still required even if there is no status to update.

Low Income Housing Tax Credit Fund. The Executive Office of Housing is required to file an annual November 1 report that contains the amount of credits approved in the prior fiscal year. A summary of tax credit agreements must also be sent to the Division of Taxation and published on its website.

Accessory Dwelling Units. The Executive Office of Housing is required to file a March 1 annual report containing all municipal ordinances related to accessory dwelling units and two prior years of information regarding unit permits and certificates of occupancy. Municipalities are required to provide the Executive Office with this information by February 1.

Fee in Lieu of Public Housing. RI Housing and municipalities are required to file a December 31 annual report regarding fees in lieu of housing that developers can pay instead of building affordable housing units required under inclusionary zoning. The fee is calculated annually for each city based on a statutory formula and a minimum of \$40,000 per unit. The report contains the amount collected by municipality, funding for projects using fees, and the number of units created.

Comprehensive Permitting. The Executive Office of Housing is required to file a March 15 annual report to be posted on its website containing the prior 12 months of information regarding comprehensive permits for each municipality, including letters of eligibility, the number of subsidized units proposed and subsidy sources, status of applications, and the affordability of proposed units. Municipalities are required to provide the Executive Office with this information by February 1.

Housing Vouchers. The Executive Office of Housing is required to file an April 15 annual report to be posted on its website for the prior 12 months of information regarding Section 8 Housing Choice Vouchers received and used by public housing authorities. By municipality, the report accounts for all vouchers,

leasing potential, administrative costs, and fees collected in lieu of development of low- and moderate-income units.

Vacant Schools. The Executive Office of Housing is required to file an annual December 31 report detailing the number of school buildings that are vacant, and the feasibility or status of redevelopment. The Department of Elementary and Secondary Education and municipalities provide lists of vacant school buildings to be evaluated for conversion into affordable housing. The Executive Office of Housing files all feasibility studies and relevant information, such as estimated costs, on its website.

Mortgage Disclosures. RI Housing is required to produce a disclosure of all of its mortgage lenders and loans by census tract with reference to age of recipient, state representative districts, and federal support. The report is required to be available to the public with copies at its Office. RI Housing indicates the report takes one week of staff time to create and is provided upon request; however, it has no record of a request ever being received.

Affirmative Action Fair Housing Report. RI Housing is required to biennially assess minority participation in all of its programs. It indicates that producing this report takes four to six weeks of staff time; however, in 2022, its website logged only 16 views, almost all of which were internal. The report is regularly produced consistent with statute.

Development and Preservation Activity. RI Housing is required to file a March 15 annual report to be posted on its website containing a list of preservation or development projects it approved, the value of support provided, and the resulting certificates of occupancy once available. The request also contains the value of fees and taxes paid by affordable housing developments to each municipality.

Housing Data

The Executive Office of Housing reports that, as of 2024, there were a total of 485,932 housing units in Rhode Island. Scenario 2 from its most recent integrated housing report estimates that Rhode Island would need to produce 2,257 units annually through 2030 to keep up with population growth and housing formation rates; it estimates that 2,162 units were produced in 2025, tracked by the issuance of certificates of occupancy. It reports that a total of 3,778 units were permitted in 2025, the highest level since 1988 and over 150 percent more than were permitted in 2021.

The number of households that are cost burdened, defined as those spending 30 percent or more of income on housing, has consistently risen over the past few decades and now represents 33 percent of households. Of these, 44 percent are severely cost-burdened, defined as those spending 50 percent or more of their income on housing. Detailed information on the quality and status of housing is included in the Executive Office's Integrated Housing Report, due annually on April 15. The following is a non-exhaustive list of sources for credible information on housing in the state:

RI House Commission on Land Use:

<https://www.rilegislature.gov/commissions/laus/SitePages/hmaterials.aspx>

RI House Commission on Housing Affordability:

<https://www.rilegislature.gov/commissions/LMIHA/Pages/hmaterials.aspx>

RI House Whole Home Commission

<https://www.rilegislature.gov/commissions/WHC/Pages/hmaterials.aspx>

RI House Landlord/Tenant Commission

<https://www.rilegislature.gov/commissions/lateco/Pages/hmaterials.aspx>

RI House Short Term Rental Commission

<https://www.rilegislature.gov/commissions/STRC/SitePages/hmaterials.aspx>

Division of Statewide Planning:

<https://planning.ri.gov/>

HousingWorksRI:

<https://www.housingworksri.org/Research-Policy/Publications-Reports>

Executive Office of Housing

<https://housing.ri.gov/>

RI Housing:

<https://www.rihousing.com/research-reporting/>

United States Census Bureau:

<https://www.census.gov/topics/housing.html>

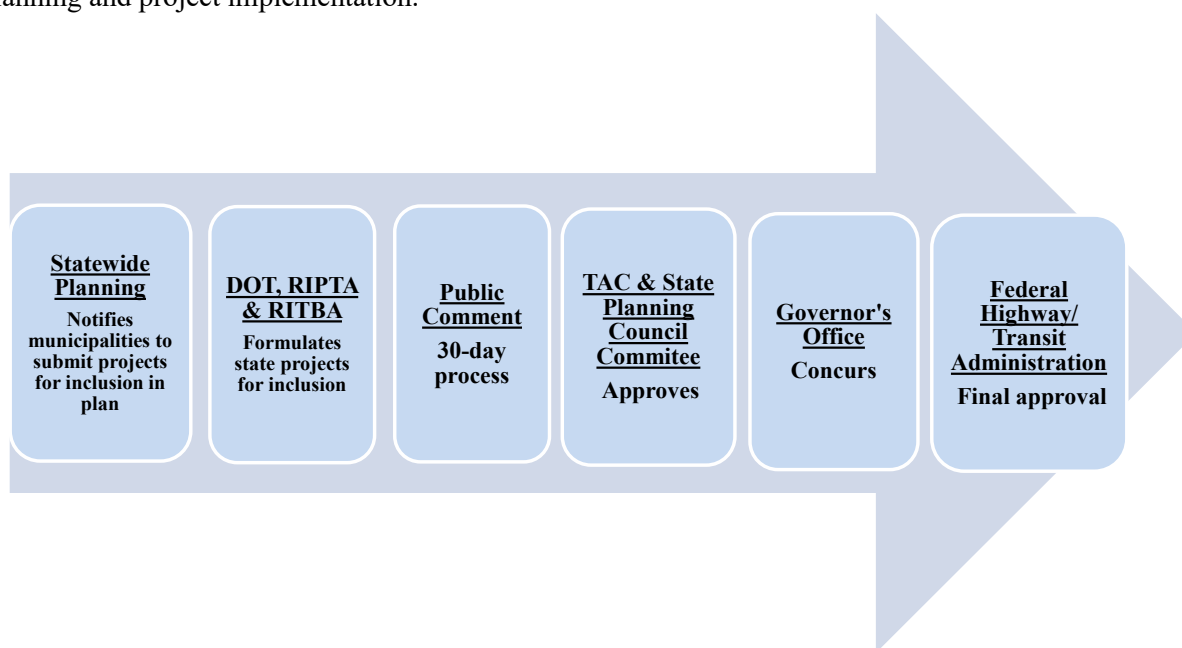
Transportation

Transportation spending, including the state’s highway and transit programs, accounts for 7.5 percent of operating budget expenditures in the FY 2027 enacted budget. Nearly half of the expenditures in the five-year capital plan are for transportation projects, including roads and bridges, rail, and public transportation. Funding comes from federal formula programs, major federal grants, as well as user charges and other dedicated state sources. This report provides detailed information on these sources and how they have changed over time, along with a review of the formal process for capital project planning.

Transportation Planning Process

Federal law requires that a statewide transportation improvement plan covers a period of at least four years. Federal regulations also require that the first four years of the plan be fiscally constrained, meaning the projects in the plan may not exceed the anticipated funding reasonably expected to be available over the four-year timeframe. No highway or transit project can utilize federal funds unless it appears in an approved Transportation Improvement Program.

In Rhode Island, the State Transportation Improvement Program is a culmination of a public outreach process to all communities, public interest groups, and citizens by the agencies involved in transportation planning and project implementation.



Following the public solicitation process, surface transportation projects are selected for inclusion in the Transportation Improvement Program by a 26-member public body known as the Transportation Advisory Committee using criteria based on five major categories: mobility benefits, cost-effectiveness, economic development impact, environmental impact, and degree of support to local and state goals and plans. Certain types of projects are reviewed by special public committees prior to selection. Once a plan has gone through the Committee process, it is sent to the Governor’s Office for concurrence, then submitted to the Federal Highway Administration and the Federal Transit Administration for final approval.

The Transportation Improvement Program includes a category for traditional highway projects. These projects primarily involve either a full reconstruction of the existing roadway or construction of a new highway facility. Projects are considered for this category if they involve a roadway and major work beyond resurfacing. The pavement preservation program is another category of high interest that allows the state

to pursue the most cost-effective pavement treatment for roads throughout the state. The work includes pavement resurfacing, crack sealing, and micro surfacing as appropriate. Roadways included in the pavement management program include community requested projects and those identified in the Department's pavement management program. Inclusion in the Transportation Improvement Program list does not guarantee the project will be implemented as scheduled.

Projects are selected for implementation by the Department of Transportation based on an evaluation using four sources of information: pavement and bridge asset management system data, public input-priority assigned by communities, input from the Maintenance Division, and staff field review. Final selection considers traffic volumes and the distribution of projects statewide to ensure an equitable geographic distribution. Roadways selected must be eligible for federal funding, meaning they must be functionally classified. State roads are given priority, but local roads may also be included in the program based on factors such as the regional significance of the road or support for an economic development or enterprise zone initiative.

Recent Program Revisions

The Department refers to its ten-year capital and operating plans as RhodeWorks. It is a comprehensive initiative with one component aimed at accelerating the replacement and reconstruction of state bridges to reduce the percentage of deficient bridges. Annually, the Department will propose changes to the plan to ensure that projects are appropriately coordinated and that communities and constituents can provide input. A new Transportation Improvement Program covering federal FY 2026 through FY 2035 was adopted by the State Planning Council on September 11, 2025.

The following table includes dates of approved Transportation Improvement Programs and the total amendments to each approved program.

Transportation Improvement Programs		
FFY	Date Approved	Total Amendments
2026-2035*	September 11, 2025	1
2022-2031	September 9, 2021	17
2018-2027	December 14, 2017	30
2017-2025	September 8, 2016	3
2013-2016	February 28, 2013	7
2009-2012	August 14, 2008	13

**June 9, 2026*

In June 2021, the Department proposed the federal FY 2022 through FY 2031 plan, which went through the planning process and was adopted in September 2021. Over a four-year period, a total of 17 amendments were added; 16 were classified as administrative amendments. Following the adoption of the plan, President Biden signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law on November 15, 2021. It authorizes the Federal-Aid Highway Program for federal FY 2022 through FY 2026. It contains increased funding for surface transportation and establishes new grant programs. Rhode Island will receive an average of \$354 million annually. The increase from federal FY 2021 to FY 2022 was approximately \$103 million; the state match for that amount would be \$20.6 million.

The next table shows the Department's annual allocation from MAP 2021, FAST Act and projections from the Infrastructure Investment and Jobs Act.

Federal FY	Federal Act	RI's Allocation	New: Bridge Replacement	New: Electric Charging Stations	Total	Required Additional Match
2015	Moving Ahead for Progress (MAP 21)	\$ 211,081,927				
2016		\$ 221,837,373				
2017		\$ 224,957,309				
2018	Fixing America's Surface	\$ 230,202,826				
2019	Transportation (FAST) Act	\$ 236,184,138				
2020		\$ 240,920,619				
2021		\$ 239,414,545				
2022		\$ 289,527,640	\$ 48,384,691	\$ 4,572,292	\$ 342,484,623	\$ 20,614,016
2023		\$ 295,322,648	\$ 48,384,691	\$ 4,572,292	\$ 348,279,631	\$ 21,773,017
2024	Infrastructure Investment & Jobs Act	\$ 301,233,552	\$ 48,384,691	\$ 4,572,292	\$ 354,190,535	\$ 22,955,198
2025		\$ 307,262,674	\$ 48,384,691	\$ 4,572,292	\$ 360,219,657	\$ 24,161,022
2026		\$ 313,412,378	\$ 48,384,691	\$ 4,572,292	\$ 366,369,361	\$ 25,390,963

Infrastructure Investment and Jobs Act Impact

Electric Vehicle Charging Infrastructure Program. The Infrastructure Investment and Jobs Act authorized a National Electric Vehicle Infrastructure Formula Program, with the goal of establishing a nationwide network of 500,000 electric vehicle chargers by 2030. The 2022 Assembly concurred with the Governor's proposal to create an Electric Vehicle Charging Infrastructure Program in state law. The state was awarded \$22.9 million for this program, which is matched with \$4.6 million from Rhode Island Capital Plan funds. The program is being administered by the Department of Transportation and the Office of Energy Resources, with consultation from the Department of Environmental Management.

The state submitted its plan for uses of the funds in July 2022 and received federal approval on September 14. It assumed \$8.3 million to construct 7 to 14 stations in the Providence metropolitan area, and annual operating costs of \$0.1 million per station for five years, and \$3.8 million to upgrade two existing fast charging stations along I-95, and operating expenses. It also reserved \$2.0 million for Route 146, \$6.6 million for the southern coastal routes to accommodate seasonal rentals, \$0.5 million for data collection and analysis, and \$1.8 million for workforce development, public awareness, and other initiatives.

Funds included in the FY 2023 final budget were not expended because of delays with procurement and equipment. Phase I was completed in July 2024; two level three fast chargers were installed, each in Warwick and Hopkinton. Phase II will address public and private entities and was launched in November 2024; however, in February 2025, the Federal Highway Administration rescinded guidance and funding.

A coalition of 14 states sued the administration. On June 25, a federal judge ordered the Trump Administration to resume the distribution of the funds; the administration had a seven-day window to appeal the decision, but it did not. On July 14, 2025, the Office of Energy Resources relaunched Phase II of the program, with a plan to distribute \$8.0 million on a competitive basis to support installation of electric charging stations across the state. Through FY 2025, \$2.1 million has been spent. The Assembly provided \$7.1 million for FY 2026, which is \$7.5 million less than the Governor recommended, reflecting project delays; it provided \$14.6 million for FY 2027.

The 2022 legislation also required a report to the Governor and the General Assembly by December 31, 2023, and annually thereafter until all the funds are used. The 2023 report was issued in January 2024, the 2024 report was issued in March 2025, and the 2025 report was submitted in January 2026.

Bridge Replacement. Another category for new formula funding authorized under the Infrastructure Investment and Jobs Act is Bridge Replacement, Rehabilitation, Preservation, Protection and Construction, for which the act provides a total of \$27 billion over five years. The program is expected to help repair approximately 15,000 highway bridges nationwide. The state's allocation is \$242 million through federal FY 2026.

In November 2021, the Department requested an amendment to the Transportation Improvement Program, which was classified as an “Administrative Adjustment.” It essentially adjusted funding for 31 projects in the federal FY 2022 through FY 2025 period, the constrained period without an overall increase in funding; however, a total of \$13.4 million was added in the final year of the plan. The Department proposed a second amendment to the program on February 3, 2022, to incorporate funding it received from the Infrastructure Investment and Jobs Act. The amendment included changes to more than 150 projects and added \$550.1 million over the federal FY 2022 through FY 2025 period and \$197.6 million in the second part of the plan, for a total of \$748.4 million over the ten-year period. Projects were advanced from later years, reflecting the availability of funding. The amendment was available for public comment through February 14, and it was approved on February 17.

As part of his FY 2022 revised budget, the Governor recommended \$100.0 million from general revenues to the Rhode Island Capital Plan Fund as a state match for transportation projects under the Infrastructure Investment and Jobs Act for two years. Of this, \$75.3 million is allocated to the Department, and \$24.7 million to the Rhode Island Public Transit Authority. The 2022 Assembly concurred with the Governor’s subsequent request to adjust expenses, reflecting updated discretionary grant awards and earmarked funds. The amendments added \$10.0 million from Rhode Island Capital Plan funds to match \$40.0 million from federal funds the Department received for bridge replacement projects and reduced previously recommended funds by \$6.0 million for a project not approved, for a net increase of \$3.9 million. For the Authority, the amendment removed \$4.9 million for a project not approved, and added a \$1.0 million match for the Newport Bus Facility. This resulted in a net reduction of \$3.9 million.

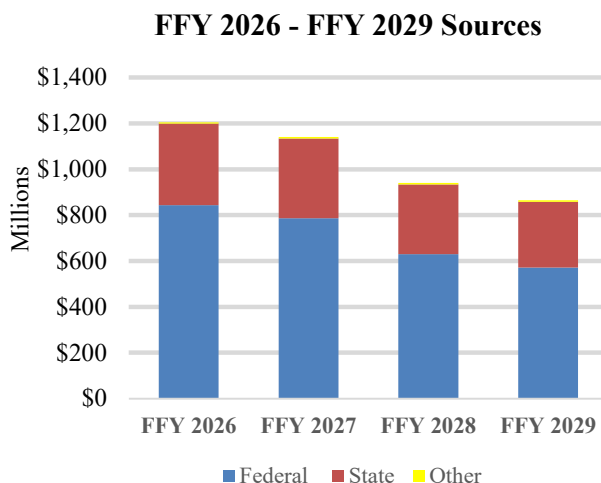
The Authority has not spent most of its allocation because of project delays; its FY 2027 through FY 2031 capital budget request reallocates a total of \$22.7 million of these funds to eight other projects. Consistent with the approved plan, the Governor maintains funding for the approved project; however, the recommendation appears to reduce funding by half. The following table includes programs and funding for the adopted Transportation Improvement Program.

Programs	FFY 2026	FFY 2027	FFY 2028	FFY 2029	FFY 2026- FFY 2029	FFY 2030- FFY 2035	Total FFY 2026- FFY 2035
Active Transportation	\$ 39.1	\$ 52.3	\$ 56.4	\$ 43.7	\$ 191.6	\$ 163.4	\$ 355.0
Bridge	182.8	182.8	199.4	205.2	770.1	1,901.6	2,671.7
Corridor Projects	34.2	55.5	53.2	62.9	205.7	268.0	473.7
Debt Service	111.5	108.7	107.5	107.5	435.2	644.8	1,080.0
Headquarters Operations	47.0	47.3	47.6	47.9	189.9	294.9	484.8
Maintenance Operations	90.5	89.9	91.0	86.2	357.6	543.2	900.8
Major Capital Projects	523.4	430.0	223.0	146.5	1,322.9	303.8	1,626.6
National Highway Traffic Safety							
Admin.	9.1	9.1	9.1	9.1	36.3	54.5	90.8
Pavement	75.1	71.4	44.6	54.8	245.9	684.8	930.7
Stormwater	18.5	18.5	31.8	33.3	102.0	160.0	262.0
Study and Development	12.3	18.5	17.3	9.8	57.8	60.5	118.3
Traffic Safety	38.1	32.9	35.0	33.9	139.9	229.1	368.9
Transit	23.2	23.7	24.2	24.8	95.9	198.5	294.4
DOT	\$ 1,204.7	\$ 1,140.4	\$ 940.0	\$ 865.3	\$ 4,150.5	\$ 5,507.0	\$ 9,657.5
Transit Capital	\$ 75.3	\$ 41.6	\$ 29.2	\$ 27.3	\$ 173.4	\$ 174.3	\$ 347.7
Transit Service	25.9	17.1	17.1	17.1	77.4	102.8	180.2
Transit Support Operations	124.7	108.3	110.9	109.1	453.0	581.3	1,034.2
RIPTA	\$ 225.9	\$ 167.0	\$ 157.3	\$ 153.5	\$ 703.7	\$ 858.4	\$ 1,562.1
Turnpike & Bridge Authority	\$ 68.3	\$ 45.4	\$ 6.4	\$ -	\$ 120.1	\$ -	\$ 120.1
Community Led Projects	\$ 70.0	\$ -	\$ -	\$ -	\$ 70.0	\$ 51.6	\$ 121.6
Total	\$ 1,568.9	\$ 1,352.8	\$ 1,103.7	\$ 1,018.9	\$ 5,044.3	\$ 6,416.9	\$ 11,461.2

\$ in millions

It includes expenses of \$11,461.2 million for federal FY 2026 through FY 2035. These expenses are \$145.3 million more than the previous amended program, which had 17 amendments. This includes \$121.6 million in expenses categorized as Community Led projects. It should be noted that these projects may fall under the responsibility of a municipality or the Department; additional planning and design work is required.

The following graph shows the Department's funding sources for the first four years of the ten-year Transportation Improvement Program.



Toll Revenue. On September 21, 2022, the U.S. District Court ruled that the tolling program was unconstitutional and ordered the Department to stop collections within 48 hours of the ruling. Collections ceased that same evening. The Department submitted its FY 2023 first quarter report on October 28, 2022, stating that “no active construction projects will be impacted.”

The Governor's revised and FY 2024 budgets submitted on January 19, 2023, included an additional \$183.3 million of state support for transportation funding. Of this amount, \$70.0 million was to backfill lost toll revenues, based on three quarters of revenues for FY 2023 and a full year for FY 2024. It also included \$87.8 million to provide more years of state match for federal infrastructure funds. The state's gas tax was projected to increase by \$0.03 to \$0.38, effective July 1, 2023. The Governor proposed legislation pausing the inflation indexing for two years and recommended \$24.6 million from Rhode Island Capital Plan funds to replace the foregone revenues. He also proposed that the fee for duplicate licenses previously increased and retained as general revenues be transferred to the Highway Maintenance Account. The 2023 Assembly concurred with the fee shift but not the gas tax change. It maintained the gas tax at current law and included \$24.6 million from gas tax proceeds for capital projects, instead of Rhode Island Capital Plan funds.

In October 2022, the state appealed the U.S. District Court's ruling, and in December 2024, the U.S. Court of Appeals for the First Circuit affirmed the legality of the tolling program, except for the daily caps, which are severable from the rest of the statute. The Governor's FY 2026 through FY 2030 capital budget submitted in January 2025 included a total of \$210.0 million from toll revenues, including \$10.0 million for FY 2026 and \$40.0 million annually thereafter. Details on timing and other potential changes to the toll program were not released with the budget. A contract for the assessment was signed on April 30, 2025. In March 2026, the Department reported that replacing the equipment is expected to cost \$19 million. This does not include expenses for the toll collection system. On June 10, the Department indicated that costs were not yet finalized.

The Governor's newly recommended budget includes \$20.0 million in toll revenues for FY 2027 and none for FY 2026. The accompanying multiyear capital budget recommendation assumes no toll revenues; however,

supporting documents suggest \$40.0 million for FY 2028. These receipts and usage have not yet been incorporated into the Transportation Improvement Program.

FY 2027 Budget

The Governor's FY 2027 recommended budget includes several changes to current law or budgeted assumptions that impact transportation funding resources. Specifically, it lowers funding that would otherwise be available to the Department through FY 2031 by \$122.4 million, as shown in the table below. This figure assumes toll revenues return to the prior \$40.0 million projection by FY 2028. It should be noted that in December 2025, previously issued debt was retired, and the Department received \$7.1 million in excess funds from the trustee; the remaining \$3.5 million will be transferred in FY 2027.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
<i>Governor's Recommended Changes</i>							
2-Cent Gas Tax Reduction	\$ -	\$ (8.6)	\$ (8.5)	\$ (8.5)	\$ (8.4)	\$ (8.3)	\$ (42.4)
HMA Allocation to RIPTA	-	(9.3)	(9.3)	(9.3)	(9.3)	(9.3)	(46.5)
RhodeRestore - One-Time Increase	-	(3.5)	-	-	-	-	(3.5)
Toll Revenues - Delay	(10.0)	(20.0)	-	-	-	-	(30.0)
Motor Fuel Bond Excess Reserve	7.1	3.5	-	-	-	-	10.6
Total	\$ (2.9)	\$ (37.9)	\$ (17.8)	\$ (17.8)	\$ (17.7)	\$ (17.6)	\$ (111.8)

\$ in millions

The Assembly maintained the gas tax at the current law amount, which is estimated to provide the Department with \$8.8 million for FY 2027. It also revised the Highway Maintenance Account allocation to annually provide the Rhode Island Public Transit Authority with 25.0 percent of the available funds and remove the fixed-amount provision. Based on updated estimates, the Authority's share of the funds is \$30.7 million. This is \$13.4 million more than current law and reduces the Department's share by a like amount.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
<i>2026 Assembly Changes</i>							
HMA Allocation to RIPTA	\$ -	\$ (13.4)	\$ (13.6)	\$ (13.8)	\$ (13.9)	\$ (14.2)	\$ (69.0)
RhodeRestore - One-Time Increase	-	3.5	-	-	-	-	3.5
Toll Revenues - Delay	(10.0)	(20.0)	-	-	-	-	(30.0)
Motor Fuel Bond Excess Reserve	7.1	3.5	-	-	-	-	10.6
Total	\$ (2.9)	\$ (26.4)	\$ (13.6)	\$ (13.8)	\$ (13.9)	\$ (14.2)	\$ (84.9)

\$ in millions

As previously noted, federal regulations require that the first four years of the plan be fiscally constrained, meaning the projects in the plan may not exceed the anticipated funding reasonably expected to be available over the four-year timeframe. At this time, the impact on the newly adopted Transportation Improvement Program is not known; it would need to be amended to reflect the recommended funding level.

Transportation Funding Reform

Transportation funding at the state and national levels has been an ongoing issue for governments, as the cost of maintaining and replacing infrastructure has outpaced the revenue sources historically used to support it. Rhode Island's transportation funding plan relied heavily on debt and federal funds. Additionally, the state's gas tax was the primary source to repay debt costs, with the remainder available for all maintenance activities, including highway preservation. As the following table illustrates, the per-penny gasoline tax yield has fluctuated but remained relatively consistent.

Fiscal Year	Per Penny Yield	Fiscal Year	Per Penny Yield
2010	\$ 4,289,568	2018	\$ 4,493,241
2011	\$ 4,210,324	2019	\$ 4,637,224
2012	\$ 4,205,959	2020	\$ 4,135,558
2013	\$ 4,137,712	2021	\$ 4,074,036
2014	\$ 4,236,402	2022	\$ 4,294,775
2015	\$ 4,396,313	2023	\$ 4,324,056
2016	\$ 4,479,185	2024	\$ 4,348,785
2017	\$ 4,417,413	2025	\$ 4,354,473

Declining gasoline tax revenue was one of the contributing factors to stagnant transportation funding. Beginning in 2011, the Assembly identified and addressed two of the major issues affecting the Department of Transportation: over-reliance on debt and a limited number of funding sources. To increase revenue for use by the Department, the state moved from its traditional financing model for matching federal funds to a pay-go model by establishing motor vehicle fee surcharges that would be transferred to the Highway Maintenance Account for use as a portion of the state's match. These funds, combined with Rhode Island Capital Plan funds, had provided the approximate \$40 million of annual match for federal funds, which was historically generated through borrowing, making 2010 the last year of general obligation bonds for this match.

The 2014 Assembly made several additional changes to transportation funding to address concerns regarding the use of tolls, gasoline tax, and Division of Motor Vehicles fees, while meeting the infrastructure needs of the state. Those changes to transportation funding were a culmination of efforts that began when the 2013 Assembly created the Joint Commission to Study Transportation Funding. The Commission met from September through December 2013 and submitted its findings in January 2014. The 2014 Assembly proposed legislation that combined many elements discussed during those meetings, including changes to funding sources and transportation governance.

The 2014 Assembly transferred new revenue sources, as well as existing general revenues, into the Highway Maintenance Account for the Department to use for maintenance and repair costs of highways, roads, and bridges. New sources included an increase in the inspection fee from \$39 to \$55 and the addition of a \$25 surcharge to the good driving dismissal fee. The legislation also established a schedule to transfer the majority of other transportation related fees that were previously deposited as general revenues. Inspection fees and good driver dismissals were transferred beginning in FY 2015, and the remaining revenues were to be transferred incrementally over the following three years.

The 2014 Assembly also indexed the gasoline tax to the Consumer Price Index every other year, rounded to the nearest cent. Additional sources included the use of \$25 million in unallocated bond proceeds to bridge the funding gap as fee transfers from general revenues were phased in. These bond proceeds, dated back before FY 2000, were revealed following a FY 2014 review conducted as their use as a federal match was ending. Additional Rhode Island Capital Plan funds were allocated to stabilize the annual funding.

The 2014 Assembly also transferred 3.5 cents of gas tax to the Turnpike and Bridge Authority to be used in lieu of tolls for operations and maintenance of the new Sakonnet River Bridge and other bridges under the Authority's purview. The Authority maintains ownership of the four bridges it currently operates. The legislation also transferred 5.0 percent of funding from the surcharges enacted in 2011 and motor vehicle fees to the Rhode Island Public Transit Authority to support its operations beginning in FY 2016. This amount was initially projected to be \$2.7 million in FY 2016 and grow with increasing amounts of revenue into the account.

The state also reduced the amount of debt service paid from gas tax revenues by targeting general revenue use and by restructuring debt to make payments more consistent. As part of the debt restructuring, \$9.3 million of general revenues was used to pay a portion of the Department's debt service in FY 2014. For each year thereafter, general revenues used for this purpose would increase in \$10 million increments until FY 2018. The 2014 Assembly shifted debt service expenses from general revenues to funds available in the Highway Maintenance Account, which contained fees formerly deposited as general revenues. This was part of the plan to align spending on transportation related costs with revenue raised from transportation sources.

The 2003 Assembly authorized the equivalent of two cents of the gas tax to support debt issued through Motor Fuel Revenue bonds, which served as the state match for GARVEE projects. These bonds were scheduled to be paid off in FY 2021; however, the 2016 Assembly adopted 2016-H 7409, Substitute A, as amended, allowing the Department to refinance them. The bonds were defeased in November 2025.

The following table shows remaining debt service for the Department, including the recently issued \$140.0 million for the Washington Bridge project. It should be noted that general obligation debt service is included in the Department of Administration's budget and is supported with gas tax proceeds.

Fiscal Year	2016 GARVEE	2020 GARVEE	2024 GARVEE	Federal Funds Debt Service	Outstanding		Total Debt Service
					Motor Fuel Revenue Bonds *	G.O. Debt**	
2026	42,501,000	19,930,000	6,195,750	68,626,750	3,731,967	31,587,082	103,945,799
2027	42,500,250	19,933,250	6,195,750	68,629,250	-	26,488,715	95,117,965
2028	42,500,250	19,930,750	6,195,750	68,626,750	-	25,977,328	94,604,078
2029	42,502,000	19,931,250	6,195,750	68,629,000	-	20,419,321	89,048,321
2030	42,501,250	19,933,000	6,195,750	68,630,000	-	20,414,342	89,044,342
2031	42,498,750	19,929,250	6,195,750	68,623,750	-	10,879,010	79,502,760
2032	-	19,928,500	19,170,750	39,099,250	-	11,340,458	50,439,708
2033	-	19,928,750	19,172,000	39,100,750	-	9,171,137	48,271,887
2034	-	19,933,000	19,170,750	39,103,750	-	7,684,474	46,788,224
2035	-	19,929,000	19,175,500	39,104,500	-	6,438,836	45,543,336
2036	-	-	19,174,250	19,174,250	-	5,624,237	24,798,487
2037	-	-	19,170,500	19,170,500	-	5,625,319	24,795,819
2038	-	-	19,172,500	19,172,500	-	5,625,805	24,798,305
2039	-	-	19,173,000	19,173,000	-	5,623,514	24,796,514
2040	-	-	-	-	-	5,626,126	5,626,126
2041	-	-	-	-	-	5,621,765	5,621,765
2042	-	-	-	-	-	3,348,249	3,348,249

*FY 2026 final reflects subsequent amendment

**Net of general revenue share for FY 2017 restructuring

Washington Bridge. In 2019, the Department received a \$25.0 million federal discretionary grant toward a \$70.0 million project to rehabilitate the Washington Bridge. The project cost was subsequently increased to \$78 million. The bridge was built in 1969 and carries approximately 90,000 vehicles per day along I-195 between Providence and East Providence. The project includes rehabilitation of the westbound section of the bridge, realigning ramps, and addressing congestion issues. The Department assumed construction starting in 2021, and a prior Transportation Improvement Program included expenses of \$12.5 million for federal FY 2022. On December 11, 2023, the Department closed the westbound section of the bridge due to finding a critical failure of some bridge components. Its quarterly RhodeWorks report, dated January 30, 2024, noted that inspections and analyses of the Washington Bridge must be completed to determine the scope of work required.

The report issued on March 14, 2024, called for a full replacement of the westbound span. The preliminary estimate was \$250 million to \$300 million, and demolition and a design/build lasting 30 months. The Department obtained services from two consultants to oversee the bridge project, and helped revise the project cost to \$455.2 million to include a change of scope, contingency, and construction incentives. This included \$46.4 million for emergency expenses such as tie rod repairs, bridge inspections, and municipal/State Police reimbursements. It included \$40.5 million for demolition expenses; the request for proposals was issued on April 26, and responses were due by June 21. The Department's timeline assumed the project would be awarded in mid-July, with demolition starting in July/August 2024 and completed by March 2025. A total of \$3.0 million in incentives would be provided if the project is completed before March. The contractor would also be charged \$12,000 to \$37,500 daily if it exceeds the completion date.

On June 28, the Department awarded a \$45.8 million contract to Aetna Bridge Co. to demolish the westbound span of the bridge, \$15 million more than its budgeted assumption. In October, the Department approved a \$38.4 million change order, bringing the total to \$84.2 million. It should be noted that some expenses from the change order were assumed as part of the replacement component of the bridge. The project cost also assumed \$368.3 million for replacement expenses.

On March 25, 2024, the U.S. Department of Transportation issued a Notice of Funding Opportunity: Multimodal Project Discretionary Grant Opportunity, which offset three distinct funding categories.

The funds would be available for obligation on October 1, 2024, and must be obligated by September 30, 2028. There is no statutory deadline for expenses to be incurred. Generally, discretionary grants are awarded in the fall. On May 6, the Department submitted its application requesting \$221.0 million toward the replacement cost of the project.

On that same day, the Governor requested an amendment, which would authorize issuances of up to \$334.6 million of new debt through GARVEE bonds, and \$40.0 million through Motor Fuel Revenue bonds as partial match for the replacement of the Washington Bridge. Another requested amendment included the use of \$20.0 million from repurposed State Fiscal Recovery funds, and the Transportation Improvement Program has \$37.0 million of available federal funds for the project. The amendment did not identify a source for the remaining \$23.6 million. Assuming an interest rate of 5.0 percent, the debt service is estimated at \$18.7 million for the first two years, increasing to \$66.6 million in later years when older debt is defeased to have overall payments be more level.

The 2024 Assembly concurred with the issuance of federal GARVEE bonds; the amount to be issued would be less if federal discretionary grant funds are secured. It provided pay-go funding for the state share, including \$45.0 million from Rhode Island Capital Plan funds, \$35.0 million from State Fiscal Recovery funds, and \$3.6 million from Department of Transportation sources.

In early September 2024, \$140.0 million of the bonds were issued. Later that month, the state was awarded a \$125.4 million MEGA grant, and on October 16, it was awarded \$95.6 million from the INFRA grant, for a total of \$221.0 million. Combined with the \$140.0 million in debt issuance to date, the federal amount increases to \$398.0 million, \$26.4 million above the previous enacted assumptions.

The first request for proposals was issued on April 30 and called for a design/build approach. The proposals were due July 3, with design starting on August 30; \$10.0 million of incentives would be provided if the project is done by August 2026. There would be a \$30,000 daily charge if the date is exceeded.

In early July 2024, the administration reported that no bids had been submitted for the project's reconstruction component. The Director noted that "there were substantial penalties associated with meeting those schedules during the project. We asked the bidders to assume more risk than normal to hold them to a very high accountability standard." On July 19, the Department issued a request for information,

asking companies to provide feedback. Initially, 11 companies replied, and four companies responded to the second request for proposals. A final request for proposals was issued on January 24, 2025.

The contract was awarded in early June 2025; this brings the total project cost to \$572.1 million, \$116.9 million above the approved amount. Based on an updated project timeline, the 2025 Assembly shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. It also provided \$22.0 million in FY 2027 for an updated state match needed, based on the increased costs.

The 2026 Assembly concurred with the Governor’s recommended budget, which maintains the approved funding for the project; the recommendation appears to align funding consistent with the newly adopted Transportation Improvement Program.

Municipal Roads Grant Program/RhodeRestore. The Governor’s FY 2024 recommended budget included \$20.0 million from State Fiscal Recovery funds for a new Municipal Roads Grant Program. Funds will be made available to cities and towns for the construction and maintenance of roads, sidewalks, and bridges with an unspecified match requirement. It also allowed the Department of Transportation to retain any funds that are not obligated by June 30, 2024, for statewide paving projects.

The Assembly concurred with the program transfer; however, it required a municipal match of 67.0 percent. Additionally, \$5.0 million would be distributed equally, and the remaining \$15.0 million would be distributed proportionally based on each community’s non-federal lane miles. All funds were obligated, and the Department reported expenses of \$3.8 million for FY 2024. The 2024 Assembly provided an additional \$7.0 million for FY 2025 to be distributed equally, for total funding of \$27.0 million.

The Governor’s FY 2026 recommendation proposed making this grant program permanent and included \$6.5 million from gasoline tax proceeds for FY 2026 without specifying how the funds would be distributed or a match requirement. The 2025 Assembly maintained the required municipal match of 67.0 percent and required that 25.0 percent of the funds be distributed equally, and 75.0 percent be allocated proportionally based on each municipality’s share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the original distribution methodology.

	Pre FY 2026	FY 2026	FY 2027	FY 2028 - Post FY 2031	Total
Federal Funds - ARPA	\$ 15,574,108	\$ 11,425,892	\$ -	\$ -	\$ 27,000,000
Gasoline Tax	-	6,500,000	10,000,000	-	16,500,000
Highway Maintenance Account	-	-	-	32,500,000	32,500,000
Total	\$ 15,574,108	\$ 17,925,892	\$ 10,000,000	\$ 32,500,000	\$ 76,000,000

The Governor’s current recommendation includes a total of \$76.0 million through post-FY 2031. This includes \$10.0 million for FY 2027, including a one-time increase of \$3.5 million. Expenses in the last two complete fiscal years averaged \$7.8 million. The Assembly concurred.

Fund Sources

The Department receives funding through four major sources: federal funds, gasoline tax proceeds, Rhode Island Capital Plan funds, and transportation-related fees collected by the Division of Motor Vehicles. This analysis will explain the individual fund sources and the expenditures from these sources.

The following table shows these sources with data for FY 2025, FY 2026, and FY 2027.

Source	FY 2025 Reported	FY 2026 Enacted	FY 2026 Final	FY 2027 Enacted
Federal Highway Admin. Funds	\$ 356,586,116	\$ 263,445,732	\$ 265,560,314	\$ 505,230,938
Other Federal Funds	151,247,243	211,136,411	344,532,169	273,819,247
Gasoline Tax*	114,185,546	142,897,126	150,183,755	148,848,356
Motor Vehicle Fees	92,077,882	114,037,366	304,408,304	129,125,003
Toll Revenue	-	10,000,000	-	20,000,000
Rhode Island Capital Plan Funds	140,720,697	128,973,497	127,978,099	59,493,553
Restricted Receipts	2,306,202	6,066,037	1,899,965	4,459,559
Land Sale Revenue	3,363,503	6,239,422	5,415,496	5,389,576
General Obligation Bonds**	[6,183,775]	[71,700,000]	[56,646,225]	[8,870,000]
Total	\$ 860,487,189	\$ 882,795,591	\$ 1,199,978,102	\$ 1,146,366,232

*Excludes gas tax debt service for DOT, RIPTA & costs for centralized services & consolidated initiatives in DOA

**Bond proceeds are not reflected in the Department's budget but are included for illustrative purposes

Federal Highway Administration Funds. On November 15, 2021, President Biden signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law. It authorizes the Federal-Aid Highway Program for federal FY 2022 through FY 2026. It contains increased funding for surface transportation and establishes new grant programs. The Department's annual allotment of funds is based on existing and prior year contracts for projects, anticipated new construction, design and engineering costs, and other planning activities such as traffic studies. These funds appear in both the Department's capital and operating budgets. In the Department's capital plan, these funds appear in the project labeled Highway Improvement Program.

Rhode Island will receive an average of \$354 million annually. The increase from federal FY 2021 to FY 2022 is approximately \$103 million. The Highway Improvement Program comprises highway and intermodal projects that use federal funds administered by the Federal Highway Administration. The program uses state funds for matching purposes. Federal funds earmarked for the Department's transit projects administered by the Federal Transit Administration are not included under this project but are included in the Fixed Guideway Project. Rhode Island Public Transit Authority projects using transit funds are included in the Authority's capital budget submission. The Highway Improvement Program is directed towards implementing the Department's capital program as identified in the Transportation Improvement Program.

Other Federal Funds. The Department also receives federal funds outside its annual allotment for highway improvement projects. Funding comes from the National Highway Transportation Safety Administration and is used to fund safety activities such as enforcement, traffic studies, signage, and research. Other federal funding comes from the Federal Transit Administration.

This category may also include funds received through other legislation adopted by Congress, such as stimulus funds. The Department received \$13.3 million through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, adopted in March 2020 to help transit agencies prevent, prepare, and respond to COVID-19, and funds were allocated through existing formula grant programs and are available until expended. The funds can be used for operational expenses of transit projects, and there are no matching requirements. Through the end of FY 2025, \$12.3 million has been spent.

The Department's portion of federal funds authorized via the consolidated appropriations act for federal FY 2021 was \$54.3 million; all funds have been spent. No state match was required, and eligible uses included preventive maintenance, operations, personnel, contractors, debt service payments, and coverage for revenue losses. A subsequent omnibus appropriations act for federal FY 2021 included \$86.7 billion for transportation, \$553.0 million above the federal FY 2020 allocation. Of this amount, \$63.2 million was allocated to the Department with the standard 20.0 percent state match requirement. The additional funds were used for ongoing projects.

These funds also include discretionary grants awarded on a competitive basis, with a state match required for their use, and are for specific projects above the Department's annual federal funds allotment. The discretionary grants allow the Department to advance and/or enhance a project by adding traffic improvements, transit features, or security measures. The 2020 Assembly adopted legislation requiring the Department to report, on a quarterly basis, all federal, discretionary, and other grants for which it has applied, and to identify any changes from its prior report. For grants that require a state match, the Department must report if the source for the state's match is available under currently authorized funding.

The Department's FY 2027 through FY 2031 capital budget request includes \$278.9 million of spending with no identified source to meet the match requirement for federal discretionary grants. It indicated that this amount is intended to cover all its current state match shortfall, not just discretionary grants. As noted, neither the Department's request nor the Governor's capital budget assumes toll revenues.

Gasoline Tax. The state's transportation funding is affected by its reliance on the gasoline tax and the revenue it yields. Section 31-36-7 of the Rhode Island General Laws sets the gasoline tax at 32 cents per gallon, indexed to the Consumer Price Index every other year, rounded to the nearest cent, effective July 1, 2014. Additionally, Section 46-12.9-11 of the Rhode Island General Laws establishes a one-cent environmental protection regulatory fee, half of which is deposited in the Intermodal Surface Transportation Fund.

The distribution of proceeds from the gasoline tax remained unchanged from FY 2009 through FY 2015. However, as previously noted, FY 2016 was the first year the inflation index increased the tax. It rose by one cent to 34 cents and again to 35 cents for FY 2020. Inflation was insufficient to raise the gasoline tax in FY 2022. For FY 2024, the gas tax increased by three cents to 38.0 cents, and was scheduled to increase again by one cent to 39 cents for FY 2026. The 2025 Assembly adopted legislation increasing that to 41 cents, including the one-cent environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority.

The disposition of proceeds is outlined in Section 31-36-20 of the General Laws. Upon receipt, all gas tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to the Department, Rhode Island Public Transit Authority, Rhode Island Turnpike and Bridge Authority, and the Department of Human Services for the elderly/disabled transportation program.

Entity	FY 2025 Reported	FY 2026 Enacted	FY 2027 Current Law	FY 2027 Recommended	FY 2027 Enacted
Department of Transportation	23.25	24.25	24.25	22.25	24.25
Rhode Island Public Transit Authority	9.75	11.75	11.75	11.75	11.75
Turnpike and Bridge Authority	3.50	3.50	3.50	3.50	3.50
Elderly Transportation	1.00	1.00	1.00	1.00	1.00
Underground Storage Tank Fund	0.50	0.50	0.50	0.50	0.50
Total (in cents)	38.00	41.00	41.00	39.00	41.00

The Governor recommended reducing the gas tax by two cents, effective July 1, 2026. This is estimated to reduce the Department of Transportation's share of the gas tax proceeds by \$8.6 million. Supporting documents link this decrease to the two cents that have been supporting recently defeased bonds that served as the state match for projects financed through the Grant Anticipation Revenue Vehicle Program. The Assembly did not concur and maintained the gas tax at the current law amount. This provided the Department with \$8.8 million in resources.

The following table shows how the New England states rank as of July 2025.

Tax - Cents Per Gallon		
<i>As of 7/1/2025</i>	<i>Gas*</i>	<i>Diesel</i>
Rhode Island	41.0	41.0
Connecticut	25.0	48.9
Maine	30.0	31.2
Massachusetts	24.0	24.0
New Hampshire	23.8	23.8
Vermont	31.4	33.0
New England Average	29.2	33.7
U.S. Average	33.1	35.3

Source: U.S. Energy Information Administration

Prior publications used Federation of Tax

Administrators, and American Petroleum Institute

**Includes 1 cent environmental protection fee*

Motor Vehicle Fees. FY 2014 was the first year of the phased-in vehicle surcharge fees, including a \$10 surcharge on biennial vehicle registrations, a \$5 surcharge on annual vehicle registrations and a \$10 surcharge on operator licenses, purchased on a five-year basis. The following table summarizes the incremental fee increases. They were completed in FY 2016 and remained the same for a decade until the 2025 Assembly increased them by \$10. These fees are transferred to the Department for use as a portion of the state match for federal funds.

In addition to the surcharges, portions of other fees collected by the Division of Motor Vehicles are dedicated to the Department. The 2014 Assembly allocated new revenue sources, as well as transferred existing sources previously deposited into general revenues into the Highway Maintenance Account for costs related to maintenance and repairs of highways, roads, and bridges.

The following table shows revenue from surcharges through FY 2025 and projections for FY 2026 and FY 2027. As those are flat fees, there has been little change from year to year; the FY 2026 and FY 2027 projections contain the impact of a \$10 increase as adopted in 2025.

Fiscal Year	Biennial Registrations	Annual Registrations	Licenses	Total
2014	\$ 3,817,669	791,140	1,260,140	\$ 5,868,949
2015	\$ 7,611,636	1,989,693	3,098,765	\$ 12,700,094
2016	\$ 10,557,994	3,905,012	6,978,578	\$ 21,441,584
2017	\$ 10,653,395	3,940,297	4,773,270	\$ 19,366,962
2018	\$ 10,380,521	3,839,371	4,957,571	\$ 19,177,463
2019	\$ 10,632,930	3,932,728	5,131,315	\$ 19,696,973
2020	\$ 10,249,974	3,791,086	5,140,119	\$ 19,181,179
2021	\$ 10,679,944	3,999,535	4,684,964	\$ 19,364,443
2022	\$ 10,459,504	3,868,584	4,901,874	\$ 19,229,962
2023	\$ 10,898,560	3,829,224	5,083,918	\$ 19,811,702
2024	\$ 11,025,546	3,873,841	5,285,695	\$ 20,185,082
2025	\$ 10,818,521	4,001,371	5,146,148	\$ 19,966,040
2026*	\$ 13,757,453	5,088,372	5,119,098	\$ 23,964,923
2027	\$ 16,721,077	6,184,508	5,084,232	\$ 27,989,817

**Includes \$10 increase in surcharge*

The 2014 legislation also established a schedule to transfer the majority of all other transportation-related fees collected by the Division of Motor Vehicles to the Highway Maintenance Account. An inspection fee increase, good driver dismissal surcharge, and car rental surcharges were transferred as of FY 2015, and

the remaining revenues were transferred by FY 2018. There were revisions to the timing and contents of the transfer plan in the years that followed. The 2017 Assembly amended the distribution of the Highway Maintenance Account to provide the Authority with an additional \$5.0 million in each FY 2018 and FY 2019 in addition to its 5.0 percent share.

The 2019 Assembly concurred with Governor Raimondo's recommendation to use a portion of highway maintenance funds to offset the cost of collections by retaining 5.0 percent of total resources rather than allowing for the administrative discretion in her proposal. The Assembly also adopted legislation to permanently provide the Authority with an additional \$5.0 million annually.

The 2021 Assembly agreed with Governor McKee's FY 2022 budget proposal, allowing federal coronavirus relief funds to count towards the mandatory \$5.0 million highway maintenance allocation for the Rhode Island Public Transit Authority. This change allowed for more flexible use of all available federal stimulus funding. The 2023 Assembly concurred with the Governor's proposal to dedicate the fee for duplicate licenses to the account.

The Governor proposed legislation in his FY 2026 budget to establish separate registration fees for battery electric and plug-in hybrid vehicles to offset the lack of contributions to road funding from the gas tax. The 2025 Assembly adopted a version of this proposal by establishing an annual registration fee of \$200 for battery electric vehicles, \$100 for plug-in hybrid electric vehicles, and \$50 for hybrid electric vehicles. The Assembly also required the administrator of the Division of Motor Vehicles, in consultation with the Department, to submit a report of its findings and options for updating these new fees to the General Assembly before January 1, 2027.

As noted, the 2025 Assembly also increased the license and most vehicle registration surcharges from \$30 to \$40, effective January 1, 2026, and increased the Rhode Island Public Transit Authority's share of the funds from 5.0 percent to 10.0 percent, with the additional \$5.0 million that it currently receives, for a total of \$16.2 million. The Governor's FY 2027 budget proposes increasing the fixed annual allocation to the Authority by \$9.3 million to \$14.3 million. This decreases the Department's share of the funds by an equal amount.

The Assembly did not concur with this proposal. It revised the Highway Maintenance Account allocation to annually provide the Rhode Island Public Transit Authority with 25.0 percent of the available funds and remove the fixed-amount provision. Based on updated estimates, the Authority's share of the funds is \$30.7 million. This is \$13.4 million more than current law and \$4.2 million more than the Governor's recommendation.

The following table shows the sources and the total, including surcharges explained previously.

Source	FY 2025 Reported	FY 2026 Enacted	FY 2026 Revised	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Inspection Sticker Fees	\$ 13,897,632	\$ 12,938,570	\$ 13,863,692	\$ 13,863,692	\$ 13,834,505	\$ 13,834,505
Title Fees	11,149,606	10,703,554	10,124,939	10,320,866	10,291,096	10,195,064
Rental Car Surcharge	10,355,848	10,683,141	10,257,683	10,427,717	10,145,047	10,414,301
Good Driving Surcharge	462,384	444,405	446,442	446,442	441,133	441,133
Licenses & Registrations	57,956,529	56,907,245	57,795,384	59,912,034	57,797,248	58,881,816
Surcharges	19,966,040	22,383,564	22,676,759	23,964,923	25,775,290	27,989,817
Electric Vehicles	-	3,640,450	3,987,055	2,951,029	9,955,200	7,368,368
Total	\$ 113,788,039	\$ 117,700,929	\$ 119,151,953	\$ 121,886,703	\$ 128,239,518	\$ 129,125,003
5.0 Percent for Collection						
Cost	\$ 5,689,402	\$ 5,885,046	\$ 5,957,598	\$ 6,094,335	\$ 6,411,976	\$ 6,456,250
RI Public Transit Authority	10,504,932	16,161,589	16,319,435	16,579,237	26,482,754	30,667,188
Dept. of Transportation	97,593,705	95,654,294	96,874,920	99,213,131	95,344,788	92,001,565
Total	\$ 113,788,039	\$ 117,700,929	\$ 119,151,953	\$ 121,886,703	\$ 128,239,518	\$ 129,125,003

Does not include carryforward funds

Toll Revenue. In May 2015, Governor Raimondo proposed allowing tolls on large commercial trucks and borrowing \$900 million, including \$700 million for the Routes 6/10 connector project, to reduce the number of structurally deficient bridges to below 10 percent within a decade. The Rhode Island Turnpike and Bridge Authority would issue the debt. The House Finance Committee reviewed the proposal on June 2, 2015, but did not include it in the FY 2016 budget. Separate bills were introduced in June in both chambers. The Senate adopted a version of that legislation, but the House took no further action.

In October 2015, the Department outlined a ten-year plan that included \$500 million in borrowing, matched by \$400 million in federal funds, for the 6/10 project. Governor Raimondo signed a modified version of the original RhodeWorks legislation in February 2016, authorizing \$300 million in GARVEE bonds and refinancing existing debt, without toll-backed bonds. The legislation permitted tolling on large commercial vehicles, with a maximum of \$20 per border-to-border trip and \$40 daily per truck, across six corridors at 13 locations.

The Department contracted with Kapsch TrafficCom to design, build, operate, and maintain the electronic tolling system for ten years. The total cost of the contract was \$68.9 million, including \$41.8 million for construction of the gantries and associated hardware and software, and \$27.1 million over 10 years for operation and maintenance. At the time of the U.S. District Court’s ruling in September 2022, 12 out of the 13 gantries were collecting tolls; thus, the operation and maintenance clause of the contract was not executed. In March 2024, the Department entered into a settlement with the tolling vendor for outstanding payments totaling \$5.2 million for work and claims-related expenses.

The following table shows toll revenues through the U.S. District Court’s ruling in September 2022.

Fiscal Year	Toll	
	Revenues	Cumulative
2018	\$ 443,804	\$ 443,804
2019	\$ 8,109,772	\$ 8,553,576
2020	\$ 16,699,392	\$ 25,252,968
2021	\$ 34,761,828	\$ 60,014,796
2022	\$ 38,400,508	\$ 98,415,304
2023	\$ 5,349,488	\$ 103,764,792

The approved capital plan provided the Department with additional Rhode Island Capital Plan funds; the Department’s current plan indicates sufficient match through FY 2027. The Department’s FY 2027 capital budget request includes \$278.9 million from an unidentified source, including \$37.1 million for FY 2028, \$79.6 million for FY 2029, \$68.6 million for FY 2030, and \$93.6 million for FY 2031. This is intended to cover all of its state match shortfall, not limited to discretionary grants.

In December 2024, the U.S. Court of Appeals for the First Circuit upheld the legality of the tolling program, except for the daily caps, which are separable from the rest of the statute. Consistent with the Governor’s FY 2026 capital budget, the approved plan projects a total of \$210 million in toll revenue, including \$10 million for FY 2026 and \$40 million annually thereafter. The Department was still assessing the timing and potential modifications to the toll program, as it was evaluating the gantry equipment to determine necessary repairs or replacements. A contract for this assessment was signed on April 30, 2025. In July 2025, the Department submitted its capital budget, which did not account for any toll revenues, noting that projecting such revenues was difficult without the assessment and that the rate structure had yet to be determined. However, the operating budget request submitted two months later assumed \$20 million for FY 2027.

Consistent with the Department's requests, the Governor's capital plan assumes no annual toll revenues; however, the operating budget recommendation assumes \$20.0 million for FY 2027, and a supporting document suggests \$40.0 million for FY 2028. The Assembly concurred.

Rhode Island Capital Plan Funds. These funds are appropriated according to the Department's capital budget request and appear as other funds in the operating budget. Funds are used for projects such as storage and maintenance facilities, as well as upgrades to department-owned property, such as roof repairs or fire alarm installation. Beginning in FY 2013, approximately \$20 million from this source was included to be used as a portion of the state match for federal highway funds. These funds, combined with highway maintenance funds, had provided the \$40 million of annual match for federal funds, which was historically generated through borrowing.

The 2021 Assembly concurred with the Governor's recommendation to provide the Department with an additional \$58.5 million from Rhode Island Capital Plan funds for state match based on a review of its shortfall in match for discretionary grants, including \$28.5 million for FY 2022 and \$25.0 million for FY 2023.

As part of his FY 2022 revised budget, the Governor recommended \$100.0 million from general revenues be transferred to the Rhode Island Capital Plan Fund to be used as the state match for additional transportation projects authorized under the federal Infrastructure Investment and Jobs Act for both the Department of Transportation and Rhode Island Public Transit Authority for two years. A subsequent amendment altered the agency allocation, reflecting known federal awards and earmarked funds received, allocating \$75.3 million to the Department and \$24.7 million to the Authority. The 2023 Assembly concurred with the Governor's recommendation to add \$87.8 million for FY 2025 to provide more years of state match for federal infrastructure funds. A total of \$163.1 million from Rhode Island Capital Plan funds has been provided.

Additional IIJA Match	FY 2023	FY 2024	FY 2025	Total
2022 Assembly	\$ 2,945,000	\$ 67,108,800	\$ 5,204,560	\$ 75,258,360
2023 Assembly	-	-	87,795,000	87,795,000
Total	\$ 2,945,000	\$ 67,108,800	\$ 92,999,560	\$ 163,053,360

The 2024 Assembly provided \$45.0 million, including \$20.0 million for FY 2025 and \$25.0 million for FY 2026, from Rhode Island Capital Plan funds for the Washington Bridge project. Based on an updated project timeline, the 2025 Assembly shifted \$20.0 million from Rhode Island Capital Plan funds from FY 2025 to FY 2026. The contract was awarded in June 2025, and that same month, a notice to proceed with construction was issued. It also provided \$22.0 million in FY 2027 for an updated state match needed based on the increased costs.

The Governor's recommendation is essentially consistent with the approved plan; it shifts \$2.0 million from FY 2026 to FY 2027, reflecting the Department's capital budget request. The Assembly concurred.

Restricted Receipts. The Department receives funds when it performs work for municipalities and other entities, which are used to fund personnel costs for employees who perform work on the projects and track usage fees for the Rhode Island Public Rail Corporation. The 2021 Assembly adopted legislation allowing the Budget Officer to convert escrow liability accounts to restricted receipt accounts that were established prior to July 1, 2021, upon the directive of the Controller with the consent of the Auditor General. At the end of FY 2025, the Intermodal Surface Transportation Fund included a restricted receipt account balance of \$0.9 million.

Land Sale Revenue. Sales of department-owned land can be used to purchase land and equipment or to offset operating costs throughout the Department, including personnel expenses. Funding is being used to upgrade the Department's materials testing facility in Providence. At the end of FY 2025, the Department

had \$15.6 million in available receipts. The newly adopted Transportation Improvement Program assumes use of \$5.0 million each in FY 2026 through FY 2029.

General Obligation Bond Proceeds. For many years, the state utilized general obligation bonds to provide a match annually totaling \$40.0 million for federal funds. The voters approved \$80.0 million in November 2006, 2008, and 2010 to provide \$40.0 million each year, with funding programmed through FY 2014. General obligation bond debt service is paid with gasoline tax revenue, and the Motor Fuel Tax Revenue Bonds' debt service is paid by \$0.02 cents of the gasoline tax. Increasing amounts of motor vehicle fees and Rhode Island Capital Plan funds were used as the state match in lieu of bonding; no new bonds had been authorized since 2010. The 2011 Assembly fully replaced borrowing with pay-go sources.

In July 2020, Governor Raimondo requested an amendment to add \$30.0 million of new general obligation bonds for voter approval to account for match shortfalls related to gas tax collections. The Assembly provided \$71.7 million of general obligation bonds for voter approval for the Department to make up for additional shortfalls in state match related to a decline in gas tax and other sources resulting from the coronavirus pandemic, and to ensure sufficient match for existing commitments as well as the potential for additional federal authorizations.

The capital budget assumes use of the full \$71.7 million, including \$56.6 million in FY 2026; all but \$4.7 million of the bond funds have been issued.

Interstate 195 Land Sales. The Department sold the land made available from the relocation of Interstate 195 to finance a portion of the project expenses. The Assembly enacted 2011-H 5994, Substitute A, as amended, which provided that after the appraisal of the parcels, they would be purchased by the Economic Development Corporation through the issuance of bonds. The proceeds allowed the Department to complete the relocation project, while the Corporation sells the parcels at its own pace. The principal of \$38.4 million was originally amortized over a ten-year period, with a balloon payment of \$32.0 million due in FY 2023; however, the FY 2020 budget indicated the balloon payment was to be amortized for an additional ten years.

At the end of FY 2023, the Department had about \$5 million of these proceeds available. The Assembly concurred with the Governor's proposal to include \$35.0 million from general revenues for FY 2024 to pay down existing state debt obligations in order to achieve structural budget savings, and this debt was chosen. The decision was made in conjunction with the state's financial advisors. The transaction occurred in November 2023; the debt has been defeased.

Other Funds. These funds are derived from the sale of department-owned surplus property and equipment, and proceeds derived from the sale of outdoor advertising at the Department's maintenance facilities.

Reporting

The RhodeWorks legislation that was adopted in 2016 requires the Department to provide quarterly reports on the progress and implementation of projects. The reports are due within 30 days of each fiscal quarter. They are due to the Office of Management and Budget, and the House and Senate Fiscal advisors. The requirement was designed to assist with oversight of the progress of the work. This includes quarterly reporting on plans to issue contracts, costs, and completion dates in order to track adherence to the aggressive goals of RhodeWorks. The Department must also report the number of workers hired through the contracts, including those with a Rhode Island address. The 2021 Assembly adopted legislation requiring the Department to report, on a quarterly basis, a list of all federal, discretionary, and any other grants that it has applied for and to identify any changes from its prior report. For grants that require a state match, the Department must identify if the source for the state's match is available under currently

authorized funding. Since the adoption of the legislation, all reports have been submitted on time. The reports are also posted on the Department's website: <https://www.dot.ri.gov/accountability/index.php>.

The Assembly adopted legislation in 2024-H 7759, Substitute A, requiring a Washington Bridge snapshot report to be submitted on the first of every month to the Speaker of the House, Senate President, the Governor, chairpersons of the House and Senate Finance Committees, and the House and Senate Oversight Committees. The report must include:

- (1) An updated timeline regarding actions to be undertaken on the Washington Bridge, including, but not limited to, repairs, alterations, or replacement of all or any portion of the bridge*
- (2) A list of consulting firms retained or utilized by the Department in regard to any actions*
- (3) Data on traffic patterns over the bridge for the time period covered by the report*

The snapshot report requirement will expire upon completion of the Washington Bridge project. The first report was submitted on May 31, 2024. They continue to be submitted in a timely manner.

The Assembly also adopted legislation in Article 3 of 2026-H 7127, Substitute A, as amended, requiring the Office of Internal Audit and Program Integrity to conduct an efficiency and performance audit of the Department of Transportation, which must assess maintenance and operations efficiency, and asset management, including pavement, bridges, culverts, backlog replacement needs, and overtime patterns. The audit must be completed by March 15, 2027, and be submitted to the Governor, the General Assembly, the chairpersons of the House and Senate Finance Committees, and made available on the Department of Administration's website.

Articles of 2026-H 7127, Substitute A, as Amended

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2027.

Section 2. Line Item Appropriations. This section establishes that each line in Section 1 of Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected expenditures or for those departments and agencies where appropriations are insufficient. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions, and other governmental units on a cost reimbursement basis. It reflects the creation of a new fund for Accounts and Control, payroll services and expenses for the Enterprise Resource Planning System.

Section 6. State Fleet Operations. This section authorizes the director of the Department of Administration to centralize state fleet operations under its purview for light and medium duty vehicles.

Section 7. Legislative Intent. This section authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 8. Temporary Disability Insurance Funds. This section appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund.

Section 9. Employment Security Funds. This section appropriates all funds required for benefit payments to unemployed individuals from the Employment Security Fund.

Section 10. Lottery. This section appropriates to the Lottery Division any funds required for the payment of prizes and commissions.

Section 11. Appropriation of CollegeBound Saver Funds. This section appropriates the funds received by the Office of the General Treasurer from the CollegeBound Saver program for transfer to the Office of Postsecondary Commissioner to support student financial aid for FY 2027. The Budget includes \$3.5 million from these sources for state grant programs.

Section 12. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2027. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee, may jointly adjust the authorization. It limits appointments for state employees supported by non-state funds to the availability of those funds.

This section also prevents departments from employing contracted employees to work under state supervisors or from replacing work done by state employees without the Director of Administration's determination of need. Total authorization is for 15,997.2 full-time equivalent positions, 75.4 positions more than the enacted budget. This includes 544.8 higher education positions supported by third-party funds, consistent with the enacted level.

Section 13. Multi-Year Appropriations. This section makes multi-year appropriations for numerous projects included in the Capital Budget that are funded from Rhode Island Capital Plan funds over FY 2028 through FY 2031. The FY 2027 and multi-year appropriations supersede appropriations made for capital projects in Section 13 of Article 1 of the FY 2026 Appropriations Act.

Section 14. Reappropriation - RICAP. This section provides that any unexpended and unencumbered funds for Rhode Island Capital Plan Fund projects shall be reappropriated to the next year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. Unexpended funds of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

Section 15. Rhode Island Housing and Mortgage Finance Corporation. This section requires that the Rhode Island Housing and Mortgage Finance Corporation provide an appropriate amount of resources to support the Neighborhood Opportunities Program. The Corporation is also required to provide to the director of the Department of Administration, the Secretary of Housing, and both chairs of the House and Senate Finance Committees a report detailing the amount of funding and information, such as the number of housing units provided.

Section 16. Pawtucket Downtown Redevelopment. This section provides the mechanism to allow taxes collected pursuant to the tax incentive financing statute to be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. The budget includes \$1.5 million from restricted receipts for FY 2027.

Section 17. State Fiscal Recovery and Capital Projects Funds. This section clarifies that appropriations of federal funds in section one shall not be construed to mean State Fiscal Recovery and Capital Projects funds enacted as part of the American Rescue Plan Act unless specifically designated as such. It contains a description of each project for which any appropriation is made.

Section 18. Reappropriation - State Fiscal Recovery and Capital Projects Funds. This section provides that any unexpended and unencumbered funds from the State Fiscal Recovery and Capital Projects funds shall be reappropriated to the following year. However, any such reappropriations are subject to final approval by the General Assembly as part of the supplemental appropriations act. This is similar to the treatment of Rhode Island Capital Plan funds.

Section 19. State Fiscal Recovery and Capital Projects Funds Reporting and Compliance. This section requires the Pandemic Recovery Office to monitor programs funded with State Fiscal Recovery and Capital Projects funds. It requires the Office to report quarterly to the Speaker of the House and Senate President, with copies to the House and Senate Finance Committee chairpersons, identifying programs at risk of significant underspending or noncompliance with federal or state requirements. The report, at a minimum, must include an assessment of how programs that are at risk can be remedied. The last quarterly report was due on January 31, 2025, with twice-yearly reporting beginning April 30, 2025, through October 31, 2026.

It retains the enacted authority for the Governor to reclassify program income or unspent funds at-risk of federal forfeiture to other eligible projects if the value of the proposal is less than \$1.0 million and less than

20.0 percent of total program appropriations. Proposals exceeding \$1.0 million or 20.0 percent of program appropriations must be referred to the Assembly to go into effect within 30 days unless rejected by joint action of the House and Senate.

Section 20. Rural Health Transformation. The section requires the Executive Office of Health and Human Services to report quarterly to the Speaker of the House and the President of the Senate, as well as the chairpersons of the House and Senate Finance Committees, on the Rural Health Transformation Program. This includes progress towards meeting program goals and identifying any risks or issues that may result in noncompliance with federal requirements.

Section 21. Effective Date. This section establishes that the article is effective as of July 1, 2026, except as otherwise provided within the article.

Article 2. State Funds

Section 1. Regional Greenhouse Gas Initiative. This section authorizes the Office of Energy Resources to annually consult with the Rhode Island Public Transit Authority to determine the total funding required to match federal funds to purchase zero emission buses. Of the agreed-upon amount, 50.0 percent each shall be from authority resources, and the remaining 50.0 percent shall be allocated from Regional Greenhouse Gas Initiative funds. These receipts are derived from the sale of carbon emission credits through an auction process; four auctions are held annually. Revenues were \$19.3 million in FY 2023, \$27.7 million in FY 2024, and \$32.7 million in FY 2025.

Section 2. Indirect Cost Recovery. This section adds the Rhode Island Uninsured Protection Fund to the list of restricted receipt accounts exempt from indirect cost recovery charges, retroactive to July 1, 2025. This is a technical correction to be consistent with the FY 2026 enacted budget provision to exempt the Workers' Compensation Administration Fund. The Uninsured Protection Fund has traditionally been considered as part of the overall Workers' Compensation Administration Fund, but appears in a separate statute.

Section 3. Highway Maintenance Account. Under current law, the Rhode Island Public Transit Authority receives 10.0 percent of the Highway Maintenance Account, in addition to a fixed \$5.0 million annually. Section 3 amends the Highway Maintenance Account allocation to annually provide the Authority with 25.0 percent of the available funds and remove the fixed-amount provision. Based on updated estimates, this brings the Authority's share of the funds to \$30.7 million. This is \$13.4 million more than current law and \$4.2 million more than the Governor's recommendation.

Article 3. Government Reform and Reorganization

Section 1. Office of Inspector General. This section creates a new Office of Inspector General. The purpose of the office shall be to investigate the management and operation of agencies as they relate to the prevention and detection of fraud, waste, abuse, and mismanagement in the expenditure of public funds. The Inspector General will be able to initiate investigations into executive-branch state and quasi-state agencies, as well as municipal governments that utilize state funds. The public can initiate complaints with the Office, with whistleblower protections for those who bring them forward.

The legislation identifies qualifications, appointment and removal procedures, powers and duties, investigative procedures, and reporting requirements. The Inspector General shall be appointed by the Governor with the advice and consent of the Senate and shall serve for a five-year term. The legislation creates a five-member independent advisory commission that will submit a list of three qualified candidates to the Governor within 90 days of this article taking effect.

Section 2. RIPTA Board Composition. The Rhode Island Public Transit Authority is governed by a nine-member Board of Directors; eight are appointed by the Governor with the advice and consent of the Senate, and one member shall be the director of the Department of Transportation, or the director's designee. The director must serve as the chairperson of the Board. Section 2 empowers the Authority to elect its officers, including the chairperson of the Board, and precludes the director of the Department of Transportation from serving as chairperson.

Section 3. DOT Efficiency and Performance Audit. This section requires the Office of Internal Audit and Program Integrity to conduct an efficiency and performance audit of the Department of Transportation, which must assess maintenance and operations efficiency, and asset management, including pavement, bridges, culverts, backlog replacement needs, and overtime patterns. The audit must be completed by March 15, 2027, and be submitted to the Governor, the General Assembly, the chairpersons of the House and Senate Finance Committees, and made available on the Department of Administration's website.

Section 4. E-Permitting. This section requires the Department of Business Regulation to submit a report with its FY 2028 budget request containing an analysis of the e-permitting program and suggested statutory revisions. The Budget contains \$1.2 million for this program for each FY 2026 and FY 2027.

Sections 5, 6, and 17 through 19. Big River Management Area. These sections grant the Department of Environmental Management authority over the land and natural resources of the Big River Management Area, as well as the authority to promulgate and enforce related rules and regulations. They also transfer contracting authority to land and waters acquired under the Big River-Wood River Reservoir Acquisition Act. These are currently administered by the Water Resources Board within the Department of Administration. The language clarifies that the Water Resources Board continues to exercise powers in freshwater resource management. Other sections reiterate the Department of Environmental Management's administrative and contracting authority over the Water Resources Board regarding the Big River Management Area, as applicable.

The Budget transfers a position and asset protection capital projects from the Department of Administration to the Department of Environmental Management as part of this change.

Section 7. State Police Pensions. This section makes two changes to State Police pensions. The first is a technical change to correct a drafting error in the 2025 legislation that extended the 2024 change to the calculation for pension benefits from the highest five consecutive years of compensation to the highest three consecutive years for the State Police. The second change increases the benefit accrual rate from 2.0 percent to 3.0 percent after 20 years of service for members hired before July 1, 2007, and to 3.0 percent after 25 years of service for members hired on or after July 1, 2027. It allows for a phased implementation to maintain continuity and predictability within the command staff, avoiding too many retirements at once. The maximum benefit of 65.0 percent remains unchanged.

Section 8. Rebuild Rhode Island. This section increases the aggregate Rebuild Rhode Island tax credit cap from \$225.0 million, including sales tax exemptions, to \$250.0 million and extends the sunset provision by one year to December 31, 2027.

Sections 9 through 16. Sunsets. These sections extend sunset provisions for the Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Wavemaker Fellowship, Main Street Streetscape Improvement Program, Innovation Initiative, and the Qualified Jobs Tax Credit by one year to December 31, 2027.

Sections 20 and 21. Financial Assistance for Lakes Management. These sections modify the Freshwater Lake Management Program to define "lake" and "pond," used interchangeably, and authorize the Bays, Rivers and Watersheds Fund to support the program. The language clarifies that the definition of lakes and

ponds excludes commercial or industrial water bodies and deletes the reference to a Lake Management Fund, which was never established. Section 21 also adds references to the 2021 Climate Act, replacing the 2014 Resilient Rhode Island Act.

Article 4. Public Debt Management Act

The Public Corporation Debt Management Act requires that the Assembly approve all new non-general obligation debt authorizations, except in certain circumstances. Article 4 contains three authorizations totaling \$55.0 million to support one project at Rhode Island College and two projects at the University of Rhode Island. It would authorize \$20.6 million for renovations to student housing at Rhode Island College. It would also authorize \$20.0 million for repaving and hardscape improvements and \$14.4 million to provide space for automotive and administrative mail and printing services at the University of Rhode Island. Annual debt service would not exceed \$4.8 million for the three projects and would be supported by dedicated student housing and parking revenues, as well as general revenues and tuition and fees.

Article 5. Capital Development Program

Article 5 places \$600.0 million of new general obligation bond authorizations on the November 2026 ballot for voter approval through five separate questions as shown in the table below.

November 2026 Bond Referenda	Amount
Question 1	\$ 275,000,000
URI Integrated Health Building	165,000,000
RIC Adams Library	50,000,000
CCRI Workforce Innovation Center	60,000,000
Question 2	
Housing and Homeownership	\$ 120,000,000
Question 3	\$ 100,000,000
Site Development	55,000,000
Growth Industry Infrastructure	45,000,000
Question 4	\$ 50,000,000
State History Center	45,000,000
State Preservation Grants Program	5,000,000
Question 5	\$ 55,000,000
Brownfields Remediation & Economic Development	3,000,000
Facility Improvements	12,000,000
Local Recreation Projects	1,000,000
Marine Infrastructure Development	1,000,000
Resilient Rhody Infrastructure Fund	25,000,000
Narragansett Bay Watershed Restoration	7,000,000
Agriculture Land Preservation Commission	3,000,000
Open Space	3,000,000
Total New Referenda	\$ 600,000,000

Annual debt service on the entire \$600.0 million, supported by general revenues, would be \$49.6 million, assuming a 5.0 percent interest rate and a 20-year term. Additionally, the capital budget relies on multiple funding sources to cover full project costs for some items. For the State History Center, the Budget provides \$4.5 million from Rhode Island Capital Plan funds.

Article 6. Taxes and Fees

Section 1. Tax Amnesty. This section grants the Division of Taxation authority to implement a 75-day tax amnesty program ending on February 15, 2027. Filers will apply to the Division, and participants will not be subject to penalties or prosecution and will pay the statutory interest rate, reduced by 25.0 percent. The program applies to taxable periods through December 31, 2025, and will not be available to taxpayers under criminal investigation or parties to any court proceedings for fraud related to state taxes. The tax administrator is required to provide a public analysis of the amnesty program by April 30, 2027, including revenues received by tax source, distinguishing between the tax collected and interest collected for each source. The Budget assumes this will generate \$26.3 million in one-time revenues and provides \$750,000 for associated expenses, including programming and marketing.

Section 2. Corporate Tax Deduction Decoupling. The H.R. 1 report submitted by the Department of Revenue in response to a requirement contained in the FY 2026 enacted budget identified multiple federal corporate tax deductions. These include the Qualified Small Business Stock Gains, also known as QSBS, and the business interest limitation.

The Qualified Small Business Stock Gains provide a tax incentive to founders and investors in qualifying small C corporations to exclude a substantial amount of the gain from stock sales from federal tax. The business interest limitation addresses business interest expenses arising from certain international tax inclusions and related deductions. This section decouples from both provisions effective beginning with tax year 2027, and the Budget assumes this action will result in \$5.1 million in additional revenues.

Sections 2 and 5. Income Tax Rates. These sections impose a three-year, phased-in increase in the tax rate on income over \$1.0 million, effective beginning in tax year 2027. Rhode Island currently has three tax brackets, with rates adjusted annually for inflation; the highest rate is 5.99 percent and applies to incomes above \$186,450 for tax year 2026. For tax year 2027, the rate for incomes over \$1.0 million would increase to 6.99 percent. The top rate would be 7.99 percent for tax year 2028 and 8.99 percent for tax year 2029. The annualized impact would grow over time to \$142.3 million by FY 2030. For FY 2027, revenues would be \$22.7 million.

Additionally, the legislation structures the increased rate as a surtax to allow flexibility for pass-through entities that elect to use the existing state workaround to the federal cap on state and local tax deductions. This mechanism allows for a payment and a 90.0 percent offsetting credit at the entity level, and the rate is currently set at 5.99 percent regardless of income level. With this change, pass-through entities whose owners would not benefit from the higher entity-level rate may continue to elect the 5.99 percent pass-through entity rate. Entities whose owners would benefit from the higher entity-level payment may elect the additional surcharge. Personal income taxpayers with taxable income above \$1.0 million remain subject to the additional tax.

Sections 2 and 5. Research and Development Tax Provisions. H.R. 1, signed into law on July 4, 2025, reestablished businesses' ability to fully expense domestic research and development costs beginning in tax year 2025. Since 2022, federal law has required that those expenses be amortized over five years. The FY 2026 enacted budget proactively decoupled the state from any tax year 2025 or earlier provisions that may be enacted after the budget was adopted, requiring their analysis for future action.

The Department of Revenue's October 2025 report on the impacts of H.R. 1's tax provisions identified a revenue loss of \$22.6 million for FY 2026 and FY 2027 from this provision as it applies to tax year 2026 and later. These losses were incorporated into the November 2025 consensus revenue estimates. Sections 2 and 5 decouple the state from federal law beginning with tax year 2026, and the Budget recognizes the revenues for both FY 2026 and FY 2027.

Section 3. Pipe Tobacco. This section allows dealers whose annual cigar sales exceed 50.0 percent of their total sales to hold a distributor's license without requiring a second business address.

Sections 4 and 5. Child Tax Credit. These sections maintain the current dependent exemption and add a refundable child tax credit of \$330 that would phase out at \$100,000 for single filers and \$125,000 for joint filers. This is estimated to cost \$23.1 million for FY 2027, which would annualize to \$46.6 million.

Section 5. Social Security Tax. Under current law, taxpayers who have reached full Social Security retirement age (now 67 years or older) with incomes below \$107,000 for individuals and \$133,750 for joint filers are exempt from paying state income tax on any of their Social Security income. This section eliminates the age threshold beginning with tax year 2027. The Budget assumes a \$3.0 million revenue loss.

Article 7. Education

Sections 1, 2, 4, and 9. Central Falls School District Authority. Sections 1 and 4 repeal the enabling legislation for the Central Falls School District board of trustees and remove references to the "state-operated" school district, returning the district to local governance. Sections 2 and 9 define the city's local share and allow the city to exceed the 4.0 percent levy maximum to meet its obligations to the school district.

Sections 3 and 6. School Housing Aid Program. Section 3 increases the threshold for which a school construction project requires an owner's program manager and a commissioning agent from \$1.5 million to \$10.0 million, adjusted for inflation, for all projects completed after July 1, 2026. It also limits the cost for the owner's program manager and commissioning agent to 3.0 percent of total project costs. These sections also shift responsibility for prime contractor prequalification from the School Building Authority to the Division of Purchases.

Section 4. Funding Formula. The student success factor is a single poverty weight included in the funding formula as a proxy for student supports. This section increases that factor from 40.0 percent to 43.0 percent of the core instruction amount for all students. The Budget includes \$15.6 million to account for the effects of this change. This section also allows districts to exceed the 14.0 percent maximum per-pupil reduction in local payments for mayoral academies serving students from less than four districts for FY 2027 only. The minimum holdback is 7.0 percent and unchanged.

This section also introduces a one-time reporting requirement for the Department of Elementary and Secondary Education to include with its FY 2028 budget request. It must provide a report comparing the funding system proposed in December 2025 by the Blue Ribbon Commission, convened by the Rhode Island Foundation, with the current system, using the most recent available data.

The Department must also reevaluate Medicaid matching as an alternative measure of students in poverty as part of its FY 2028 request.

Section 5. Support and Access to Bilingual Education. This section creates the Support and Access to Bilingual Education Fund for the Department of Elementary and Secondary Education to administer. Funding will provide grants to traditional school districts, community organizations, and institutions of higher education to establish and expand bilingual education programs and to expand teaching certifications for bilingual, dual language, and world language teachers. The Budget provides \$750,000 to support this program.

Section 7. Promise Scholarship. Currently, the Rhode Island Promise Scholarship program requires students to enroll in the fall immediately following high school graduation or upon attaining a high school

diploma or equivalent by age 19. This section extends the timeframe for graduating high school seniors by one semester, provided the student enrolls immediately after graduation in a postsecondary institution and at the Community College in the first spring after high school graduation. It also allows students to defer enrollment for up to one semester after graduating from high school, upon submitting an approved written request.

Section 8. Hope Scholarship. The 2023 Assembly established a new Rhode Island Hope Scholarship pilot program to provide the final two years of free tuition and mandatory fees at Rhode Island College for qualifying Rhode Island students, with four cohorts beginning in the fall of 2023. The 2024 Assembly extended the pilot for two years, including the last cohort entering their junior year in the fall of 2029, to allow for a better evaluation of the program's impact on enrollment and timely graduation, with an evaluation due by July 1, 2030. This section extends the pilot program for three additional years and advances the evaluation due date to 2028 to align with recruitment considerations.

Section 10. School Building Authority Capital Fund. This section eliminates the requirement that any current year difference between appropriations and entitlements under the traditional housing aid program be transferred to the School Building Authority Capital Fund, effective for FY 2026.

Article 8. Medical Assistance

Section 1. Hospital License Fee. This section extends the current assumption of the three-tiered license fee system for community hospitals with FY 2027 payments totaling \$228.5 million based on 2023 revenue. This section also extends the fee for Eleanor Slater Hospital at a 5.25 percent rate based on 2023 revenues, totaling \$4.0 million. This is the same as the one-year rate set for FY 2026. The Budget assumes total revenues of \$232.5 million from both payments, consistent with FY 2026.

Federal limits on provider taxes like this one were adopted in H.R. 1 and require a phase-down from the prior limit of 6.0 percent to 3.5 percent by FY 2032. The current rates will exceed federal caps in FY 2029 when the threshold is lowered to 5.0 percent.

Sections 2, 4, and 5. Resource Threshold. These sections raise the resource threshold for Medicaid from \$4,000 to \$8,000 for an individual and \$6,000 to \$12,000 for a couple. This includes benefits for older adults and adults with disabilities, including long-term services and supports, and are considered "medically needy" whose income is above the eligibility threshold. The Budget adds \$9.2 million, including \$3.9 million from general revenues, to account for the change.

Section 3. Hospital Payments. This section includes uncompensated care payments for FY 2027 that do not exceed \$38.9 million. This includes \$12.9 million for Eleanor Slater Hospital, consistent with the FY 2026 enacted budget, and \$26.0 million, or \$25.0 million more than enacted, for the community hospitals.

Section 6. AHEAD Model. This section authorizes the Executive Office of the Health and Human Services, in coordination with the Office of the Health Insurance Commissioner, to implement the federal Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model. It requires a report to the Governor and General Assembly by October 31, 2026, and annually thereafter, while the state is participating in the grant program. The report is to include a description of activities and funding for the grant year, the legislative authority required to make any changes to the Medicaid program, stakeholder interests and program participation, and the overall long-term benefits of implementing the alternative payment modes required by the federal model.

Section 7. Family Care Community Partnerships. This section establishes five Family Care Community Partnership catchment regions for the community-based prevention services provided to children and families through the Department of Children, Youth and Families. Federal law provides that any provider

of a Medicaid service may deliver it, unless a state law includes allowable restrictions. This section codifies current practice and regions, allowing the Department to continue claiming Medicaid reimbursement. Only one lead provider will be permitted to operate in each region.

Section 8. Medicaid Resolution. This section includes the resolution language for Assembly approval for the Executive Office to apply for certain changes to the Medicaid program. Changes include increasing provider reimbursement rates identified as part of the Office of the Health Insurance Commissioner’s Social and Human Service Programs Review Final Report, effective October 1, 2026, up to 100 percent of the Medicare rates. The section also maintains reimbursement of substance use disorder residential treatment services within that rate review and removes the separate state plan amendment authority for that service. It also restricts the use of GLP-1 treatment medications to only those with type-2 diabetes. It also provides the authority to increase Tier C assisted living rates by 13 percent, makes changes to the nursing home behavioral health per diem payment, effective April 2027, and increases the eligibility threshold for Medicaid services.

This section also includes the necessary language to seek Medicaid support for federally qualified health centers with accredited primary-care-focused physician residency programs. By November 1, 2026, the Executive Office will provide a report that includes options, recommendations, and fiscal impact for consideration in the FY 2028 budget.

Section 8 also allows the Executive Office to seek any changes necessary to implement reimbursement rates resulting from the Children’s Services Rate Setting project and changes to receive Medicaid reimbursements for targeted case management services through the Department of Children, Youth and Families. Finally, this section allows the Executive Office to seek other changes that do not adversely impact Medicaid programs or incur costs that exceed the funding appropriated for FY 2027.

Section 9. Hospital at Home. This section authorizes the continuation and expansion of the current Hospital at Home pilot program as part of the Rural Health Transformation Program.

Article 9. State Leases

This article authorizes long-term lease agreements for the Secretary of State, the Department of Environmental Management, the Office of the Public Defender, and the Department of Human Services, all of which are at least 5-year renewals of existing agreements. Legislative approval is required for lease agreements for terms of five years or longer and exceeding \$500,000 in value. The Budget includes \$4.0 million from all sources to fund the FY 2027 cost of these leases.

The article also authorizes the Office of Postsecondary Commissioner to enter into a new lease agreement for 2,385 square feet of space at the Tower Street Community Center. Currently, the Westerly Education Center is at capacity, and this lease will allow it to expand its training. The agreement is for a ten-year lease and includes an upfront payment of \$1.5 million from federal funds through the Department of Housing and Urban Development. The remaining annual lease payments would not exceed \$50,000 and would be paid through the Education Center’s restricted receipts.

Article 10. Health and Human Services

Sections 1 through 5. Early Intervention. These sections extend early intervention services so that children may remain until September 1 after their third birthday to be covered by state and commercial plans. Starting January 1, 2026, the Executive Office of Health and Human Services, working with the Department of Elementary and Secondary Education, will develop a plan to seek the necessary federal approval to extend services. By January 1, 2028, the Executive Office will allow children who turn three

years old between May 1 and August 31 to remain in the Early Intervention program until September 1 after their third birthday.

The Executive Office will appoint and convene an advisory committee, with the members identified in the legislation. The committee will meet at least once a year, identify strategies to reduce administrative burden, earmark approved federal funding, and develop strategies to support the extended population.

The Executive Office will submit a report to the Speaker and President of the Senate that evaluates the implementation of the extension plan to include: data on the number of families who elected coverage, and those who declined, and an assessment of the impact on children, their families, providers, local education agencies, and the state.

Section 6. Child Support Pass-Through. This section increases the child support pass-through from \$50 to the maximum federally allowable level. Child support payments collected by the state on behalf of participants in federally funded Temporary Assistance for Needy Families programs are retained by the state to offset the cost of government assistance. The federal government grants states the authority to pass through up to \$100 for the first child and \$200 for families with two or more children to the custodial parent. The FY 2027 budget includes \$0.2 million from federal funds and a \$0.2 million general revenue loss to account for this change.

Section 6. Child Care Eligibility. This section increases income eligibility from 261 percent of the federal poverty level to 285 percent, effective January 1, 2027; creates a protective services category that includes children in foster and kinship care, as well as the children of childcare educators in the pilot program; and extends the child care for child care workers pilot program for two years through July 31, 2030. It also increases the exit income threshold for subsidized child care from 300 percent to 325 percent of federal poverty. The FY 2027 budget includes \$2.5 million from federal funds for the eligibility increase and \$0.1 million for necessary system changes.

Section 7. Child Care Rates. This section increases infant reimbursement rates for subsidized child care to licensed child care centers by five percent starting July 1, 2026. The FY 2027 budget includes \$0.4 million from federal funds for the change.

Sections 8 and 9. 988 Suicide and Crisis Lifeline. These sections establish the Rhode Island 988 Suicide and Crisis Prevention Lifeline and designate the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals as the state agency responsible for program oversight. The lifeline is part of the national network, and the center must operate 24 hours a day, 7 days a week. The center must meet federal guidelines to participate in the network. The director designates the lifeline's state administrator, who may be either a department employee or a contractor.

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals will develop the rules and regulations and, prior to promulgating them, consult with the Department of Children, Youth and Families for services provided to children, youth, and their families. Data on service utilization for these populations will be shared with the Department of Children, Youth and Families.

There are also requirements for data collection, evaluation, and other quality-improvement activities to be completed by the administrator. Other state agencies and departments will provide the information necessary for the Department to comply with federal and state reporting requirements. The FY 2027 budget includes \$4.6 million, of which \$1.0 million is from general revenues. FY 2026 support totals \$4.4 million, all from federal funds.

Section 10. Foster Care Youth Benefits. This section requires that, beginning January 1, 2027, social security and other benefits for youth in the state's care be conserved for the benefit of the youth. The

Department of Children, Youth and Families will be responsible for conserving the youth's benefits with advisement of the Office of the General Treasurer and will begin reporting to the General Assembly by January 1, 2029. The Budget includes \$1.3 million from other sources, including \$1.0 million from general revenues, to replace the benefits previously used for foster care payments and other services for youth.

Section 11. Pay for Success. This section extends the five-year Pay for Success pilot program another year until July 1, 2027. The 2021 Assembly authorized a five-year pilot program in which the Executive Office of Health and Human Services contracts with nonprofit investors and service providers to provide permanent supportive housing and additional wraparound services to a cohort of 125 individuals experiencing homelessness. The article also adds the term “person-centered” to the description of the housing and supportive services interventions to align with more updated guidance. The FY 2022 budget provided \$6.0 million from general revenues to capitalize a restricted receipt fund authorized consistent with legislation and authorized expenditures up to \$1.5 million from that restricted account if certain contracted metrics are achieved. As of the end of FY 2026, the full \$6.0 million will have been spent.

Currently, for the yearly progress reports, the Executive Office collaborates with the Rhode Island Coalition to End Homelessness to evaluate the program, and this section extends that to other qualified organizations. The reporting period is also extended by a year, until January 30, 2028.

Article 11. Energy

Section 1. Green Buildings. This section transfers administrative authority for the Green Building Advisory Council and the Green Buildings Act from the Department of Administration to the State Building Office within the Department of Business Regulation. It also requires the Department of Administration to produce a report regarding the costs and benefits of obtaining LEED certification for state facilities, for which the Budget includes \$50,000 from general revenues.

Section 2. Road Repair by Public Utility Companies. This section amends the curblineto-curblin repair standard for public utilities that alter or excavate a roadway to only the full width of the affected travel lane for the entire length of the excavation or in accordance with state or municipal utility permit requirements. It further requires that public utilities or utility facilities recover all costs in accordance with generally accepted accounting principles, with capital costs recovered over time. This supersedes a 2025 Public Utilities Commission ruling that any repaving must be treated as an operating expense recoverable immediately through rates. The change to the recovery period minimizes the immediate impact on ratepayers, and the change to the standard of repair is expected to reduce all costs passed on to ratepayers.

Section 3. Electric Distribution Companies. This section requires electric distribution companies that own or operate transmission facilities within the state to be members of ISO New England, Inc., or its successor organization. This is expected to reduce ratepayer costs by eliminating a financial incentive for distribution companies, which is available only when membership is voluntary.

Sections 4 and 9. Financial Incentives. These sections repeal the long-term contracting incentive to electric distribution companies for newly developed renewable energy resources.

Section 5. Net Metering. Net metering allows customers with eligible renewable energy systems to receive bill credits for all power generated up to 125 percent of the on-site consumption during a billing period. Public entities, including municipalities and quasi-state entities, may enter into virtual net metering arrangements with renewable energy developers for up to 10 megawatts per project site. The 2023 Assembly adopted legislation requiring that for projects initiated after April 15, 2023, the renewable net-metering credit will be reduced by 20.0 percent, subject to a program capacity limit of 275 megawatts.

This section lowers the program cap to 175 megawatts; community remote net metering projects are excluded from the cap. It extends the construction deadline by 18 months to December 31, 2032. It establishes a voluntary, one-time, irrevocable election allowing eligible net-metering systems to opt in, on or before the later of 90 days after the Public Utilities Commission approves a tariff, or 60 days after execution of an interconnection agreement, to a fixed renewable net-metering credit rate of \$0.19 per kilowatt-hour. The fixed credit rate will increase by 2.75 percent on a compound annual basis starting January 1, 2028, for a term of 25 years from the date of election.

Sections 6 through 8. Renewable Energy. The Renewable Energy Fund is supported by a surcharge of 0.3 mills per kilowatt-hour on all customers and an alternative compliance payment of \$90 per megawatt-hour for renewable energy obligations. The alternative compliance payments are made by entities that sell electrical energy to end-use consumers in the state in lieu of obtaining renewable energy from the electric grid.

These sections define zero-emission resources to include nuclear resources and large-scale hydroelectric facilities, establish a tier alternative compliance payment fee of \$40 per megawatt-hour for renewable energy obligations for new renewable and zero-emission resources and \$11 per megawatt-hour for renewable energy obligations for existing; all the receipts will be deposited into the fund. Section 7 maintains the requirement to meet the 100 percent renewable energy standards by 2033, but allows zero-emission resources to be used to meet that standard, not to exceed 20.0 percent.

Section 8 requires the Public Utilities Commission to conduct a comprehensive review of the state's progress in meeting the Renewable Energy Standard and submit its findings to the Governor, the Speaker of the House, the President of the Senate, and the chairpersons of several committees by December 31, 2027. The report must detail renewable energy and zero-emission resources used to comply with the Renewable Energy Standard and estimated cost of complying with the standard; greenhouse gas emissions reduction requirements and the impact on meeting mandated carbon reduction goals; and any statutory changes needed to reach the established targets. The Commission is also required to provide recommendations for an intervenor compensation program to cover legal fees, expert witness fees, and other costs associated with an intervenor in a Commission proceeding.

Sections 10 through 12. Office of Energy Resources. These sections transfer administration of the Weatherization Assistance Program from the Department of Human Services to the Office of Energy Resources, which is responsible for other related grants and programs. The program provides low-income individuals, particularly the elderly, persons with disabilities, families with children, high-energy residential users, and households with a high energy burden, with weatherization improvements to lower utility costs.

The article also authorizes the Department to offer advisory assistance to the Office in order to maintain continuity to eligible households. The Budget includes \$10.9 million from federal funds and the current 4.0 full-time equivalent positions as part of the Office's budget for FY 2027.

Section 13. State Facilities Benchmarking and Performance Standards Program. This section establishes the State Facilities Benchmarking and Performance Standards Program to measure and report energy usage for state-owned state-occupied facilities. It defines these as state-owned buildings primarily used as offices for state employees that have at least 25,000 square feet of space. The Office of Energy Resources and the Department of Administration are authorized to determine which state-owned state-occupied facilities are not suitable for achieving greenhouse gas emission reductions because of operational or physical limitations. This section also establishes a Voluntary Energy Benchmarking Program for municipal properties and requires an annual report on progress, to be submitted to the Governor and the General Assembly by May 1, 2028.

It requires an annual report on the energy usage of state facilities, beginning March 31, 2029. The Office of Energy Resources would be responsible for compiling and publishing the report, which must include each facility's energy use by fuel and total emissions. It requires the Office, in consultation with agencies, to develop performance standards by March 31, 2030, which agencies must meet.

Article 12. Health Care

Sections 1 and 2. Pharmacists. These sections expand pharmacists' authority to independently prescribe specific drugs, devices, and laboratory tests. This includes drugs for medication-assisted treatment for opioid-use disorder, nicotine/tobacco cessation products, inhalers, insulin and diabetes medication, and drugs to treat hypertension. The pharmacist may also order and review any clinical laboratory tests necessary to prescribe and manage these expanded responsibilities. The expansion is voluntary.

Section 3. Dental Hygienists. This section expands the scope of practice for preventive care services that dental hygienists are permitted to perform. This includes dental hygiene assessment, diagnosis, and treatment planning for services. It allows hygienists to prescribe, administer, and dispense fluoride supplements, topical anticaries treatments, and antimicrobials as determined by the Rhode Island Board of Examiners for Dentistry. The section also allows dental hygienists to prescribe medication specifically for the prevention of dental disease.

The section also allows public health dental hygienists to supervise a dental assistant to facilitate services in public health settings, including nursing homes and long-term care facilities, community health centers, mobile and portable dental health programs, schools, and home settings. It also permits reimbursement for public health dental hygienists from "other insurance" or a third-party payor such as Medicare.

Section 4. Nurse Licensure Compact. This section extends the Nurse Licensure Compact sunset date by two years, to January 1, 2029.

Section 5. Continuing Medical Education. This section requires that at least 1 of the 40 continuing education credits required every 2 years for licensed physicians be nutrition-related.

Section 6. Physician Assistant Licensure Compact. This section contains the legislation necessary for the state to join the Physician Assistant Licensure Compact, enabling medical professionals to practice across state lines through a reciprocal relationship. It contains the conditions for a state to join, including participating in the commission's data system, and a licensee to participate in the compact.

As of March 2026, there are 23 compact member states, with the compact commission projected to start granting privileges to practice in early 2027.

Section 7. Interstate Medical Licensure Compact. This section prohibits the dissemination of any state and federal criminal history records information received by the Department of Health or Board of Medical Licensure and Discipline to the Interstate Medical Licensure Compact. This is required to comply with the rules of the compact.

Sections 8 and 9. MomsPRN and PediPRN. These sections define MomsPRN and PediPRN in statute and authorize the Department of Health to manage all funds available for the maintenance of these services. They further clarify the purpose of both programs: teleconsultation lines that assist service providers in making referrals for children and mothers with mental health concerns.

Sections 10 through 12. Certificate of Need. The Department of Health, in conjunction with the Health Services Council, is responsible for reviewing and approving new healthcare equipment and new institutional health services as part of the certificate of need process. The Council functions as the advisory

body to the Department of Health for all matters related to initial health care facility licensure, the implementation or procurement of new medical services and equipment, and any changes in ownership or control of any health care facility.

These sections amend the definition of healthcare facility to remove several from the review process and require review only of hospitals, nursing facilities, hospice providers, inpatient rehabilitation hospital centers, and emergency-care facilities. They amend the list of new or expanded services to include cardiac catheterization, open-heart surgery, organ transplantation, particle accelerator-based radiation therapy, and neonatal intensive care.

These sections also increase the capital expenditure review threshold to \$50.0 million, up from the current value of about \$7.0 million. Current law sets the total to \$5.3 million, subject to inflation, beginning in FY 2013. They exempt all state healthcare projects from this process; currently, only voter-approved bond issues for state healthcare facilities are exempt. They also increase the amount the Department can spend on experts, including actuaries, accountants, or attorneys, when reviewing an application from \$20,000 to \$50,000.

Finally, Section 12 prohibits the closure or significant reduction of services of a birthing center without notice, an application, financial disclosure, a public hearing, and approval by the Department of Health.

Section 13. Pharmacy Benefit Managers. This section creates new requirements for pharmacy benefit managers to disclose to the Office of the Health Insurance Commissioner: the percentage of rebates received from manufacturers, the value of rebates passed on to clients, administrative fees received, and information on pricing, operating practices, and utilization.

It requires the Office to publish online transparency information on each manager, although the entities may request that the Office designate certain information as trade secrets. This section also requires the Office to analyze the collected information to produce a report on the role of pharmacy benefit managers by October 1, 2027, including comparisons to regulations in other states and recommendations to improve oversight. It authorizes the Office to levy up to \$175,000 on health insurance companies for contractors to produce the report. The Budget includes \$0.5 million and 2.0 new positions for the Office for anticipated regulatory work.

The Assembly subsequently passed 2026-H 8579, Substitute A, as amended, which supersedes this section and includes more extensive provisions for the certification and regulation of pharmacy benefit managers, as well as an annual reporting requirement.

Section 14. Pharmacy Scope of Practice. This section requires the Executive Office of Health and Human Services to produce a report addressing issues related to the expansion of pharmacists' scope of practice. It shall include analyses and recommendations on issues such as oversight, payment parity, network adequacy requirements, and Medicaid impacts. The report is due on or before January 1, 2027, and will be prepared in consultation with the Department of Health and the Office of the Health Insurance Commissioner.

Section 15. Primary Care Rate Assessment. The FY 2026 enacted budget includes a primary care health assessment, a monthly per-member-per-month fee applied to all covered lives to support primary care and other healthcare programs, starting January 1, 2026. Section 15 sunsets the assessment on October 1, 2026, to align with restrictions imposed by H.R. 1 on new provider taxes or assessments not implemented as of July 4, 2025.

Sections 16 and 17. Health Spending Accountability and Transparency Program. These sections codify the Health Insurance Commissioner's authority to set annual healthcare cost growth targets,

previously authorized under Executive Order 19-03, as well as all-payer primary care investment targets. Annual targets shall be set every three years, effective July 1, 2027; cost growth targets for 2026 and 2027 shall be established according to the existing framework. Compliance was previously voluntary. These sections empower the Commissioner to impose performance improvement plans and financial penalties if an insurance provider fails to meet the cost growth target twice in three years. The value of penalties and oversight would be subject to regulation by the Office of the Health Insurance Commissioner.

These sections also require the Commissioner to publish an annual report on healthcare spending and quality and to hold a subsequent public hearing. If an entity fails to meet either an annual cost growth or investment target, it may be compelled to participate. The Budget contains \$350,000 from general revenues for contracted data collection and analysis to support this work.

Section 18. Individual Marketplace Affordability Program. This section authorizes the Rhode Island Health Benefit Exchange to establish the Individual Market Affordability program, which is intended to provide assistance to individuals who purchase health insurance on the Exchange. The legislation authorizes the Exchange to determine the annual affordability percentages for each upcoming coverage year based on the appropriations. The first coverage year would be 2027, and the legislation requires that for that year, affordability percentages prioritize households with incomes below 200 percent of the federal poverty level who are no longer receiving federal enhanced premium assistance subsidies. The Budget includes \$22.0 million, the full estimated annual cost for the program, requiring that unspent funds be reappropriated to the following year.

The Governor's recommended budget included \$9.5 million from general revenues, based on fully covering 2027 premium costs for the first six months of FY 2027. The Assembly's enacted amount of \$22.0 million is estimated to cover the same group and would reach others as well. It includes full 12-month coverage for FY 2027 because coverage determination must be based on appropriations and spans two fiscal years.

Section 19. Ladders to Licensure. This section amends the Ladders to Licensure program established by the 2024 Assembly to increase the number of licensed health professionals. The changes reduce the current requirement from three to four partnerships to at least two. The FY 2027 budget includes the enacted level of \$750,000 for the program.

Article 13. Revised Appropriations

Section 1. Appropriations. This section contains the revised appropriations for FY 2026.

Section 2. Line Item Appropriations. This section establishes that each line in Section 1 of Article 13 constitutes an appropriation.

Section 3. Internal Service Funds. This section authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions, and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2026. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization. It also limits appointments for state employees supported by non-state funds to the availability of those funds. Total authorization is for 15,946.8 full-time equivalent positions, 25.0 more positions than enacted. This includes 544.8 higher education positions supported by third-party funds, consistent with the enacted level.

Section 5. State Fiscal Recovery and Capital Projects Funds. This section maintains the enacted language that clarifies that appropriations of federal funds in section one shall not be construed to mean State Fiscal Recovery and Capital Projects Funds enacted as part of the American Rescue Plan Act unless specifically designated as such. The section also contains a description of each of the projects for which any appropriation is made. It has been revised to add projects resulting from reclassifications or those carried forward from prior years.

Section 6. Marijuana Trust Fund Transfer. This section requires the transfer of \$5.0 million from the Marijuana Trust Fund to state general revenues by June 30, 2026.

Section 7. Supplemental Rainy Day Fund Transfer. This section requires the transfer of \$24.0 million to the Supplemental State Budget Reserve account by June 30, 2026.

Section 8. Effective Date. This section provides that the article shall take effect upon passage.

Article 14. Effective Date

Article 14 provides that the act shall take effect on July 1, 2026, except where a provision within an article specifies a retroactive or prospective effective date.

Section VII

Summary Tables

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General Revenues

	FY 2025	FY 2026	FY 2027	FY 2027	FY 2027
	Draft	Final	Governor	Consensus	Enacted
Personal Income Tax	\$ 1,972,276,406	\$ 2,123,300,000	\$ 2,189,222,782	\$ 2,165,800,000	\$ 2,173,008,991
General Business Taxes					
Business Corporations	333,050,756	386,600,000	357,106,985	355,000,000	383,316,963
Public Utilities Gross	116,322,106	118,600,000	115,507,651	124,000,000	123,173,717
Financial Institutions	7,603,962	22,500,000	16,777,224	16,700,000	16,777,224
Insurance Companies	174,291,413	180,700,000	185,308,289	180,600,000	181,346,391
Bank Deposits	5,110,306	5,500,000	5,400,000	5,700,000	5,700,000
Health Care Provider	44,764,572	53,600,000	49,773,782	52,200,000	53,699,061
Sales and Use Taxes					
Sales and Use	1,672,708,738	1,724,000,000	1,778,600,791	1,776,000,000	1,780,362,121
Cigarettes	117,233,396	116,500,000	119,261,038	112,800,000	112,969,584
Alcohol	21,849,386	20,400,000	20,200,000	20,600,000	20,600,000
Other Taxes					
Estate and Transfer	84,884,357	96,200,000	96,225,325	93,500,000	94,325,325
Racing and Athletics	685,745	700,000	700,000	700,000	700,000
Realty Transfer	18,764,852	28,800,000	30,100,000	33,300,000	33,300,000
Total Taxes	\$ 4,569,545,995	\$ 4,877,400,000	\$ 4,964,183,867	\$ 4,936,900,000	\$ 4,979,279,377
Departmental Receipts	541,202,692	575,000,000	581,602,939	344,000,000	561,935,550
Other Miscellaneous	33,395,825	29,700,000	20,100,000	19,000,000	19,000,000
Lottery	433,594,991	446,300,000	453,100,000	447,900,000	447,900,000
Unclaimed Property	34,272,938	44,600,000	24,500,000	37,600,000	37,600,000
Total General Revenues	\$ 5,612,012,441	\$ 5,973,000,000	\$ 6,043,486,806	\$ 5,785,400,000	\$ 6,045,714,927

General Revenue Budget Surplus Statement

	FY 2025*	FY 2026	FY 2027
Opening Surplus			
Free Surplus	\$ 326,355,037	\$ 241,634,407	\$ 222,742,168
Reappropriated Surplus	34,569,423	38,796,839	-
Adjustment to Opening Surplus	21,649,978	18,000,000	-
Adjustment to Fund Balance	703,083	-	-
Subtotal	\$ 383,277,521	\$ 298,431,246	\$ 222,742,168
Revenues			
Actual/Enacted/Estimated	\$ 5,612,012,441	\$ 5,766,583,094	\$ 5,706,600,000
Governor	-	56,316,906	336,886,806
Assembly	-	150,100,000	2,228,121
Revenues	\$ 5,612,012,441	\$ 5,973,000,000	\$ 6,045,714,927
Cash Stabilization Fund	(178,800,524)	(186,979,032)	(188,053,713)
Total Available Resources	\$ 5,816,489,438	\$ 6,084,452,214	\$ 6,080,403,382
Expenditures			
Actual/Enacted/Estimated	\$ 5,535,537,980	\$ 5,809,363,121	\$ 5,954,722,537
Reappropriations	-	38,796,839	-
Governor	-	(23,149,050)	-
Assembly	-	12,495,936	124,383,201
Total Expenditures	\$ 5,535,537,980	\$ 5,837,506,846	\$ 6,079,105,738
Total Surplus	\$ 280,951,458	\$ 246,945,368	\$ 1,297,644
Transfers	(520,212)	(24,203,200)	-
Reappropriations	(38,796,839)	-	-
Free Surplus	\$ 241,634,407	\$ 222,742,168	\$ 1,297,644
<i>Operating Surplus/(Deficit)</i>	<i>(67,756,640)</i>	<i>(12,689,039)</i>	<i>(221,444,524)</i>
Budget Stabilization and Cash Reserve	\$ 298,000,873	\$ 310,731,720	\$ 313,422,855
Percent of Revenues	5.3%	5.2%	5.2%

*Same as Governor's budget which uses preliminary closing with known updates pending final audit

Expenditures from All Funds

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	\$ 430,628,941	\$ 615,620,455	\$ 410,362,416	\$ 426,246,160
Office of Energy Resources	76,312,027	62,585,536	86,655,825	86,655,825
Business Regulation	39,094,954	41,582,826	35,868,911	57,547,415
Cannabis Control Commission	7,303,563	7,286,530	7,964,425	7,619,341
Executive Office of Commerce	58,832,824	91,129,765	54,812,983	53,562,983
Housing	45,079,456	163,760,560	52,363,302	52,683,302
Labor and Training	632,267,683	658,941,921	693,131,740	700,165,245
Revenue	873,248,086	857,652,897	857,291,680	863,023,256
Legislature	61,424,920	69,899,506	64,066,257	62,766,257
Lieutenant Governor	1,519,219	1,532,262	1,574,369	1,574,369
Secretary of State	15,291,522	15,020,041	16,259,559	16,379,847
General Treasurer	25,974,916	26,893,862	26,318,147	26,318,147
Board of Elections	4,474,931	4,981,278	9,147,157	9,147,157
Rhode Island Ethics Commission	2,419,632	2,460,415	2,556,898	2,556,898
Governor's Office	9,334,918	9,369,511	9,630,312	9,630,312
Human Rights	2,772,687	2,784,080	2,801,879	2,801,879
Public Utilities Commission	15,508,274	15,668,120	16,017,352	16,017,352
Office of Inspector General	-	-	-	1,300,000
Subtotal - General Government	\$ 2,301,488,553	\$ 2,647,169,565	\$ 2,346,823,212	\$ 2,395,995,745
Human Services				
Health and Human Services	\$ 4,226,436,784	\$ 4,203,750,784	\$ 4,408,951,714	\$ 4,608,242,206
Children, Youth and Families	394,390,394	422,518,562	405,887,233	410,009,342
Health	295,526,774	304,008,946	277,471,021	307,427,486
Human Services	837,388,626	796,451,252	800,099,703	789,927,586
BHDDH	716,698,599	745,932,809	755,707,755	780,966,936
Child Advocate	2,264,613	2,185,010	2,405,487	2,405,487
Deaf and Hard of Hearing	929,154	976,952	954,081	954,081
Commission on Disabilities	1,806,042	2,402,934	1,829,581	1,831,276
Mental Health Advocate	1,117,164	932,441	1,111,709	1,111,709
Subtotal - Human Services	\$ 6,476,558,150	\$ 6,479,159,690	\$ 6,654,418,284	\$ 6,902,876,109
Education				
Elementary and Secondary	\$ 2,009,450,142	\$ 2,005,658,767	\$ 2,007,385,663	\$ 2,058,436,840
Higher Education	1,597,894,736	1,606,192,319	1,637,030,722	1,636,071,121
Arts Council	4,242,454	4,210,701	4,513,141	4,513,141
Atomic Energy	1,714,495	1,711,213	1,726,858	1,726,858
Historical Preservation	3,448,631	3,326,513	3,651,691	3,410,696
Subtotal - Education	\$ 3,616,750,458	\$ 3,621,099,513	\$ 3,654,308,075	\$ 3,704,158,656

Expenditures from All Funds

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Public Safety				
Attorney General	\$ 52,487,807	\$ 50,401,307	\$ 51,846,935	\$ 53,371,935
Corrections	366,351,458	352,486,769	350,675,878	363,411,848
Judicial	159,224,433	160,371,965	165,514,856	166,149,856
Military Staff	41,647,731	80,202,180	58,396,032	63,796,032
Emergency Management	43,657,584	57,047,129	63,576,710	64,576,710
Public Safety	197,868,181	226,924,942	174,797,031	176,657,031
Public Defender	18,263,714	18,274,809	18,850,924	18,924,294
Subtotal-Public Safety	\$ 879,500,908	\$ 945,709,101	\$ 883,658,366	\$ 906,887,706
Natural Resources				
Environmental Management	\$ 164,424,187	\$ 163,074,846	\$ 165,868,480	\$ 167,629,599
CRMC	14,860,746	14,668,481	19,191,896	19,241,896
Subtotal-Natural Resources	\$ 179,284,933	\$ 177,743,327	\$ 185,060,376	\$ 186,871,495
Transportation				
Transportation	\$ 882,795,591	\$ 1,199,978,102	\$ 1,134,754,347	\$ 1,146,366,232
Subtotal-Transportation	\$ 882,795,591	\$ 1,199,978,102	\$ 1,134,754,347	\$ 1,146,366,232
Total	\$ 14,336,378,593	\$ 15,070,859,298	\$ 14,859,022,660	\$ 15,243,155,943

Expenditures from General Revenues

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	\$ 249,311,650	\$ 249,430,541	\$ 247,978,609	\$ 260,354,879
Office of Energy Resources	-	275,313	-	-
Business Regulation	25,769,781	25,546,550	26,381,481	27,041,345
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	33,532,824	33,549,695	29,520,382	28,270,382
Housing	6,464,465	6,967,125	8,343,617	7,333,617
Labor and Training	18,179,242	18,877,241	18,332,180	18,332,180
Revenue	413,452,869	414,469,234	413,010,117	418,741,693
Legislature	58,734,623	67,160,602	61,280,709	59,980,709
Lieutenant Governor	1,519,219	1,532,262	1,574,369	1,574,369
Secretary of State	12,861,732	12,548,882	13,841,085	13,961,373
General Treasurer	4,600,223	5,387,264	4,417,820	4,417,820
Board of Elections	4,474,931	4,981,278	9,147,157	9,147,157
Rhode Island Ethics Commission	2,419,632	2,460,415	2,556,898	2,556,898
Governor's Office	9,334,918	9,369,511	9,630,312	9,630,312
Human Rights	2,249,158	2,285,857	2,358,433	2,358,433
Public Utilities Commission	-	-	-	-
Office of Inspector General	-	-	-	1,300,000
Subtotal - General Government	\$ 842,905,267	\$ 854,841,770	\$ 848,373,169	\$ 865,001,167
Human Services				
Health and Human Services	\$ 1,490,421,244	\$ 1,464,561,684	\$ 1,549,504,451	\$ 1,579,706,831
Children, Youth and Families	262,775,058	265,767,083	268,265,257	276,562,975
Health	40,825,075	41,964,523	42,552,271	43,894,271
Human Services	136,022,692	137,169,725	151,791,028	159,072,352
BHDDH	318,778,838	337,311,293	334,100,085	342,304,712
Child Advocate	2,264,613	2,185,010	2,405,487	2,405,487
Deaf and Hard of Hearing	786,233	767,663	835,904	835,904
Commission on Disabilities	1,386,032	1,995,652	1,422,299	1,423,994
Mental Health Advocate	1,117,164	932,441	1,111,709	1,111,709
Subtotal - Human Services	\$ 2,254,376,949	\$ 2,252,655,074	\$ 2,351,988,491	\$ 2,407,318,235
Education				
Elementary and Secondary	\$ 1,659,208,810	\$ 1,654,942,004	\$ 1,660,788,322	\$ 1,706,000,511
Higher Education	327,246,516	331,208,282	341,249,967	346,354,454
Arts Council	2,414,685	2,416,128	2,610,565	2,610,565
Atomic Energy	1,278,282	1,282,191	1,316,004	1,316,004
Historical Preservation	1,969,751	1,817,033	2,097,428	1,856,433
Subtotal - Education	\$ 1,992,118,044	\$ 1,991,665,638	\$ 2,008,062,286	\$ 2,058,137,967

Expenditures from General Revenues

	FY 2026		FY 2026		FY 2027		FY 2027	
	Enacted		Final		Recommended		Enacted	
Public Safety								
Attorney General	\$	38,244,427	\$	38,389,891	\$	39,369,297	\$	39,369,297
Corrections		324,014,603		329,496,750		335,029,054		334,641,305
Judicial		133,516,539		135,551,052		139,466,764		140,101,764
Military Staff		3,424,058		3,508,092		3,634,593		3,634,593
Emergency Management		7,457,256		7,644,182		8,375,436		8,375,436
Public Safety		132,842,119		141,298,690		136,717,145		138,528,183
Public Defender		18,178,679		18,189,774		18,765,889		18,839,259
Subtotal-Public Safety	\$	657,677,681	\$	674,078,431	\$	681,358,178	\$	683,489,837
Natural Resources								
Environmental Management	\$	58,380,368	\$	60,091,920	\$	60,615,642	\$	60,783,761
CRMC		3,904,812		4,174,013		4,324,771		4,374,771
Subtotal-Natural Resources	\$	62,285,180	\$	64,265,933	\$	64,940,413	\$	65,158,532
Transportation								
Transportation	\$	-	\$	-	\$	-	\$	-
Subtotal-Transportation	\$	-	\$	-	\$	-	\$	-
Total	\$	5,809,363,121	\$	5,837,506,846	\$	5,954,722,537	\$	6,079,105,738

Expenditures from Federal Grants

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	\$ 47,598,341	\$ 100,306,281	\$ 15,387,136	\$ 15,387,610
Office of Energy Resources	31,554,214	16,535,259	32,548,662	32,548,662
Business Regulation	786,088	1,288,263	896,734	22,265,374
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	20,000,000	50,870,825	21,292,601	21,292,601
Housing	15,596,037	116,985,345	19,300,731	19,300,731
Labor and Training	41,996,527	44,486,826	41,925,276	48,958,781
Revenue	493,061	400,000	300,000	300,000
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	2,000,000	2,000,000	2,000,000	2,000,000
General Treasurer	833,127	829,769	833,984	833,984
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	523,529	498,223	443,446	443,446
Public Utilities Commission	753,555	771,107	759,025	759,025
Office of Inspector General	-	-	-	-
Subtotal - General Government	\$ 162,134,479	\$ 334,971,898	\$ 135,687,595	\$ 164,090,214
Human Services				
Health and Human Services	\$ 2,709,529,994	\$ 2,692,455,589	\$ 2,844,819,555	\$ 3,010,272,939
Children, Youth and Families	118,620,365	127,803,781	113,201,292	111,409,919
Health	152,861,675	162,124,456	147,739,496	175,234,003
Human Services	689,957,887	645,451,129	635,891,749	618,423,308
BHDDH	385,365,078	382,206,906	403,828,487	420,704,260
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	340,067	340,092	340,092	340,092
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 4,056,675,066	\$ 4,010,381,953	\$ 4,145,820,671	\$ 4,336,384,521
Education				
Elementary and Secondary	\$ 256,918,301	\$ 276,916,993	\$ 259,228,296	\$ 264,067,284
Higher Education	5,642,208	11,704,544	5,377,602	6,877,602
Arts Council	1,022,711	1,093,573	1,160,576	1,160,576
Atomic Energy	-	7,936	-	-
Historical Preservation	822,451	807,253	893,987	893,987
Subtotal - Education	\$ 264,405,671	\$ 290,530,299	\$ 266,660,461	\$ 272,999,449

Expenditures from Federal Grants

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Public Safety				
Attorney General	\$ 3,568,559	\$ 3,348,549	\$ 3,221,855	\$ 3,221,855
Corrections	1,758,102	2,575,391	2,717,452	1,517,452
Judicial	6,294,895	5,424,840	5,417,996	5,417,996
Military Staff	28,982,412	67,832,266	45,498,537	48,998,537
Emergency Management	34,906,616	47,746,964	51,235,300	52,235,300
Public Safety	27,053,323	30,282,894	16,123,197	16,232,384
Public Defender	85,035	85,035	85,035	85,035
Subtotal-Public Safety	\$ 102,648,942	\$ 157,295,939	\$ 124,299,372	\$ 127,708,559
Natural Resources				
Environmental Management	\$ 44,708,519	\$ 48,187,396	\$ 51,204,137	\$ 51,204,137
CRMC	3,331,166	3,108,657	3,151,314	3,151,314
Subtotal-Natural Resources	\$ 48,039,685	\$ 51,296,053	\$ 54,355,451	\$ 54,355,451
Transportation				
Transportation	\$ 474,582,143	\$ 610,092,483	\$ 779,180,935	\$ 779,050,185
Subtotal-Transportation	\$ 474,582,143	\$ 610,092,483	\$ 779,180,935	\$ 779,050,185
Total	\$ 5,108,485,986	\$ 5,454,568,625	\$ 5,506,004,485	\$ 5,734,588,379

Expenditures from Restricted Receipts

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	\$ 24,124,275	\$ 62,736,351	\$ 26,405,480	\$ 27,405,480
Office of Energy Resources	39,089,028	37,704,824	38,536,799	38,536,799
Business Regulation	5,486,102	6,840,782	7,560,116	7,210,116
Cannabis Control Commission	7,303,563	7,286,530	7,964,425	7,619,341
Executive Office of Commerce	-	-	-	-
Housing	23,018,954	39,808,090	23,018,954	24,348,954
Labor and Training	35,411,768	38,689,401	37,022,458	37,022,458
Revenue	11,084,929	8,515,457	10,047,432	10,047,432
Legislature	2,690,297	2,738,904	2,785,548	2,785,548
Lieutenant Governor	-	-	-	-
Secretary of State	429,790	411,159	418,474	418,474
General Treasurer	19,906,235	20,058,316	20,435,722	20,435,722
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	14,754,719	14,897,013	15,258,327	15,258,327
Office of Inspector General	-	-	-	-
Subtotal - General Government	\$ 183,299,660	\$ 239,686,827	\$ 189,453,735	\$ 191,088,651
Human Services				
Health and Human Services	\$ 26,485,546	\$ 46,733,511	\$ 14,627,708	\$ 18,262,436
Children, Youth and Families	1,744,971	1,870,604	1,670,684	61,261
Health	93,076,141	83,862,960	86,779,254	87,899,212
Human Services	6,010,641	7,556,305	6,362,964	6,377,964
BHDDH	12,054,683	25,406,681	12,279,183	12,457,964
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	142,921	209,289	118,177	118,177
Commission on Disabilities	79,943	67,190	67,190	67,190
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 139,594,846	\$ 165,706,540	\$ 121,905,160	\$ 125,244,204
Education				
Elementary and Secondary	\$ 50,745,881	\$ 61,443,157	\$ 61,650,354	\$ 61,650,354
Higher Education	12,736,631	12,686,729	12,816,833	12,816,833
Arts Council	115,058	-	-	-
Atomic Energy	25,036	35,036	25,036	25,036
Historical Preservation	511,827	511,827	511,827	511,827
Subtotal - Education	\$ 64,134,433	\$ 74,676,749	\$ 75,004,050	\$ 75,004,050

Expenditures from Restricted Receipts

	FY 2026		FY 2026		FY 2027		FY 2027	
	Enacted		Final		Recommended		Enacted	
Public Safety								
Attorney General	\$	8,149,821	\$	8,662,867	\$	8,105,783	\$	8,105,783
Corrections		1,303,091		1,495,866		1,253,091		1,253,091
Judicial		15,787,999		15,721,305		16,755,096		16,755,096
Military Staff		66,000		66,000		66,000		66,000
Emergency Management		428,308		641,417		417,066		417,066
Public Safety		14,313,880		14,778,066		14,788,601		14,713,601
Public Defender		-		-		-		-
Subtotal-Public Safety	\$	40,049,099	\$	41,365,521	\$	41,385,637	\$	41,310,637
Natural Resources								
Environmental Management	\$	24,775,624	\$	26,710,589	\$	27,287,646	\$	27,287,646
CRMC		624,768		335,811		335,811		335,811
Subtotal-Natural Resources	\$	25,400,392	\$	27,046,400	\$	27,623,457	\$	27,623,457
Transportation								
Transportation	\$	6,066,037	\$	1,899,965	\$	4,459,559	\$	4,459,559
Subtotal-Transportation	\$	6,066,037	\$	1,899,965	\$	4,459,559	\$	4,459,559
Total	\$	458,544,467	\$	550,382,002	\$	459,831,598	\$	464,730,558

Expenditures from Other Funds

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	\$ 109,594,675	\$ 203,147,282	\$ 120,591,191	\$ 123,098,191
Office of Energy Resources	5,668,785	8,070,140	15,570,364	15,570,364
Business Regulation	7,052,983	7,907,231	1,030,580	1,030,580
Cannabis Control Commission	-	-	-	-
Executive Office of Commerce	5,300,000	6,709,245	4,000,000	4,000,000
Housing	-	-	1,700,000	1,700,000
Labor and Training	536,680,146	556,888,453	595,851,826	595,851,826
Revenue	448,217,227	434,268,206	433,934,131	433,934,131
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	60,000	-	-
General Treasurer	635,331	618,513	630,621	630,621
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Office of Inspector General	-	-	-	-
Subtotal - General Government	\$ 1,113,149,147	\$ 1,217,669,070	\$ 1,173,308,713	\$ 1,175,815,713
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	11,250,000	27,077,094	22,750,000	21,975,187
Health	8,763,883	16,057,007	400,000	400,000
Human Services	5,397,406	6,274,093	6,053,962	6,053,962
BHDDH	500,000	1,007,929	5,500,000	5,500,000
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	-	-	-	-
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 25,911,289	\$ 50,416,123	\$ 34,703,962	\$ 33,929,149
Education				
Elementary and Secondary	\$ 42,577,150	\$ 12,356,613	\$ 25,718,691	\$ 26,718,691
Higher Education	1,252,269,381	1,250,592,764	1,277,586,320	1,270,022,232
Arts Council	690,000	701,000	742,000	742,000
Atomic Energy	411,177	386,050	385,818	385,818
Historical Preservation	144,602	190,400	148,449	148,449
Subtotal - Education	\$ 1,296,092,310	\$ 1,264,226,827	\$ 1,304,581,278	\$ 1,298,017,190

Expenditures from Other Funds

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Public Safety				
Attorney General	\$ 2,525,000	\$ -	\$ 1,150,000	\$ 2,675,000
Corrections	39,275,662	18,918,762	11,676,281	26,000,000
Judicial	3,625,000	3,674,768	3,875,000	3,875,000
Military Staff	9,175,261	8,795,822	9,196,902	11,096,902
Emergency Management	865,404	1,014,566	3,548,908	3,548,908
Public Safety	23,658,859	40,565,292	7,168,088	7,182,863
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 79,125,186	\$ 72,969,210	\$ 36,615,179	\$ 54,378,673
Natural Resources				
Environmental Management	\$ 36,559,676	\$ 28,084,941	\$ 26,761,055	\$ 28,354,055
CRMC	7,000,000	7,050,000	11,380,000	11,380,000
Subtotal-Natural Resources	\$ 43,559,676	\$ 35,134,941	\$ 38,141,055	\$ 39,734,055
Transportation				
Transportation	\$ 402,147,411	\$ 587,985,654	\$ 351,113,853	\$ 362,856,488
Subtotal-Transportation	\$ 402,147,411	\$ 587,985,654	\$ 351,113,853	\$ 362,856,488
Total	\$ 2,959,985,019	\$ 3,228,401,825	\$ 2,938,464,040	\$ 2,964,731,268

Full-Time Equivalent Positions

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
General Government				
Administration	684.6	683.6	682.6	657.6
Office of Energy Resources	17.0	17.0	21.0	21.0
Business Regulation	155.0	157.0	157.0	161.0
Cannabis	26.0	26.0	28.0	26.0
Executive Office of Commerce	5.0	5.0	5.0	5.0
Housing	38.0	38.0	38.0	31.0
Labor and Training	461.7	461.7	461.7	441.7
Revenue	605.5	605.5	605.5	605.5
Legislature	298.5	298.5	298.5	298.5
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	62.0	62.0	62.0	63.0
General Treasurer	92.0	92.0	93.0	93.0
Board of Elections	13.0	13.0	13.0	13.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	45.0	45.0	45.0	45.0
Human Rights	15.0	15.0	15.0	15.0
Public Utilities Commission	57.0	57.0	57.0	57.0
Inspector General	-	-	-	12.0
Subtotal - General Government	2,595.3	2,596.3	2,602.3	2,565.3
Human Services				
Health and Human Services	243.0	248.0	252.0	257.0
Children, Youth and Families	713.5	719.5	719.5	719.5
Health	572.6	572.6	572.6	572.6
Human Services	1,079.0	1,089.0	1,128.0	1,128.0
BHDDH	1,223.4	1,225.4	1,223.4	1,225.4
Child Advocate	13.0	13.0	13.0	13.0
Deaf and Hard of Hearing	4.0	4.0	4.0	4.0
Commission on Disabilities	5.0	5.0	5.0	5.0
Mental Health Advocate	6.0	6.0	6.0	6.0
Subtotal - Human Services	3,859.5	3,882.5	3,923.5	3,930.5
Education				
Elementary and Secondary	342.1	342.1	343.1	342.1
Higher Education*	4,517.3	4,517.3	4,517.3	4,627.3
Arts Council	10.0	10.0	10.0	10.0
Atomic Energy	8.6	8.6	8.6	8.6
Historical Preservation	15.6	15.6	15.6	14.0
Subtotal - Education	4,893.6	4,893.6	4,894.6	5,002.0

**The Governor proposed to exempt URI from the FTE limit in Article 1 eff. FY 2026. For comparability, the recommended total is adjusted to include the enacted value of 2,671.0 for URI.*

Full-Time Equivalent Positions

	FY 2026 Enacted	FY 2026 Final	FY 2027 Recommended	FY 2027 Enacted
Public Safety				
Attorney General	268.1	268.1	268.1	268.1
Corrections	1,461.0	1,461.0	1,461.0	1,411.0
Judicial	749.3	749.3	749.3	752.3
Military Staff	93.0	93.0	93.0	93.0
Emergency Management	38.0	38.0	38.0	38.0
Public Safety	634.0	635.0	638.0	638.0
Public Defender	104.0	104.0	105.0	105.0
Subtotal-Public Safety	3,347.4	3,348.4	3,352.4	3,305.4
Natural Resources				
Environmental Management	439.0	439.0	440.0	440.0
CRMC	32.0	32.0	32.0	32.0
Subtotal-Natural Resources	471.0	471.0	472.0	472.0
Transportation				
Transportation	755.0	755.0	757.0	722.0
Subtotal-Transportation	755.0	755.0	757.0	722.0
Total Positions	15,921.8	15,946.8	16,001.8	15,997.2

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